



News Release

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Western energy imbalance market design gets approval from ISO Board

ISO's real-time regional energy market brings reliability, renewable benefits & reduced costs

FOLSOM, Calif. – The design framework for a California Independent System Operator Corporation (ISO) energy imbalance market (EIM) received approval from the ISO Board of Governors today. The EIM will allow western grid operators, known as “balancing authorities”, to voluntarily participate in a real-time energy market that enhances grid reliability and responsiveness, effectively integrates renewable power and saves wholesale energy costs.

“EIM marks a step forward in the West to more ably manage current complexities as the electric industry undergoes transformative changes to create a significantly cleaner energy network that enhances the utilization of renewables,” said ISO Board Chair Bob Foster. “By leveraging the ISO’s real-time market, a broad array of resources can be shared and economically dispatched. This strengthens grid reliability through enhanced real-time visibility across neighboring grids while matching energy needs with the lowest cost resources.”

The ISO’s first EIM partner, PacifiCorp, has been working with the ISO to prepare for implementing the market expected to go live on October 1, 2014. PacifiCorp controls two balancing authorities primarily covering portions of six states, serving more than 1.8 million customers. The company operates as Pacific Power in Oregon, Washington and Northern California, and as Rocky Mountain Power in Utah, Wyoming and Idaho.

PacifiCorp and ISO customers will benefit from the frequent and accurate dispatching of EIM participating resources, which is based upon economic bids. Significant increases in the amount of wind and solar power in recent years require grid operators to hold additional flexible generation in reserve to account for the variability of renewable resources, which are dependent on weather conditions. Without an EIM, operators generally must rely on generation assets within their balancing authority for any last minute balancing.

“The ISO is to be commended for conducting a thorough and meaningful stakeholder process to fully vet a market design that will bring numerous benefits to customers in California as well as the West,” said California Energy Commission Chair Bob Weisenmiller. “These benefits result from sharing resources through an EIM, which strengthens reliability, integrates renewables and shaves wholesale energy costs.”

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The EIM design approved today will enhance the Federal Energy Regulatory Commission (FERC) Order No. 764, which fosters better integration of renewables within electric regions. The ISO is already on course to implement Order No. 764 market changes in the spring of 2014. As such, the EIM will reflect those changes and include a 15-minute as well as a 5-minute market that dispatches across a wide area, automatically identifying and adjusting to find the best resource to meeting fluctuating demand. Today's vote by the Board also authorizes ISO management to file EIM-enabling proposed tariff changes with FERC.

The EIM includes only the ISO's real-time market and not its day-ahead market. Costs between balancing authorities are allocated according to cost causation principles and EIM balancing authorities still maintain all the operational responsibilities for serving their customers and maintaining reliability in their areas.

For more information, see [Board material](#).

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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. | |