

News Release

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PacifiCorp agrees to explore full participation in California ISO

Enhanced regional coordination supports clean energy goals while benefiting consumers

FOLSOM, Calif. – The California Independent System Operator Corp. (ISO) and PacifiCorp are pleased to announce they have signed a memorandum of understanding indicating that the Portland-based energy company will explore full participation in the ISO as a Participating Transmission Owner. The memorandum paves the way for performing a joint study on the feasibility and benefits of PacifiCorp joining the only competitive wholesale market in the West.

The ISO is an independent, non-profit organization that manages about 80 percent of the energy flow in California. PacifiCorp is one of the West's leading utilities, serving nearly 1.8 million customers in Oregon, Washington, Utah, Idaho, Wyoming and a small portion of California. A decision to join the ISO by PacifiCorp would allow for a full coordination of the two largest electrical transmission grids in the region and allow customers served by both entities access to a broader array of power generation at lower costs.

"PacifiCorp has become a valued partner and we are pleased that they are exploring the value of fully taking advantage of the ISO's state-of-the-art technology, planning talent and full spectrum of market products," said ISO President and CEO Steve Berberich. "PacifiCorp's full participation can make our market much stronger for all current ISO and Energy Imbalance Market participants, and can help lower costs, better leverage assets and reduce emissions across the region. While PacifiCorp is considering this step as best for them, we remain fully committed to the Energy Imbalance Market."

Last November, PacifiCorp began participating in the six-state Energy Imbalance Market, or EIM, which is a part of the efficient and effective services the ISO provides. In its first few months in the EIM, PacifiCorp has <u>realized millions in cost benefits</u>, which helped inform its decision to explore expanding that partnership to increase cost savings for customers, enhancing grid reliability and to support its clean energy goals.

"PacifiCorp and the ISO are well-positioned to strengthen our existing partnership in order to benefit customers, support clean energy goals and enhance service throughout the West and Pacific Northwest," said Pat Reiten, president and CEO of PacifiCorp Transmission. "PacifiCorp customers will enjoy the same benefits of economies of scale that the competitive marketplace creates, just as the customers of all ISO full members have been earning."

Over the next several months, the ISO and PacifiCorp will conduct an analysis of the cost and benefits associated with full participation. The process includes ample opportunities for stakeholder comments and ISO Board of Governors approval to take any further steps towards full integration.

The most recent utilities to become full ISO participating members are Valley Electric Association of Pahrump, Nevada, the first out-of-state energy company to join the ISO, and the City of Colton, CA, both officially becoming members in January 2013. If PacifiCorp transitions to full participation, it will be the ISO's 17th transmission owning member.

PacifiCorp's decision announced today does not impact its successful and continued involvement in the EIM, nor will it affect the ISO's offer to provide EIM services to other western and Pacific Northwest entities.

For more information on PacifiCorp's announcement, please read the Frequently Asked Questions as well as the MOU signed by both parties <u>here</u>.

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The California ISO provides open and non-discriminatory access to one of the largest power grids in the world. The vast network of high-voltage transmission power lines is supported by a competitive energy market and comprehensive grid planning. Partnering with about a hundred clients, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help meet a sustainable energy future efficiently and cleanly.