



News Release

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Arizona Public Service to participate in Energy Imbalance Market

APS sees economic benefits to customers by participating in flexible market

Folsom, Calif./Phoenix, Ariz. – Arizona Public Service Co. (APS) and the California Independent System Operator (ISO) announced today they have signed an agreement for the Phoenix-based utility to begin participation in the Energy Imbalance Market (EIM) starting in October 2016.

APS customers could save \$7 million to \$18 million a year through EIM participation, according to an [assessment](#) by Energy and Environmental Economics, Inc. With APS' participation, current EIM entities will see annual benefits accrue to them from \$3 million to \$6.5 million in addition the benefits they already realize.

“We are always looking to reduce costs for our customers and we believe the Energy Imbalance Market will produce real economic benefits,” stated Tammy McLeod, Vice President of Resource Management for APS. “Joining a market that will automatically balance supply and demand for electricity every five minutes will enable APS to dispatch the least-cost resource and optimize our ability to generate electricity in the most efficient manner for our customers.”

APS expects participation in the Energy Imbalance Market will create at least three benefits:

- Produce economic savings to APS customers through lower production costs;
- Improve visibility and situational awareness for system operations in the Western Interconnection; and
- Improve integration of renewable resources.

The EIM allows for rebalancing supply and demand in 15-minute blocks with dispatching every 5 minutes before the energy is needed, instead of the traditional and less flexible one hour blocks. The real-time market finds the most efficient resources to serve the next increment of load or respond to variable renewable energy production by optimizing the grid across the entire footprint of the EIM market. Enabling utilities across the western region to share generation resources significantly lowers the cost of keeping the lights on.

“We are very pleased to make our state-of-the-art, energy optimization technology available

to APS, which has been serving Arizona customers for 125 years, to reduce costs for their customers.” said ISO President and CEO Steve Berberich. “The ISO and other EIM participants welcome APS to this regional approach to sharing resources for the benefit of all and appreciate the expertise and insights APS will bring to the Energy Imbalance Market.”

In conjunction with its participation, an APS representative will join the EIM Transitional Committee, a group responsible for proposing a long-term EIM governance structure. Additionally, APS will keep the Arizona Corporation Commission apprised of its progress in the EIM.

The ISO and PacifiCorp launched the regional EIM on November 1, 2014 and realized combined benefits of nearly \$11 million in the first five months of operation (check [here](#) to read more). Currently, the EIM automatically dispatches least cost energy in real time in California, Oregon, Washington, Nevada, Utah, Idaho and Wyoming. Las Vegas-based NV Energy is scheduled to join EIM later this year followed in 2016 by Puget Sound Energy of Washington state and APS. Today’s announcement marks the fourth entity to join the EIM and extending its reach across eight states.

For more information on EIM, visit the ISO Energy Imbalance Market [overview webpage](#).

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