

Alejandro Moreno
Deputy Assistant Secretary for Renewable Power
Office of Energy Efficiency & Renewable Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

July 15, 2022

RE: Support for Western States to Coordinate on Energy Issues

Dear Deputy Assistant Secretary Moreno,

We are writing you today to urge federal support of states in the Western Interconnection with additional resources for education, collaboration, and engagement on critical energy issues facing the West. We ask the U.S. Department of Energy (USDOE) to renew and expand its existing cooperative agreement with the Western Interstate Energy Board (WIEB), which has the support of diverse states across the West.

1. WIEB's Role Today

WIEB is an interstate compact agency that promotes energy policy developed cooperatively among member states and provinces and with the federal government.¹ For over 50 years, WIEB has been a trusted institution that engages all the Western States in a bi-partisan manner. WIEB excels at emphasizing our similarities to build consensus, while simultaneously respecting that our differences bring unique perspectives and balance to our work and the Western region.

The existing Cooperative Agreement between USDOE-Office of Electricity and WIEB provides important financial support for education and convening of the Western States. It covers meeting and travel expenses for the longstanding, twice-yearly joint "CREPC-WIRAB" meetings.² These meetings are critical opportunities for regulators and energy office officials to learn about emerging energy issues in the West and increase awareness of their Western colleagues' perspectives on those issues, but today these convenings alone fall short of the level of education and engagement that is needed for Western states to keep pace with the rapid change coming to our region's markets, policies, and institutions.

¹ WIEB Website: <https://www.westernenergyboard.org/>

² These are joint meetings of the Committee on Regional Electric Power Cooperation (CREPC, a joint committee of WIEB and the National Association of Regulatory Utility Commissioners' Western Region) and the Western Interconnection Reliability Advisory Body (WIRAB, an entity formed to advise the West's reliability organizations).

2. Western State Needs and Opportunities

One of the most pressing issues in the West today is the proliferation of forums in which market participants are developing and evaluating incremental steps towards regional electricity coordination – whether through energy markets, resource adequacy sharing, transmission planning, or the leap to a full regional transmission organization (RTO). Currently, there are at least four ongoing regional market efforts in the West – the California ISO extended day-ahead market (EDAM), the Southwest Power Pool Day-ahead market initiative (Markets+), the Western Power Pool’s Western Resource Adequacy Program (WRAP), and an individual utility effort called the Western Market Exploratory Group (WMEG). Each of these efforts has multiple working groups with its own set of meetings.

State utility regulatory commissions and energy offices often do not have the staffing levels, expertise, or organizational ability to meaningfully participate in each of these market conversations—or sometimes even understand what is happening and how state interests may be implicated. Individual states have been working—somewhat unevenly across the region—to commit more time to regional matters, but acting now to support a collective effort to improve awareness and coordination among states will improve the outcomes of these dialogues. With support, WIEB could deliver a consolidated and consistently staffed forum for states to become educated on regional cooperation development considerations, to discuss issues among one another, and to inform or respond to emerging regional designs on an opt-in basis.

In addition to greater levels of engagement in regionalization discussions, there are many other emerging issues on which a new cooperative agreement would position WIEB to support state education and coordination going forward. Issues that have been topics at recent CREPC-WIRAB meetings include resource adequacy, transmission planning, decarbonization goals, electric vehicles, green hydrogen, advanced nuclear, long duration energy storage, carbon capture sequestration and utilization, extreme weather resiliency including wildfire mitigation and response, and equity, justice, and inclusion in the energy transition. Today, continued education for states on the rapidly changing landscape in these areas is critical, and WIEB’s convening power could help states take advantage of any future regional collaboration opportunities in these areas.

3. Funding Proposal

We believe that one of the most effective ways to meet these pressing and ongoing needs for the Western states is for USDOE to providing funding directly to WIEB. Additionally, by providing funding directly to WIEB we see an opportunity for continued and enhanced coordination and collaboration between the Western States and USDOE. Dedicated support for Western States through WIEB is an efficient and effective way to leverage valuable resources.

Specifically related to the regional electricity coordination issue, with increased funding WIEB can provide:

- Staffing – Sending experts that represent states perspectives to the market design working groups to learn what is being discussed, ask questions pertinent to states’ interests, and potentially assist states in providing input on governance and market design.
- Education – Hosting wholesale electricity market training tailored to the specific needs of individual states or groups of states so that policymakers and utility regulators have the background knowledge to engage with each other and with market participants when market design proposals emerge.
- Convening – Creating forums where state representatives can build relationships and work through market design issues together – whether all together based on consensus, or in smaller groups of states with similar interests.

States can trust WIEB to gather, analyze, and distill information and recommendations back to states and to participate in conversations from a position of understanding the diverse political and economic perspectives and drivers of the Western States.

We are specifically asking the US DOE to establish a five-year, \$4.095 million cooperative agreement with WIEB, rolling in and building on the existing Cooperative Agreement between US DOE-Office of Electricity and WIEB to provide education and convening for the Western States. The proposed \$819,000 per year budget would include:

- \$200,000 in direct labor expense to hire a Public Policy Analyst and a Wholesale Electricity Market Analyst to educate state energy office officials and utility regulators on wholesale electricity market design, to build consensus on market policy and governance, and to focus on emerging priority issues for Western States;
- \$150,000 in meeting expense to cover conference room and audio/visual costs associated with the Fall and Spring Joint CREPC-WIRAB meetings as well as two in-person meetings for state energy office officials and utility regulators to learn about on-going market design proposals and provide policy input;
- \$175,000 for travel expenses including travel reimbursement for two representatives from each of the eleven western states to attend the in-person meetings, and reimbursement for WIEB staff to attend technical design workshops hosted by market developers, coordination meetings, and other convenings for Western States’ priority issues;
- \$100,000 in contractual expense to obtain electricity market expertise for education and consensus-building among western states and other Western States’ priority issues; and,
- \$194,000 in indirect expense to cover retirement, health care insurance, vacation and sick leave, and other overhead expenses associated with hiring three full-time employees.

We urge and encourage your continued and expanded support of Western States as we work to ensure safe, clean, and reliable energy across the Western Interconnection. The following state representatives have joined us in support of this request. We sincerely appreciate your attention to this need and look forward to discussing this request with you again soon.

Sincerely,



Handwritten signature of Megan Decker in blue ink.

Megan Decker
Chair, Oregon Public Utility
Commission



Handwritten signature of Eric Blank in black ink.

Eric Blank
Chair, Colorado Public
Utilities Commission

In coordination and with the support of,



Arizona

Handwritten signature of Lea Márquez Peterson in blue ink.

Lea Márquez Peterson
Chairwoman, Arizona Corporation
Commission

/s/ Brian Goretzki
Chief, Bureau of Radiation
Control
Arizona Department of Health
Services



California

Handwritten signature of Alice Busching Reynolds in black ink.

Alice Busching Reynolds
President, California Public Utilities
Commission

Handwritten signature of Andrew McAllister in black ink.

Andrew McAllister
Commissioner, California Energy
Commission

/s/ Cliff Rechtschaffen
Commissioner, California Public
Utilities Commission



Colorado

Handwritten signature of Keith Hay in black ink.

Keith Hay
Deputy Director, Colorado Energy Office



Idaho

Handwritten signature of John Chatburn in black ink.

John Chatburn
Commissioner, Idaho Public Utilities
Commission

Handwritten signature of Richard Stover in blue ink.

Richard Stover
Administrator, Idaho Office of
Energy and Mineral Resources



Montana

/s/ Michael Freeman
Natural Resource Policy Advisor to
Governor Gianforte



Nevada

Handwritten signature of Hayley Williamson in black ink.

Hayley Williamson
Chair, Public Utilities Commission of
Nevada

Handwritten signature of David Bobzien in black ink.

David Bobzien
Director, Nevada Governor's
Office of Energy



New Mexico

/s/ Sarah Cottrell Propst
Cabinet Secretary, Energy, Minerals & Natural Resources Department



Oregon

Handwritten signature of Janine Benner in black ink.

Janine Benner
Director, Oregon Department of Energy



Utah

/s/ Thad LeVar
Chair, Utah Public Service Commission



Washington

Ann E. Rendahl
Ann E. Rendahl
Commissioner, Washington Utilities
and Transportation Commission

/s/ Michael Furze
Assistant Director, Energy,
Washington State Department of
Commerce



Wyoming

Chi B. Peto
Chairman, Wyoming Public Service
Commission

Glenn Murrell
Dr. Glenn Murrell
Executive Director, Wyoming
Energy Authority