

*Serving our customers*



# Tacoma Public Utility Board Study Session

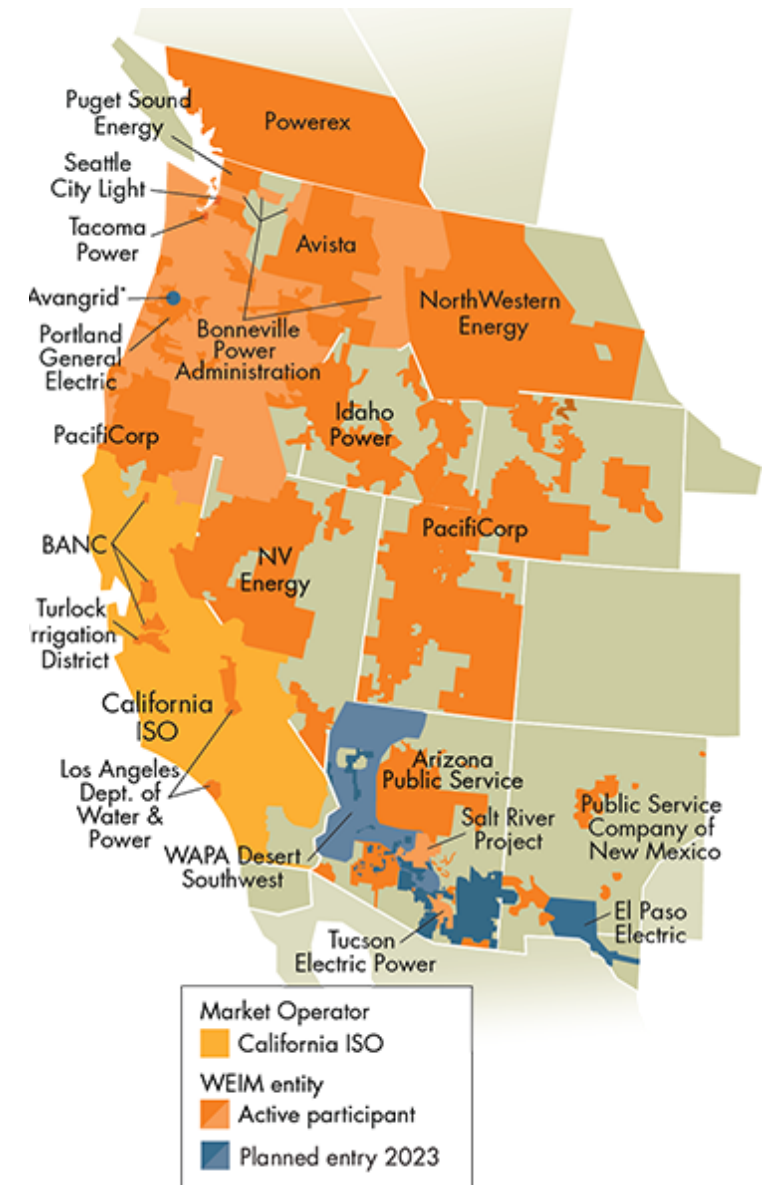
## Briefing on the Western Energy Imbalance Market (EIM)

**2.22.2023**

- **What is the Western Energy Imbalance Market (EIM)?**
- **Why did Tacoma Power join the EIM?**
- **EIM Implementation**
- **EIM Operations**
- **Opportunities and Challenges on the Horizon**

# What is the Western EIM?

- Real-time, energy-only market
- Centrally organized
- Operated by the California Independent System Operator (CAISO)
- Launched in 2014



# Why did Tacoma Join the EIM?

- **Traditional bi-lateral trading partners were all joining**
- **Provide support for regional renewable power integration**
- **Forecast positive Net Present Value over 10 years**
- **Participation gets us a “seat at the table”**

# Strategic Directive Alignment

- **SD3 – Rates**

- “Tacoma Public Utilities rates for power, water, and rail services play an important roles in securing a strong economy, establishing equity among customers, and **producing revenues** sufficient to provide safe, reliable, and environmentally-sensitive utilities services.”

- **SD5 – Environmental Leadership**

- “TPU believes climate change impacts how we provide services now and will, if unabated, continue to bring instability and negative impacts to our community’s quality of life in the future. Efforts should go beyond mitigation and focus on policies to **reduce atmospheric carbon.**”

- **SD7 – Reliability and Resiliency**

- “TPU believes **long-term strategic planning**, including resource planning, financial planning and asset management planning, will ensure infrastructure, facilities, and personnel sufficient to meet TPU’s reliability and resilience goals within budget and rate limitation.”

- **SD14 – Resource Planning**

- “TPU values the discipline of periodically examining customer long-term utility service needs and the **business and technology trends** within the respective utilities industries, identifying long-term opportunities for the utility services, and developing shorter term actions that prepare for predicted resource adequacy futures.

# EIM Implementation Program

- Tacoma “went live” in the EIM on March 2, 2022
- Result of a nearly three-year effort
- Completed on-time
- Completed on-budget

## WESTERN ENERGY IMBALANCE MARKET



### News Release

For immediate release | March 2, 2022

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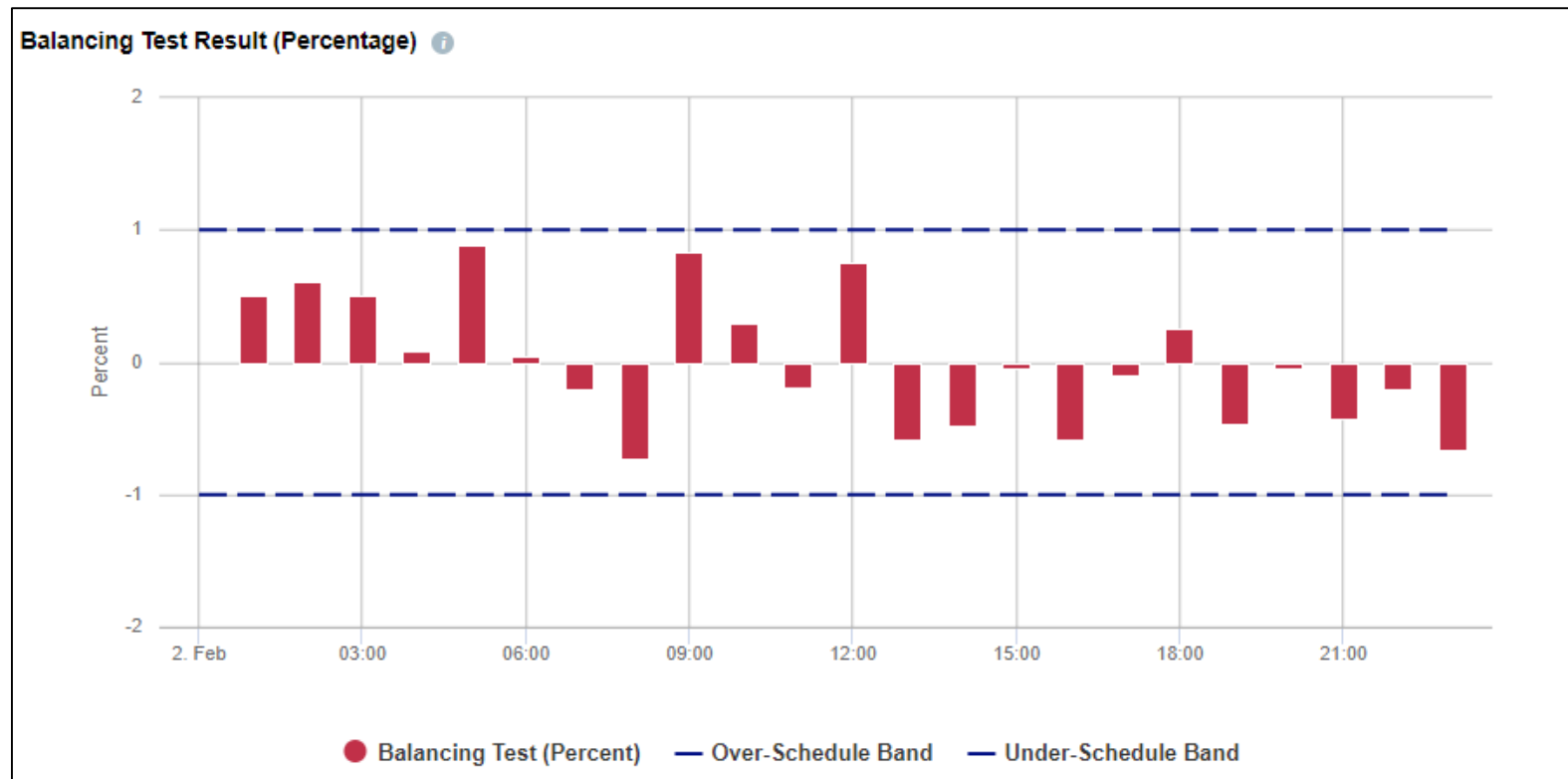
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**Two more utilities join the Western Energy Imbalance Market**

Addition of Avista Utilities and Tacoma Power will enhance grid efficiencies

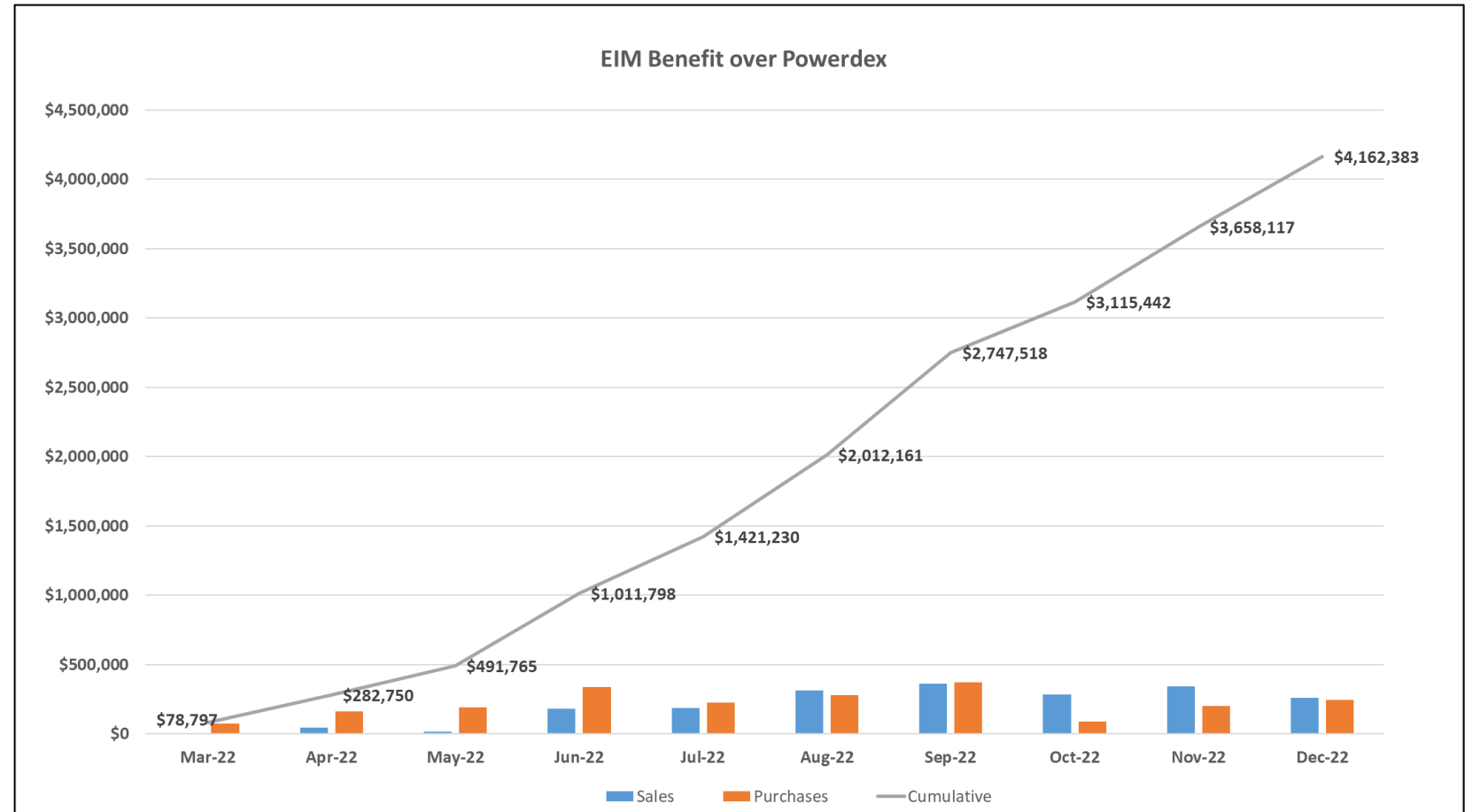
# EIM Operations

- Operations in the EIM have been stable since go-live
- Strong internal collaboration that is unique in the industry



# EIM Value Add

EIM operations are estimated to have added about **\$4 million** dollars of value to Tacoma Power's trading portfolio in 2022.





# Opportunities and Challenges

- **The EIM is complex, we are learning and improving**
- **Western electricity markets are evolving**
- **Climate Commitment Act (CCA)**

**Thank you for your time and interest!**