ISO welcomes BANC and SMUD's intention to join Energy Imbalance Market
Analysis shows real-time market offers cost savings and benefits

FOLSOM, Calif. – The California Independent System Operator (ISO) welcomes today's announcement by the Balancing Authority of Northern California (BANC) and Sacramento Municipal Utility District (SMUD) of their intent to join the ISO's western Energy Imbalance Market (EIM).

The EIM is a real-time, wholesale power market managed by the ISO that enables participating utilities to buy low cost energy available across eight western states, including California, Oregon, Washington, Utah, Idaho, Wyoming, Nevada and Arizona. The efficiencies created by pooling resources across a wide geographic area provide cost savings and environmental benefits.

After completing a study on the benefits of joining the EIM, BANC – a joint powers agency whose members include the Modesto Irrigation District, the City of Redding, the City of Roseville, SMUD, the City of Shasta Lake and Trinity Public Utilities District – announced their intent to begin negotiations with the ISO on behalf of their members. SMUD, the nation's sixth largest municipal utility, has elected to be the first BANC member to participate.

"We are extremely pleased to see a major regional public power utility, like SMUD, step forward to engage in the EIM," said Steve Berberich, ISO president and CEO. "We are confident we can create an agreement that provides efficiencies and savings to SMUD and other BANC members."

The EIM uses state-of-the-art software to automatically analyze western grid needs and find low-cost generation to meet demand every five minutes. Participating utilities also can access low-cost renewable energy across state lines in real-time to offset power generated from local fossil-fueled plants.

The cost and environmental benefits produced by the EIM to date have been significant. Since it began operation in November 2014, the western EIM has realized more than $88 million in cost benefits and reduced carbon emissions by more than 126,000 metric tons by using excess renewable energy in place of fossil-fueled generation resources.

BANC, SMUD and the ISO will begin crafting an agreement that will recognize BANC's unique circumstances as a public power entity and enable them to phase-in their EIM participation while continuing to meet their existing power supply arrangements.

Current EIM participants include Portland-based PacifiCorp, NV Energy of Las Vegas, Arizona Public Service, and Puget Sound Energy of Washington. Portland General Electric and Idaho Power have agreed to participate beginning in 2017 and 2018, respectively. Earlier this week, Mexican grid operator El Centro Nacional de Control de Energía (CENACE) announced that it is exploring participation in the EIM.

For more information on the EIM, visit the overview webpage. For more information on SMUD, visit here and on BANC, visit here.

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