



News Release

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New ISO partnership with Nevada utility opens door to renewable power *First utility outside of California set to join ISO transmission grid*

FOLSOM, Calif. – A member-owned utility cooperative in Nevada has taken the first step to join the California Independent System Operator Corporation (ISO) and the agreement it entered into was given the go-ahead by the ISO Board of Governors today, August 25, 2011.

Linking up with Valley Electric Association's transmission system, based in Pahrump, Nevada, is a very efficient route for getting remote desert solar resources on the grid. There are nearly three gigawatts of solar resources planned in Valley Electric's backyard, some of which are located in California and have power purchase agreements with California utilities. The abundant renewable power is sought after by utilities to help meet California's 33% renewables portfolio standard (RPS).

"Along with enhanced access to renewable resources, this alliance will bring value to Valley Electric's members and ISO customers," said ISO President and CEO Steve Berberich. "It also benefits grid reliability and long term costs by expanding the balancing area, increasing import capability to California, and providing another key piece in achieving the state's environmental goals."

Valley Electric's service territory runs along Inyo County and a large portion of Mono County, extending into a small portion of California near Bishop. The ISO and Valley Electric entered into a memorandum of understanding (MOU) earlier this month to outline the framework for the nonprofit to become a participating transmission owner, utility distribution company and load-serving entity in the ISO balancing authority effective January 1, 2013.

Valley Electric's interconnection rights at the Mead Substation and a new interconnection planned for the Eldorado Substation in 2015 will provide vital access for renewable resources coming on line in California and the West.

"We are pleased with the decision made by the ISO Board of Governors and we are excited about moving forward with the transition agreement," said Valley Electric Association CEO Thomas H. Husted. "This partnership will allow both organizations to yield benefits to our respective ratepayers by utilizing synergies that can only be obtained when we look beyond our borders."

Today's authorization by the ISO Board of Governors gives authority to ISO management to enter into a transition agreement with Valley Electric, consistent with the MOU signed earlier this month and to make all necessary filings with FERC to implement the agreement.

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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 more than 90 client organizations, the ISO is dedicated to the continual development and reliable operation of a modern grid that operates at the least cost to the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand. Recognizing the importance of global climate change, the ISO welcomes new, advanced technologies that will help meet the energy needs of 30 million Californians efficiently and cleanly. The ISO is a nonprofit public benefit corporation.