

A BIGGER, BETTER ELECTRICITY MARKET WILL BENEFIT CALIFORNIA AND THE ENTIRE WEST

New analysis finds that a West-wide electricity market will lower costs and create a stronger, more reliable electricity grid

An EDF-supported analysis from Aurora Energy Research confirms key findings of prior research: by joining a West-wide electricity market, California will save money while creating a strong, efficient electricity grid for the entire region.

Topline Findings

This analysis finds that a single Extended Day-Ahead Market (EDAM) footprint across the West, compared to a split market scenario, would result in:

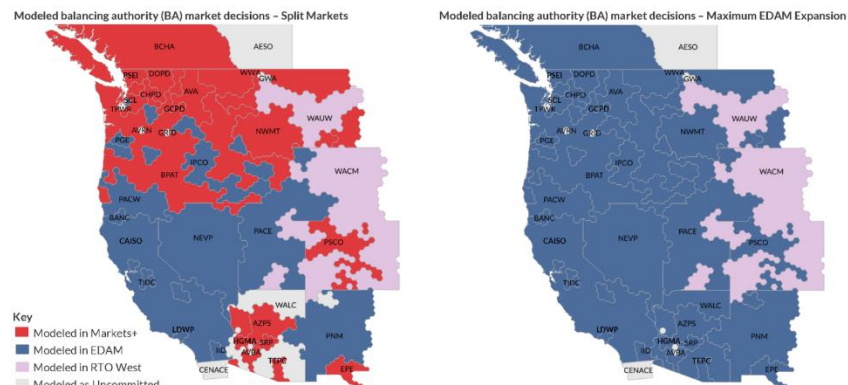
- Approximately **\$350 million in average annual cost-savings** for California
- Lower power trading costs, leading to **more renewables** being utilized
- Increase transmission utilization, for **a more efficient grid**

A Larger, Unified Market Footprint is Vital

This analysis identifies the potential impacts for California under two Western U.S. electricity market scenarios:

- **Split Markets scenario** — where individual balancing authorities (BAs) split into EDAM, Markets+ and RTO West based on current commitments or leanings.
- **EDAM Expansion scenario** — where majority of BAs participate in EDAM, with all else remaining equal.

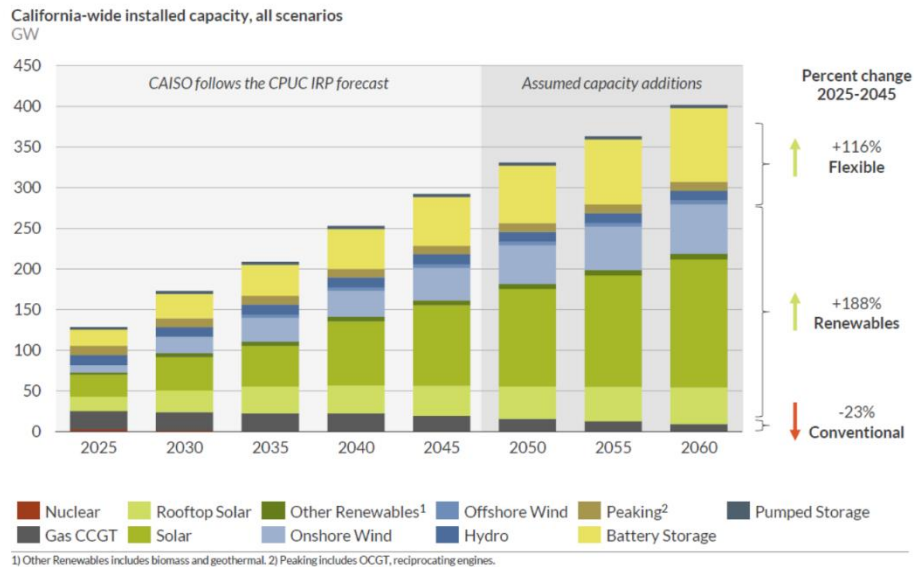
California loses \$350.4 million in savings per year through a divided Western electricity market with a partial EDAM footprint.



Harnessing Expanded Renewable Power

Renewables buildout is projected to nearly triple by 2045, primarily driven by solar, in order to meet the rapidly increasing demand as electrification accelerates, reducing curtailment of renewables.

As a result of the expanded access to these cheaper renewable resources, out-of-state dirty power plants are utilized less.

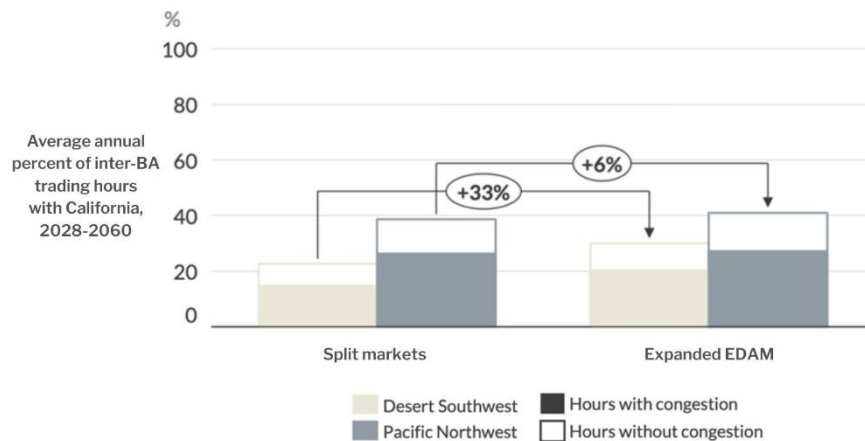


More Electricity Trading at Lower Cost

Electricity trading between California and its neighbors will increase in an expanded Expanded Day-Ahead Market as opposed to a Split Markets scenario.

Amongst all electricity partners modeled in this scenario, transfers between the Desert Southwest Region increase the most.

There are no additional costs or revenues between electricity partners when all are modeled as part of EDAM. There are significant costs when modeling trade between partners that join a Day-Ahead Market without California.



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