

BPA NEWS

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BONNEVILLE POWER ADMINISTRATION

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Letter to region makes BPA's case for Western Energy Imbalance Market

Joining an EIM is one facet of BPA's broader strategic plan to maintain competitiveness and continue its role as a driver of economic prosperity for the Northwest

Portland, Ore. – The Bonneville Power Administration is one step closer in its consideration of joining the Western Energy Imbalance Market (EIM).

BPA issued a letter to the region today that describes BPA's business case and legal authority for joining the EIM, as well as important related policy proposals. The letter to the region also proposes BPA sign an EIM Implementation Agreement with the California Independent System Operator, the market operator for the Western EIM.

An energy imbalance market is a voluntary market in which participating entities can choose whether or not to bid in resources for the purpose of dispatching power to balance supply and demand across a broad geographic region every five minutes. In the case of the Western EIM, that region would likely include much of the West Coast and portions of Canada, Idaho, Montana, Wyoming, Nevada, Utah, Arizona and New Mexico by the time that BPA would potentially participate.

Selling surplus energy in western markets is essential to keeping BPA's rates low and the exploration of joining the EIM is part of the BPA 2018-2023 Strategic Plan as a means to further strengthen financial health and maintain a competitive edge in the electric utility landscape.

"The new tools and capabilities that come with participation in an energy imbalance market will help BPA and the region to more fully realize the value of the flexible, carbon-free power of the Federal Columbia River Power System across an expanding footprint," said Steve Kerns, the grid modernization director for BPA's Business Transformation Office. "The technology and business processes behind the EIM are also foundational to participate in new energy and capacity markets like the Day-Ahead Market Enhancements currently being explored by CAISO and its stakeholders, including BPA."

The signing of an Implementation Agreement would obligate BPA to spend funds specific to EIM participation and includes the development of a detailed project plan to ensure the necessary systems,



processes and training are in place prior to market participation. This work by BPA will give regional customers greater access to emerging markets and may reduce long-term transmission costs by decreasing or delaying the need for transmission system expansion.

Other benefits to EIM participation are enhanced awareness tools that capture the state of the electric grid as well as improved modeling and coordination across BPA's Power and Transmission services.

An independent, third-party analysis of BPA's potential participation in the Western EIM forecasts a \$29-\$34 million annual net dispatch benefit for FCRPS participating resources.

The release of the letter to the region kicks off a public comment period that will help to inform a record of decision, anticipated in September 2019, on whether to sign the EIM Implementation Agreement. The public comment period closes on July 22.

While the Implementation Agreement is a significant step toward becoming a member of the Western EIM, there are several subsequent decisions that will need to be made before BPA potentially participates in the EIM. The full decision process is outlined in the letter to the region.

For more information on BPA's consideration of joining the EIM, visit www.bpa.gov/goto/EIM. To comment on the Letter to the Region, visit our public comments site at www.bpa.gov/comments.

About BPA

The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer that sells wholesale electricity from 31 federal dams and one nuclear plant to 143 Northwest electric utilities, serving millions of consumers and businesses in Washington, Oregon, Idaho, western Montana and parts of California, Nevada, Utah and Wyoming. BPA delivers power via more than 15,000 circuit miles of lines and 261 substations to 546 transmission customers. In all, BPA markets about a third of the electricity generated in the Northwest and operates three-quarters of the region's high-voltage transmission grid. BPA also funds one of the largest fish and wildlife programs in the nation, and, with its partners, pursues cost-effective energy savings and operational solutions that help maintain affordable, reliable and clean electric power for the Northwest. www.bpa.gov

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