



# Oregon

John A. Kitzhaber, MD, Governor

## Public Utility Commission

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**LEGAL & REGULATORY DEPT.**

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

Dear Board of Governors,

We urge you to authorize the California ISO to proceed with its implementation agreement with PacifiCorp for a two-party energy imbalance market.

We regulate PacifiCorp's operations in Oregon. PacifiCorp serves nearly 560,000 Oregon households and businesses. We have been involved in and tracking efforts by Western Commissioners to explore the concept of a voluntary Western energy imbalance market (EIM) as a way to lower overall system costs and enhance reliability as we integrate more variable generation into the grid.

We are encouraged by the decision of the ISO and PacifiCorp to pursue a partnership. We see this as a pivotal development that could spur more coordination and more effective grid management across the entire region to the benefit of all ratepayers.


We await the additional details about the projected costs and benefits of the EIM and how it will be implemented. At the same time, we can see potentially great benefits to the parties moving forward to negotiate a full agreement and meet their goal of launching an EIM in 2014.

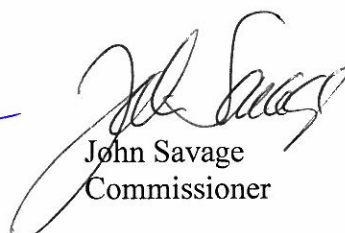
We are pleased to see that the parties have contemplated voluntary market participation that maintains the responsibility of each utility to meet its own capacity needs. This is a positive step that can deliver benefits for customers quickly and avoids the complications that have previously prevented the formation of coordinated markets in the West.

In addition, if successful, we are encouraged by the prospect of greater benefits in future years with participation from other Western Interconnection organizations.

We applaud the ISO and PacifiCorp for demonstrating leadership on this issue and we encourage the Board to authorize the agreement moving forward.

Sincerely,

  
Susan Ackerman  
Chair

  
John Savage  
Commissioner

  
Steve Bloom  
Commissioner