



OFFICE OF THE GOVERNOR

March 18, 2013

Board of Governors California Independent System Operator P.O. Box 639014 Folsom, California 95763-9014

Dear Board of Governors,

For decades California and others in the west have benefited from seasonal trades of electricity. Today additional regional benefits are available from improved real-time operations of the grid.

For example, thousands of megawatts of solar generation rise and fall with sunrise and sunset, increasing the need for flexible resources to balance the system each and every day. Systems that can accelerate, optimize, and automate the dispatch of available resources will simultaneously lower customer costs and allow more renewable generation onto the western grid.

An opportunity to provide these benefits is before you on March 20th in the form of an agreement between PacifiCorp and the California Independent System Operator to balance load and resources every five minutes. The proposal will lower costs for California and PacifiCorp customers as well as improve reliability and renewable integration.

Congratulations to PacifiCorp and your staff for bringing this opportunity forward. I join others in the west in urging you to approve it and hope it is the first step in tapping the value of these services across the region.

Sincerely,

Michael Picker

Senior Advisor to the Governor for Renewable Energy Facilities

Office of the Governor