



Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

March 15, 2013

Board of Governors
California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

RE: CAISO PacifiCorp EIM Proposal

Dear Board of Governors:

Valley Electric Association, Inc. (VEA) supports the efforts of the California Independent System Operator Corporation (CAISO) to facilitate an energy imbalance market (EIM) in the Western Interconnection. The Memorandum of Understanding between the CAISO and PacifiCorp is an important first step in creating such a market; therefore, VEA urges you to authorize the CAISO to move forward with completion of a definitive agreement with PacifiCorp to implement an energy imbalance market in 2014.

VEA joined the CAISO as a Participating Transmission Owner on January 3, 2013, expanding California access to significant renewable resources in Southern Nevada. VEA is a strong supporter of regionalization of the transmission grid. Coordinated planning and operation of the grid will provide economic benefits and increase reliability. By allowing real-time economic dispatch of resources across a wider footprint, an EIM market is an important tool in regionalization. In addition, it will facilitate the integration of more renewable resources, including large scale solar projects in Nevada.

We also believe that the incremental approach inherent in the CAISO PacifiCorp proposal has a greater chance of success than proposals to immediately create an all-utility EIM market across the Western Interconnect. This incremental approach will allow interested utilities to join as they see benefits and consistent with their own needs and interests.

We look forward to participating in the Stakeholder process as this important project moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas H. Husted".

Thomas H. Husted
Chief Executive Officer
Valley Electric Association, Inc.