

News Release

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California ISO completes studies on impacts of regional energy market Results point to ratepayer savings, lower emissions and job creation

FOLSOM, Calif. – The California Independent System Operator (ISO) today released the final study results on the potential effects of creating a multi-state, regional electric market. The findings show that by expanding the energy grid, California would reach its 50-percent renewable energy goal while saving consumers up to \$1.5 billion by 2030, lowering greenhouse gas emissions and adding jobs in California.

“The studies’ conclusions mirror the preliminary results showing the benefits of expanding the ISO market, advantages we predict will only grow over time,” said ISO CEO Steve Berberich. “We believe the findings in these studies will help drive the formation of a new, more efficient, cost-effective, and greener western electric grid. It’s also clear that a regional grid allows California and other states to eventually exceed their renewable goals, including California’s 50-percent mark.”

The studies, conducted on behalf of the ISO by leading experts in the fields of energy, environment and economics, were required under the state’s Clean Energy and Pollution Reduction Act, or Senate Bill 350, which set a 50-percent renewable portfolio standard by 2030.

A western-state interconnected electric system is expected to lower power purchasing costs, leverage market and operation efficiencies over a larger geographical area, and optimize transmission project planning.

Market simulations demonstrated that a regional energy market would reduce California’s carbon dioxide emissions in 2030 by 4 to 5 million metric tons, or 8 to 10 percent of the state’s total electricity sector emissions. The western region would see a decrease of 10 to 11 million metric tons, or about 3.5 percent, in 2030.

Other potential effects of an expanded regional energy market include:

- creation of 9,900 to 19,400 new jobs in the state by 2030, primarily as a result of lower energy rates;
- a slight increase in the state’s household income of \$300 to \$550 on average by 2030;

- increased investment in low-cost clean energy generation, including new wind and solar resources to meet the state's renewable energy targets;
- lower impacts on land, water and biological resources, as more strategic planning reduces the number of transmission projects needed for reliability;
- reduced emissions of carbon dioxide, nitrous oxide, sulfur dioxide and hazardous particulate matter in California and across the western states;
- economic benefits to disadvantaged communities, including stimulating job growth and increasing incomes;
- lower energy costs due to smaller operating reserves;
- better real-time visibility of system conditions in the larger geographic footprint and enhanced management of regional power flows;
- increased integration of renewables and reduced need for curtailment of renewable resources by offering excess energy across the West.

SB 350, signed into law last year, assigned the ISO the task of conducting studies on the impacts of a regional energy market in the following areas:

- Job creation and retention, and other economic impacts
- Environmental impacts to California and elsewhere
- Effects on disadvantaged communities
- Emissions of greenhouse gases and other air pollutants
- Grid reliability and renewable energy integration.

The studies were launched in February, and since then, hundreds of stakeholders have engaged in a transparent public review process, including comments from diverse voices from the energy industry, regulatory agencies, utilities, consumers, and environmental advocates.

Preliminary study results were released May 20. The ISO also has made 1.8 gigabytes of underlying data used for the studies available through its website.

The studies will also be discussed in greater detail during a joint, multi-agency public workshop on July 26, 2016, in Sacramento, CA. Click [here](#) for more information on the workshop.

Click [here](#) to view the studies, and to find out more about a regional energy market.

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California ISO