

# WAPA and MARKETS

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**W**elcome to the April issue of WAPA and markets. The big news this month includes

Sierra Nevada's successful transition into the California Independent System Operator's Western Energy Imbalance Market March 25 and the Colorado River Storage Project's announcement that it will formally evaluate participation in the Southwest Power Pool Regional Transmission Organization in the Western Interconnection.

Thanks to the incredible success of the WEIS and EIM initiatives, and the fact that WAPA's Desert Southwest region and its market study partners do not expect to have new study updates in the near future, we will transition this newsletter from monthly to bimonthly until further notice. Be sure to look for the next issue of this newsletter in April.

Desert Southwest and its neighbors also continue to make progress on studies into their energy imbalance management future.

As a reminder, this newsletter will be sent bimonthly until further notice. Keep a look out for our next issue in June 2021.



## SN SUCCESSFULLY TRANSITIONS INTO EIM

At midnight March 25, Sierra Nevada, along with several other California utilities, successfully entered the real-time Western Energy Imbalance Market administered by the California Independent System Operator.

The new **OATT revisions** and **rate changes** went into effect concurrent with the transition March 25.

The Western EIM allows participating utilities to more economically balance supply and demand within their respective



service areas in real-time by scheduling power deliveries every 15 minutes with five-minute system dispatch. By joining the market, SN can better manage real-time supply and demand, harness market efficiencies, improve cost effectiveness and mitigate the loss of bilateral trading partners in real-time energy transactions. SN estimates the region will realize about \$1 million in cost savings and avoidance annually through EIM.

The region continues to work on outstanding issues such as enhancements to the new Resource Sufficiency product, software modifications and refining processes.

We greatly appreciate the support from customers we received throughout the project, including from the other EIM participants.

Now that the project is essentially complete, this will be the last update on SN's transition into EIM.

More information is available at the [SN energy imbalance market activities webpage](#).



## DSW, STUDY PARTNERS REVIEWING UPDATED, MODIFIED BASE-CONDITION ANALYSIS

On Oct. 28, DSW, Arizona Electric Power Cooperative, Central Arizona Water Conservation District and Southwest Public Power Agency **released their second study update**. The E3 benefits study completed a second base-condition analysis after the initial results revealed a need to update certain variables in the study.

After reviewing the second base-condition study results, DSW and the study participants decided to run a third base-condition

analysis with some new changes to the modeling assumptions. The results are now being reviewed.

Once the base condition analysis has been finalized, sensitivity analyses will be run and reviewed. The study participants expect to share study results in May.

The cost analysis, run by Utilicast for DSW and AEPCO, is essentially complete. This study identified the initial upfront costs associated with joining either the CAISO Western EIM or SPP WEIS market and the annual ongoing costs of each option.

As the BA and sub-BA operators, DSW and AEPCO would incur these costs initially and then pass them on through their respective rates. The cost estimates will be shared with the benefits study results, once ready, to provide customers and stakeholders a complete picture of potential market participation.



More information on DSW's effort is available on the **DSW energy imbalance market activities webpage**. You can also read the **first update on these studies** published May 26 by DSW and neighboring study participants.



## COLORADO RIVER STORAGE PROJECT JOINS INITIATIVE TO EXPLORE SPP RTO WEST

On April 9, 2021, the Colorado River Storage Project **announced it was joining an ongoing collaboration** with Southwest Power Pool and other utilities to explore participation in the SPP Regional Transmission Organization.

WAPA's Loveland Area Projects and Upper Great Plains region already **announced** their intention to evaluate SPP membership in November 2020 when the initiative was formally launched. Other participating utilities include Tri-State Generation and Transmission, Basin Electric Power Cooperative, Municipal Energy Agency of Nebraska and Deseret Generation and Transmission.

We will keep customers and other stakeholders apprised of key developments, and if this idea continues to show promise, we will work through appropriate public processes. We are planning a two-hour meeting for UGP, LAP and CRSP preference power customers on this initiative in May. An email invitation will be sent in the near future.



Thank you for reading the *WAPA and Markets* newsletter. For more information, call your regional representative or visit the WAPA-wide **energy imbalance activities webpage** on The Source.

