



News Release

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Nevada utility moves closer to joining California ISO grid FERC okays transition agreement, paving way for first out-of-state ISO member

FOLSOM, Calif. – The Federal Energy Regulatory Commission (FERC) approved a transition agreement December 14, 2011 that clears the way for Valley Electric Association, Inc. (VEA) of Pahrump, Nevada, to join the power grid managed by the California Independent System Operator Corporation (ISO).

The FERC approval is an important step toward VEA joining the ISO, effective January 1, 2013. As such, VEA will become the first utility located primarily outside of the state to become an ISO participating transmission owner, utility distribution company and load serving entity.

Based near Las Vegas, Nevada, the member-owned cooperative runs parallel to California's Inyo and Mono counties while extending into a small portion of California near Bishop. This move will commit VEA's transmission facilities to the ISO balancing authority, facilities which are now owned by Valley Electric Transmission Association, LLC (VEA's wholly-owned subsidiary). Currently, VEA owns 347 miles of 230 and 138 kilovolt transmission lines.

"Linking Valley Electric's high-voltage system to the California grid will provide ISO market participants with greater access to renewable resources. In particular, there are about three gigawatts of solar projects at the border of California and Nevada. Some of the proposed projects are already under contract with California utilities," said California ISO President and CEO Steve Berberich. "Additionally, merging our infrastructure planning efforts with VEA's will make it more cost efficient to expand the grid to make room for renewables at this important electric intersection."

The ISO and VEA entered into a memorandum of understanding in August that led to the transition agreement approved by FERC.

(MORE)

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“We are very pleased with the uncontested FERC order. The beauty of this agreement is that it allows VEA to join a more robust balancing control area and expands the opportunities and benefits for California rate payers and Valley Electric members,” said Tom Husted, Valley Electric CEO.

Federal regulators noted in the order that it has “encouraged the participation of new transmission owners, including non-jurisdictional entities, in ISOs.” The order can be found on the ISO website at http://www.caiso.com/Documents/FERC%20orders%20-%202011/2011-12-14_ER12-84_ValleyElecOrder.pdf.

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The California ISO operates the state's wholesale transmission grid, providing open and non-discriminatory access supported by a competitive energy market and comprehensive planning efforts. Partnering with about a hundred client organizations, 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. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand.