

WESTERN ENERGY IMBALANCE MARKET



WHAT THEY'RE SAYING

The California Independent System Operator announced that its Western Energy Imbalance Market reached \$1 billion in benefits since the market's launch in 2014. The real-time energy market – the first of its kind in the West – allows participants to optimize resources and increase the use of renewable resources across the region. Over the past five years, the number of active market participants has grown from two to 11 entities. By 2022, the Western EIM will add 10 more balancing authorities, which further increases both economic and environmental benefits.

The Western EIM participants agree that regional collaboration has benefited millions of consumers in the West and this effort must continue to meet the needs of an evolving grid. Here's what is being said about reaching the \$1 billion milestone.

“ I am proud to congratulate the CAISO on their historic achievement. Innovative tools like the EIM not only save money, but also help us harness renewable energy more efficiently by improving cooperation across western states. As California works towards a 100% carbon-free grid by 2045, the EIM will make it easier to add more renewable energy, making our grid – and the air we breathe – cleaner. ”

Eleni Kounalakis, California Lieutenant Governor

“ The EIM is another great example of California using affordable and innovative solutions to combat climate change. I want to congratulate the CAISO on its new milestone in GHG reductions. This is an important step forward in meeting California's renewable energy goals and reducing GHG emissions, in the present and for the next generation. ”

California Senator Ben Hueso (D-San Diego), Chair, Senate Energy, Utilities and Communications Committee

“ As the Chair of the California Assembly Utilities and Energy Committee, I am pleased to congratulate the California Independent System Operator (CAISO) on their Western Energy Imbalance Market (EIM) reaching over a billion saved since its inception. Reaching our state's critical climate goals requires collaboration and innovation, and the efforts to expand the EIM across the western region will go far beyond just improving the air of Californians. By using state of the art energy management technologies, the CAISO has created efficiencies in energy scheduling and deliveries throughout the West. These efficiencies reduce cost by dispatching the region's lowest cost non-carbon energy resources and can help utilities avoid building additional power plants or transmission lines, which ultimately benefits consumers. Local utilities like Sacramento Municipal Utilities District have already saved millions since joining the EIM last year. With entities from over eight states across the West, the EIM is proof that climate change is addressed through collaboration and continued integration of renewable power sources onto the grid. ”

California Assembly Member Chris Holden, Chair, Assembly Utilities & Energy Committee

“ *This is an important milestone in a regional journey toward a fully integrated Western grid. Today's announcement means there's more clean electricity flowing into western homes and businesses, and more downward pressure on utility bills. There are many more billions of dollars and millions of tons of emissions reduction yet to come, as additional system wide coordination accelerates our clean energy transition.* ”

Ralph Cavanagh, Natural Resources Defense Council energy co-director

“ *This is a terrific milestone that reinforces the power of partnership. The Western EIM has surpassed expectations and has generated enormous customer savings while at the same time reducing emissions and enhancing grid operator situational awareness. Making it easy for zero fuel-cost, renewable energy to go where it is needed has saved more than \$251.6 million for PacifiCorp customers alone, while simultaneously reducing our carbon emissions by more than 20 million tons, the equivalent of taking four million cars off the road for an entire year.* ”

Stefan Bird, Pacific Power, a division of PacifiCorp president and chief executive officer

“ *We're pleased with the robust benefits EIM has provided to our customers. The EIM and organized markets help to effectively integrate renewables. This will especially be important as more western states and jurisdictions adopt renewable goals and policies.* ”

Mary Kipp, Puget Sound Energy president and chief executive officer

“ *Embracing EIM is a crucial part of our commitment to 100% clean energy by 2050, which includes advancing the integration of more renewables onto the grid in a cost-effective way. Our participation has delivered millions of dollars in savings to our customers.* ”

Jeff Guldner, Arizona Public Service chief executive officer

“ *The Western EIM is delivering affordable, renewable power to our customers and the region. And today, we are better operators as a result of cross-industry collaboration. Maximizing renewable generation West-wide delivers the clean energy future customers expect, while reducing costs.* ”

Maria Pope, Portland General Electric president and chief executive officer

“ *The EIM helps Idaho Power reliably balance the resources on our system with customer demand. This real-time wholesale energy market involving utilities across our region helps to integrate renewable energy sources and produces economic benefits for customers.* ”

Lisa Grow, Idaho Power president and chief executive officer

“ *Powerex is pleased to be a participant in the Western EIM. It has demonstrated what can be achieved by working together as a region to capture the geographic diversity in supply and demand across the west as we continue the transformation to a clean grid.* ”

Tom Bechard, Powerex Corp president and chief executive officer

“ BANC joined in April 2019 and we estimate that our first year of membership in the Western EIM generated more than \$7 million in net benefits, considerably beyond what we expected. One of BANC’s goals in joining the Western EIM was to verify the capabilities developed for EIM participation could be leveraged to benefit our smaller member’s utilities that would have found it difficult to justify joining the Western EIM on their own. The benefits we’ve seen so far more than justify our approach of forming a larger group of smaller utilities to realize the financial benefits, not to mention the environmental benefits of reduce carbon. ”

Jim Shetler, BANC general manager

“ Seattle City Light’s entry into the WEIM and our first quarter of participation in the market have been successful – despite occurring during the extraordinary dual crises of a generational pandemic layered with a period of significant social and civil unrest. We are very proud of our utility’s team that has done amazing work in this unusually challenging time, and very appreciative of the CAISO staff who have been outstanding in their support of our efforts. In addition to sharing in the reported financial benefits, we have begun to see early indications that many of the positive benefits we intended to achieve when deciding to join this market have begun to show up, particularly around staff skill development and organizational process evolution. We are enthusiastic and excited about the path ahead. ”

Debra Smith, Seattle City Light general manager and chief executive officer

“ SRP has been a participant in the western EIM for just a few months and we are already seeing benefits related to enhanced operation of our system. Many of our processes have been improved for better efficiency and greater operational excellence. Participation in EIM also provides an increased opportunity to purchase lower-cost resources and to optimize the value of our own assets when there is demand in the market. Based on early trading volumes we expect to realize these types of benefits and can better quantify the value as more settlement data is analyzed. Our transition to the EIM market was smooth and we would like to recognize the CAISO staff. They have created a terrific on-boarding program for new market entrants and are engaged, supportive and responsive throughout the program to help ensure success. ”

Mike Hummel, Salt River Project chief operating officer and general manager

“ Being able to tap into Western EIM’s advanced technology will enable LADWP to continue to optimize our power system, allowing us to achieve the most efficient cost benefit for our ratepayers. Participation in the energy market in real-time means we will be able to share resources throughout the western states for better integration of renewables while also reducing our greenhouse gas emissions. ”

Reiko Kerr, LA Department of Water and Power’s senior assistant general manager of power system engineering, planning and technical services.

“ BPA sees the EIM as an important part of a well-designed electricity market. It’s one strategy we are pursuing to strengthen our competitive position. We expect the dispatch benefits from EIM participation will quickly pay for itself and result in ongoing annual revenues. The added benefits of transmission efficiencies, congestion mitigation and increased grid visibility provide further incentive to join. ”

John Hairston, Bonneville Power Administration, chief operating officer