



OFFICE OF THE GOVERNOR

October 10, 2013

Board of Governors
California Independent System Operator
PO Box 639014
Folsom, CA 95763

Dear Board of Governors:

I have followed the development of the Energy Imbalance Market design and the Implementation Agreement between the California Independent System Operator and PacifiCorp with great interest. Studies between the two balancing authorities show that they will see marked and immediate efficiencies and cost savings by sharing resources in the real-time (5 minute) market.

As additional renewable generation is integrated into the resources portfolios of utilities around the Western United States, the automated and quick dispatch of energy resources provides for that renewable generation to be used for different peak times across a larger footprint – essentially balancing renewables with renewables. Additionally, a larger regional network provides better visibility and awareness of system conditions to better react to changes, thereby providing increased system reliability.

The California Independent System Operator proposal allows other balancing authorities to benefit from an established market and prove technologies. California utilities can also benefit from enhanced regional collaboration to find effective ways to share resources and maintain system reliability.

I urge the Board to approve the Energy Imbalance Market design, allowing the next step towards implementation, and for these benefits to be realized across the region.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike".

Michael Picker

Senior Advisor to the Governor for Renewable Energy Facilities