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## ARIZONA CORPORATION COMMISSION

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### **Chairman Selects Board to Oversee Western Energy Imbalance Market APS to Participate in EIM in October**

(Phoenix) Commission Chairman Doug Little is the sole regulator on an eight member nominating committee that is selecting board members to oversee an Energy Imbalance Market (EIM) that will include Arizona's largest utility (Arizona Public Service Company (APS)) starting October 1. The EIM is part of the California Independent Systems Operator (CAISO) and until recently had only California based members. In addition to APS, utilities in Oregon, Washington, Utah, Nevada, Idaho and Wyoming have joined or are considering joining the EIM. The EIM will be governed by an independent board to ensure the interests of all the participating states and utilities will be considered.

Electric utilities must "balance" their systems in real time to ensure that generation matches the load. The EIM helps in this balancing by making it easier and cheaper to transfer power to and from members in a quick and cost-effective manner. Studies have shown that the savings from joining the EIM will more than offset the costs.

Since California's EIM expanded the real-time market to balancing areas outside of California, there has been a benefit of \$45.6 million in savings to the participants. The EIM is able to select the most economic resources by automating dispatch every fifteen minutes and every five minutes across the EIM areas. It also helps address the issue of intermittent renewable energy generation on Arizona's electric grid.

"APS's participation in the EIM will enhance the reliability of our electric grid while giving us an opportunity to purchase low cost energy from other regional generators resulting in potential savings for Arizona ratepayers.", said Chairman Doug Little.

APS will pay a fixed implementation fee of \$970,000 to incorporate into the Energy Imbalance Market (EIM).

The selection committee is made up of EIM stakeholders including the Current EIM Entities, Transmission Owners, Market Generators, Public Utilities, and the Body of State Regulators. Chairman Little represents the Body of State Regulators which includes regulators from all the participating states. The Chairman's involvement in the selection of board members to oversee the multi-state operation, ensures that Arizona's interests will be represented in the governance of the EIM.