



Governor's Office of Energy

ELECTRICITY MARKETS OPPORTUNITIES AND CHALLENGES IN THE WEST

Presented to
NASEO Annual Conference

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David Bobzien, Director

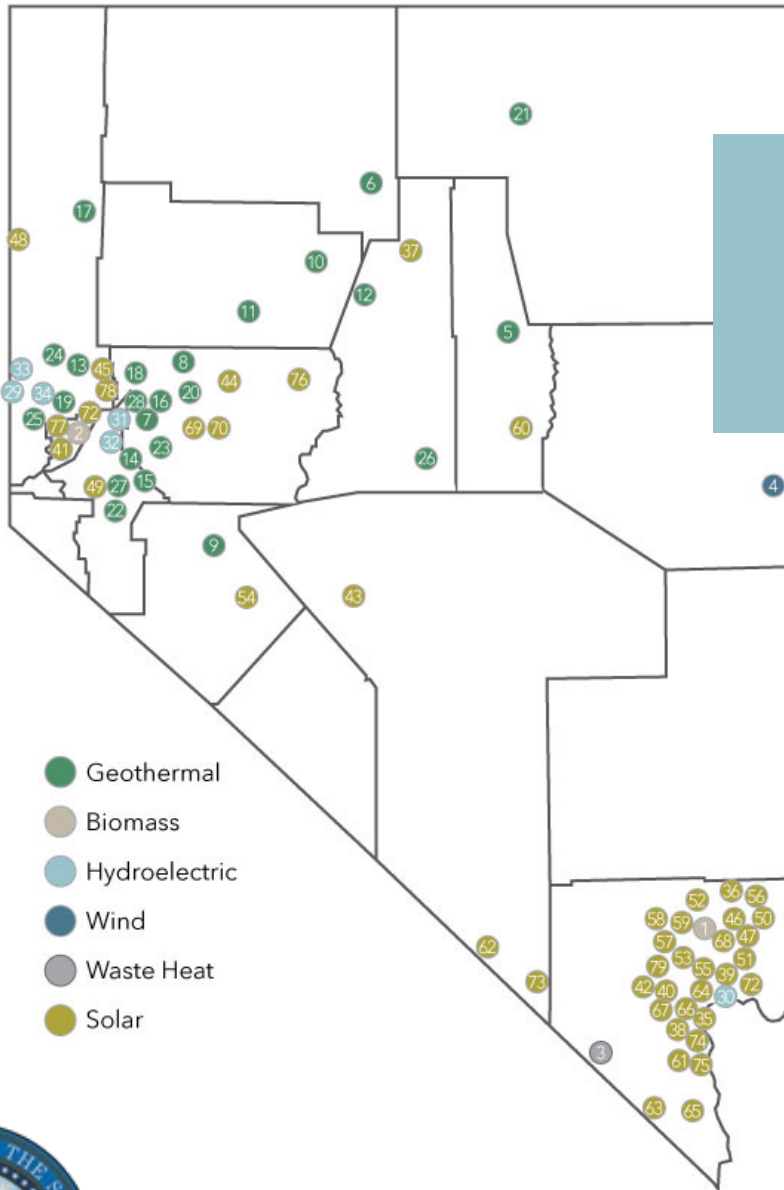
AGENDA

- **Value proposition for Nevada**
- **State of play in the West**
- **Where are we headed?**
- **The role of state energy offices**

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7,043 MW CAPACITY RENEWABLE ENERGY GENERATION



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REGIONAL TRANSMISSION

- **Transcanyon Cross-Tie Project** - 214-mile, 1,500 MW, 500 kV high-voltage project between central Utah and east-central Nevada.
- **Southwest Intertie Project (SWIP) North** - 275 miles of transmission line connecting Twin Falls to SWIP South (Ely to Clark County, Nevada).



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REGIONAL TRANSMISSION

- SB 448 (2021) requires Nevada's investor-owned electric utility to join a Regional Transmission Organization (RTO) by 2030 and created a Regional Transmission Coordination Task Force. The task force is charged with:
 - advising the Governor and the Nevada Legislature on topics and policies related to regional energy transmission in the West.
 - costs and benefits of the transmission providers in Nevada joining a regional transmission organization to provide access to a wholesale electricity market.



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STATE OF PLAY IN THE WEST



New York Times Pitchbot

@DougJBalloon



We wanted to know if there are any biases in news reporting. So we asked the white male media reporters at the New York Times, Politico, CNN, Axios, Vanity Fair, and the Washington Post.

6:54 PM · Dec 5, 2021 · Twitter Web App

593 Retweets 34 Quote Tweets 5,037 Likes



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STATE OF PLAY IN THE WEST

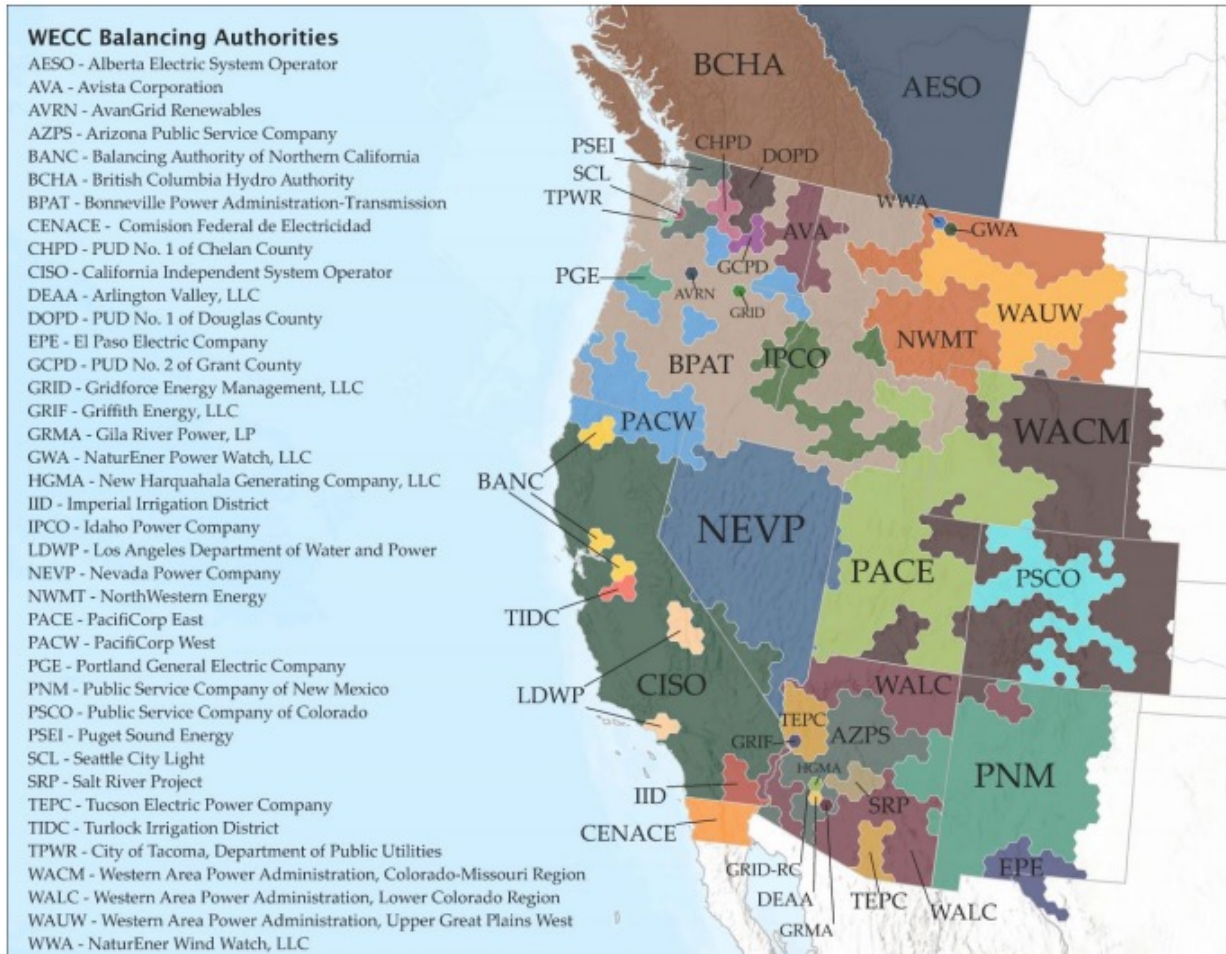
Anonymous interviews

- Investor-Owned Utilities
- Clean Energy/Conservation Advocates
- Utility Commissioners
- Large Consumers
- Renewable Developers
- Market Operators



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STATE OF PLAY IN THE WEST



Source: [Western Electricity Coordinating Council \(WECC\)](#)

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STATE OF PLAY IN THE WEST



MARKET OPPORTUNITY

- Common (?) objectives
 - Cost savings
 - Reliability
 - Decarbonization (clean energy)
- Different state policies and mandates
 - NV and CO: RTO by 2030
 - “We want to export energy, but not import policy.”

Source: [“WIEB Inventory of Clean Energy Policies,” Western Interstate Energy Board](#)

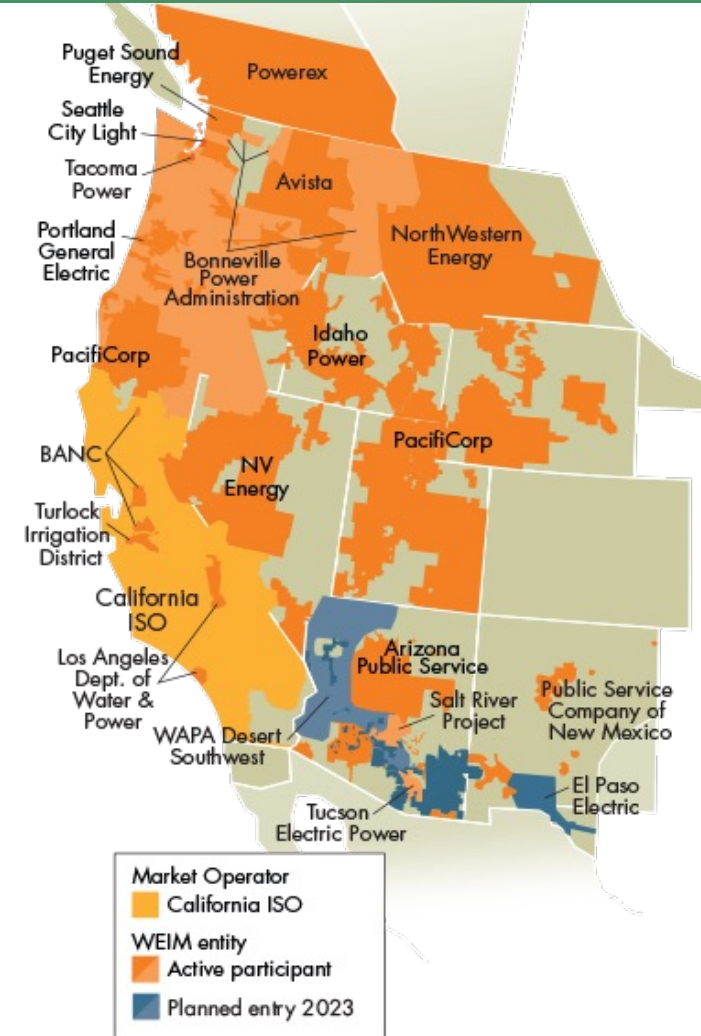
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STATE OF PLAY IN THE WEST

MAJOR DEVELOPMENTS

- CASIO - Expanded Day Ahead Market (EDAM)
- SWPP - Markets+
- WPP - Western Resource Adequacy Program (WRAP)
- ACR 188



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STATE OF PLAY IN THE WEST

INCREMENTALISM AND THE NEED FOR CONFIDENCE BUILDING MEASURES (CBMs)

Unresolved issues

- GHG accounting
- Transmission cost allocation / planning
- Governance/jurisdictional issues
- State autonomy



Source: *United Nations General Assembly Hall in the UN Headquarters, New York, NY," Basil D Soufi*

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STATE OF PLAY IN THE WEST

WHO IS NOT AT THE TABLE?

- Environmental justice orgs
- Labor
- Residential customers
- Consumer advocates
- Tribes
- Economic development interests
- Incumbent fossil generation



Source: [The Good Films](#)



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WHERE ARE WE HEADED?

- “Choose your own adventure.”
- “We will get to a regional market, don’t know what the footprint will be, but that will evolve over time. It certainly won’t be perfect.”
- “Bigger, better transmission to connect with bigger, better projects”
- “Pretty bullish on full-blown RTO in next 10 years, or some equivalent (de-pancaked transmission rates, collapsed BAs)”
- “Full west wide RTO is the holy grail. Reality is a footprint that is substantial but has stragglers”
- “We are going to have RTOs in the West. We’re going to have two RTOs. SPP is making ground.”



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ROLE OF STATE ENERGY OFFICES

- Extra-jurisdictional matters (public and consumer owned utilities)
- Engage in commission dockets
- Channel technical resources (federal)
- Convene needed conversations
- Coordinate amongst western states
- Guide governors

“State energy offices have a unique flexibility when it comes to the political side of this... Need to be stepping up big time to have these conversations and pushing governors, regulators, utilities and others.”



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QUESTIONS?

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