



## News Release

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### **Western grid integration could produce significant cost savings, environmental benefits**

Study supports PacifiCorp and the ISO continuing to work towards creating a regional system

Folsom, Calif.—Combining the electric grids operated by PacifiCorp and the California Independent System Operator (ISO) to create a regional power marketplace could reduce energy costs by billions of dollars and help states meet their environmental goals, including California’s 50 percent renewable energy mark, according to a study released today.

The study, commissioned by PacifiCorp and conducted by Energy and Environmental Economics (E3), finds that integrating the two largest high-voltage transmission grids in the West to create a regional ISO could produce between \$3.4 billion and \$9.1 billion in shared cost reductions in the first 20 years through better grid management and efficiencies gained by planning for the resource needs of a single, rather than multiple systems.

The study also projects that development of a regional ISO is likely to reduce greenhouse gas emissions through coordinated planning, reduced curtailment of renewable energy, and lower overall costs to build new renewable resources.

"The study clearly highlights the benefits of a regional grid for all customers," said Steve Berberich, President and CEO of the ISO. "It shows that a regional grid creates the opportunity to integrate higher levels of renewables more efficiently and effectively across a more diverse area. This regional approach is foundational to support the historic California SB 350 legislation and carbon reduction goals of nearby states."

**Agreement extended to look at costs, next steps.** PacifiCorp and the ISO signed a Memorandum of Understanding in April to examine the potential benefits of creating a regional ISO, which included commissioning the benefits study released today. The parties have extended the MOU to further explore costs and other requirements needed to achieve the benefits of integration outlined in the study, as well as to develop a transition agreement to outline the terms and conditions for the potential integration of PacifiCorp into a regional market.

"The report demonstrates clearly that a true regional grid in the West could provide significant benefits for customers," said Cindy Crane, President and CEO of Rocky Mountain Power, a unit of PacifiCorp serving customers in Utah, Idaho and Wyoming. "We

will continue to coordinate with stakeholders and regulators to ensure that moving forward is in the best interest of customers and our states.”

Both PacifiCorp and the ISO will receive input from regulators and stakeholders, and will need regulatory approval before full integration could occur. In addition, work will begin on establishing a new governance structure for a regional market as outlined in recently signed California legislation Senate Bill 350. Following market design and simulation tests, full integration could occur in late 2018 or in 2019.

**Potential benefits.** The study shows how creation of a regional ISO would benefit customers of both PacifiCorp and the ISO. PacifiCorp’s customers, for instance, would benefit primarily from savings in fuel and energy procurement costs, while ISO wholesale customer savings would come from procuring lower cost clean energy and mitigating the negative impacts of oversupply of renewable energy on the system.

Annual gross cost savings in 2024 for PacifiCorp and ISO customers could range from \$153 million to \$355 million, increasing to \$402 million to \$1.2 billion in annual savings in 2030.

“Over the first full 20 years, assumed here to be 2020 to 2039, we estimate the PacifiCorp and ISO integration would yield \$1.6 to \$2.3 billion in total present value incremental savings for PacifiCorp, and \$1.8 to \$6.8 billion for ISO customers,” according to the study.

“The quantified benefits for both PacifiCorp and ISO customers are sufficient to support continued progress toward PacifiCorp and ISO integration,” the report concluded.

To read the full study, a FAQ and related information on regional integration efforts, please visit the ISO’s [“Benefits of a regional energy market”](#) webpage.

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250 Outcropping Way   Folsom, California 95630   <a href="http://www.caiso.com">www.caiso.com</a>	
<i>Thanks for re-posting!</i>	
The California ISO provides open and non-discriminatory access to one of the largest power grids in the world. The vast network of high-voltage transmission power lines is supported by a competitive energy market and comprehensive grid planning. Partnering with about a hundred clients, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help meet a sustainable energy future efficiently and cleanly.	

**About PacifiCorp**

PacifiCorp is one of the lowest-cost electricity producers in the United States, serving almost 1.8 million customers in the West. PacifiCorp operates as Pacific Power in Oregon, Washington and California, and as Rocky Mountain Power in Utah, Wyoming and Idaho. For more information, visit [pacificcorp.com](http://pacificcorp.com).