

For immediate release | October 18, 2016

Media Hotline | 888.516.6397

For more information, contact:

Steven Greenlee | sgreenlee@caiso.com | 916-608-7170Anne Gonzales | agonzales@caiso.com | 916-351-2311

Mexico grid operator CENACE to explore EIM participation for Baja California Norte

FOLSOM, Calif. – As the western Energy Imbalance Market continues to yield proven benefits, the California Independent System Operator (ISO) and El Centro Nacional de Control de Energía (CENACE) announced today that the Mexican electric system operator has agreed to explore participation of its Baja California Norte grid in the real-time market.

CENACE and the ISO will begin a benefits assessment as well as enter into a cooperation agreement to support CENACE's market implementation as directed by the clean energy memorandum of understanding between the Ministry of Energy of the United Mexican States and the State of California. The MOU was signed by the Mexican Secretary General of Energy Pedro J. Coldwell and California Governor Edmund G. Brown Jr. in July 2014.

The Baja California Norte region has two California grid connections — Otay Mesa and Imperial Valley (both also known as Path 45), but it is not connected to Baja California Sur or the Mexico mainland grid.

“CENACE's Baja California Norte participation in the western EIM will enable it to benefit from the savings that a large geographic region can offer,” said Steve Berberich, ISO President and CEO. “Like our current EIM participants, we recognize that a successful energy future relies on regional collaboration to best plan and optimize resources, especially renewable power. We welcome CENACE's interest and agreement to explore participating in the western EIM.”

CENACE General Director Eduardo Meraz agreed that participation in the western real-time market and the benefits realized so far by other participants is worthy of serious consideration.

“Mexico has had a long, productive relationship with the ISO as we coordinate the management of our interconnected electricity grids,” Meraz said. “It is only logical for CENACE to carefully consider Baja California Norte's participation in the western EIM, with its promises of lower-cost electricity and increased renewable integration.”

The ISO uses state-of-the-art technology to automatically match lower cost energy supply from across the West with demand every five minutes. This flexibility enables ISO grid operators to more efficiently use wind and solar resources from a wide geographic area

where power output can change rapidly depending on wind speeds and cloud cover. The resource optimization occurs across the entire EIM footprint giving utilities new access to low cost generation.

The cost and environmental benefits produced by the EIM to date have been positive. Since it began operation with Oregon-based PacifiCorp in November 2014, the western EIM has realized more than \$88 million in cost benefits. The real-time energy market also saved over 126,000 metric tons of carbon emissions by using excess renewable energy to offset fossil fuel generation that would have been needed to meet regional demand that otherwise would have been turned off to protect grid reliability.

The EIM currently operates in eight western U.S. states, including California, Oregon, Washington, Utah, Idaho, Wyoming, Arizona and Nevada.

NV Energy of Las Vegas entered the market in December 2015, while Arizona Public Service, based in Phoenix, and Puget Sound Energy of Washington began EIM participation on October 1. Portland General Electric in Oregon is scheduled to enter in October 2017 followed by Idaho Power in April 2018.

CENACE, a public agency, controls Mexico's electric system and manages the wholesale electricity market as it transitions to a fully competitive market. The grid operator dispatched 68,044 megawatts of electricity in 2015 using more than 33,000 miles of high-voltage power transmission lines. Mexico energy policies mandate a renewables portfolio goal, including hydroelectricity, of 25 percent in 2018, 30 percent in 2021, and 35 percent by 2024.

For more information on the EIM, visit the [overview webpage](#). Here is the link for more information about [Cenace](#).

###

California ISO Media Hotline 888.516.6397	
250 Outcropping Way Folsom, California 95630 www.caiso.com	
<i>Thanks for re-posting!</i>	      
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.	