

WESTERN ENERGY IMBALANCE MARKET



News Release

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WAPA Desert Southwest region announces it plans to join the EIM

FOLSOM, Calif. – The Western Energy Imbalance Market (EIM) is set to welcome a new member, as the California Independent System Operator (ISO) signed an implementation agreement yesterday with the Western Area Power Administration Desert Southwest (WAPA DSW) region to participate in the real-time energy market in 2023.

WAPA DSW sells federal hydroelectric power and provides transmission service to nearly 70 municipalities, cooperatives, Native American tribes, federal and state agencies, and irrigation districts. One of those cooperatives, the Arizona Electric Power Cooperative (AEPCO), is comprised of six electric distribution cooperatives and five public power entities that combined serve more than 420,000 residential, agriculture, business and industrial customers.

“We are very pleased to welcome the WAPA DSW region and The Arizona Electric Power Cooperative to the Western EIM,” said ISO President and CEO Elliot Mainzer. “I appreciate the thoughtfulness that went into their decision and look forward to working together to create additional economic and environmental value for their constituents and the broader EIM community.”

The agreement applies to WAPA’s Desert Southwest region and Western Area Lower Colorado Balancing Authority (BA). The latter includes generation resources in the Boulder Canyon and Parker-Davis projects (PDP) and the transmission systems of the Central Arizona Project, PDP and the Pacific-Northwest-Pacific Southwest Intertie Project.

In addition to the AEPCO sub-BA area, participating BA entities include the Central Arizona Water Conservation District, Southwest Public Power Agency and other DSW customers in Arizona, southern California and southern Nevada.

“DSW has been working in close collaboration with our study partners for approximately two years to determine the most beneficial course of action for us and for our customers,” said WAPA Administrator and CEO Tracey A. LeBeau. “Joining the EIM will support DSW’s ability to economically market and dispatch energy on a timely basis and

meet the needs of our customers. We look forward to working with the ISO and our partner utilities to implement the EIM in our balancing authority and take advantage of the many resources and flexibilities the EIM offers.”

WAPA DSW’s partners share similar expectations as future participants in the West’s real-time energy market.

“Joining the Western EIM will ensure AEPCO and its members have real-time access to a much larger regional energy market,” said Jon Martell, AEPCO executive director of energy services.

Added Patrick Ledger, the AEPCO CEO: “We appreciate the support we have received from our member cooperatives and public power partners—the Western Area Power Administration Desert Southwest, the Central Arizona Project, and the Southwest Public Power Agency—in working through the details and analysis necessary to fully evaluate this opportunity, and to engage with our governing bodies and stakeholders, in what we all believe will be beneficial to our members and their member-consumers.”

The Western EIM uses state-of-the-art technology to find and deliver low-cost energy to meet real-time demand for its participants. Since its launch in 2014, the Western EIM has provided more than \$1.42 billion in economic and environmental benefits. The [second-quarter results](#) generated by the EIM this year set a record of \$132.7 million in gross benefits for members.

The Western EIM footprint currently includes portions of Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming, and extends to the border with Canada. By 2023, the Western EIM will have 22 entities representing 84% of the demand for electricity in the Western Electric Coordinating Council (WECC). The WECC is a non-profit corporation that works to advance a reliable electric system in 14 Western states, Northern Baja Mexico, and two Canadian provinces.

Visit the [Western EIM website](#) for information about participants, the market, quarterly benefits, governance, meetings and initiatives.

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About WAPA: Western Area Power Administration annually markets and transmits more than 25,000 gigawatt-hours of clean, renewable power from 57 federal hydroelectric power plants owned and operated by the Bureau of Reclamation, U.S. Army Corps of Engineers and International Boundary and Water Commission in 15 western and central states. WAPA also owns, operates and maintains a more than 17,000 circuit-mile high-voltage transmission system in the West. It is part of the Department of Energy. Follow us on Twitter @WesternAreaPowr or visit the website at www.wapa.gov.

About AEPCO

Arizona Electric Power Cooperative (AEPCO) and Sierra Southwest (Sierra) together comprise the Arizona G&T Cooperatives (www.azgt.coop). AEPCO owns and operates the 605-megawatt (combined gross) Apache Generating Station, located at Cochise, east of Benson. AEPCO also owns, operates and maintains 841 miles of electric power transmission line—including line owned in part with other utilities—and 33 substations to provide wholesale electric power from Apache to six Member distribution cooperatives in southern Arizona, western New Mexico, northwestern Arizona and California.

Sierra is the vehicle to develop new ways to serve the renewable energy needs of AzGT Member cooperatives and customers, and helps maximize solar and other renewable tax credits. Sierra has initiated two utility-scale solar projects; the 20 MW Apache Solar project on AEPCO property adjacent to and northeast of Apache Generating Station, and SunAnza Phase I, a 2 MW solar array, as well as

SunAnza Phase II, which includes an additional 1.4 MW solar array and a battery storage system, all of which is on property owned by the cooperative adjacent to its headquarters in Anza, California. Combined, the distribution cooperatives that receive AEPCO's wholesale power serve more than 161,000 meters representing more than 420,000 individual residential, commercial, agricultural, and industrial member/consumers.

The Class A Member cooperatives that receive wholesale power from AEPCO include Duncan Valley Electric Cooperative, Duncan; Graham County Electric Cooperative, Pima; Mohave Electric Cooperative, Bullhead City; Sulphur Springs Valley Electric Cooperative, Willcox; Trico Electric Cooperative, Marana; and a California member, Anza Electric Cooperative, Anza, California.

These Member cooperatives own AzGT and, by extension, AzGT's Member distribution cooperatives are owned by their members—the people at the end of the line who use the power.

AEPCO also serves five Class D energy services Members which are scheduling and trading customers and which include the Central Arizona Water Conservation District, Phoenix, AZ; Lincoln County Power District #1, Pioche, NV; Metropolitan Water District of Southern California, Los Angeles, CA; Southwest Public Power Agency, Maricopa, AZ; and Valley Electric Association, Pahrump, NV.

AEPCO is also a Member/owner of ACES, a nationwide energy management company (www.acespower.com) that helps its Members and customers buy, sell, and manage energy more efficiently and with less risk. The AEPCO/AzGT Benson campus hosts the ACES West Regional Trading Center (WRTC), which benefits AEPCO/AzGT Members and customers.

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The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (EIM) Governing Body is the governing authority designed by regional stakeholders with delegated authority from the ISO Board of Governors to resolve rules specific to participation in the Western EIM.