

# ARIZONANS FOR EIM



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We Arizonans have a tremendous opportunity to reduce electricity consumer expenses, enhance the reliability of our electric power system, and facilitate further development of our state's high-quality solar resources. This opportunity lies in the Energy Imbalance Market (EIM).

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ARIZONA CORPORATION COMMISSION  
PUBLIC UTILITY CONTROL

The EIM would allow Arizona utilities to better and more efficiently use their generation resources to accommodate short-term variations in utility-scale wind and solar generation through participation in a wider market for such services. The EIM would enable Arizona utilities to buy short-term electrical energy from the cheapest source or sell their own short-term electrical energy to the highest bidder available through the EIM, which would result in significant savings to Arizona utilities and consumers.

The California Independent System Operator (CAISO) has joined with PacifiCorp to establish an EIM. CAISO and PacifiCorp are looking to other utilities and power producers from across the West for their participation. NV Energy is expected to join the EIM in 2015, and Puget Sound Energy has announced it will follow suit in 2016.

APS recently completed an assessment of their participation in the EIM. Their study concluded that utility could save \$7 million to \$18.1 million in 2020, including \$8.9 million from sub-hourly dispatch and \$1-3.2 million by needing less flexibility reserves. APS' findings align with prior studies showing that utilities similar in size to APS could realize potential savings ranging between \$10-15 million annually.

We appreciate that the Arizona Corporation Commission has recognized that "EIMs could offer significant potential benefits to both Arizona utilities and consumers." With APS' study now completed, the Commission has an opportunity to support savings for APS customers and improved operational reliability for the utility and the state.

We support APS' participation in the EIM, based on its study's findings and the cost savings that they expect to achieve. We appreciate the opportunity to voice our support for the Commission's leadership to date on this important issue, and look forward to participating in future discussions about the opportunities associated with the EIM.

**Clean Line Energy**

**First Solar**

**Interwest Energy Alliance**

**New Harquahala Generating Company**

**Noble Solutions**

**Sonoran Institute**

**Southwestern Power Group**

**SunPower**

**Western Resource Advocates**

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