



Exploring Western Organized Market Configurations: A Western States' Study of Coordinated Market Options to Advance State Energy Policies

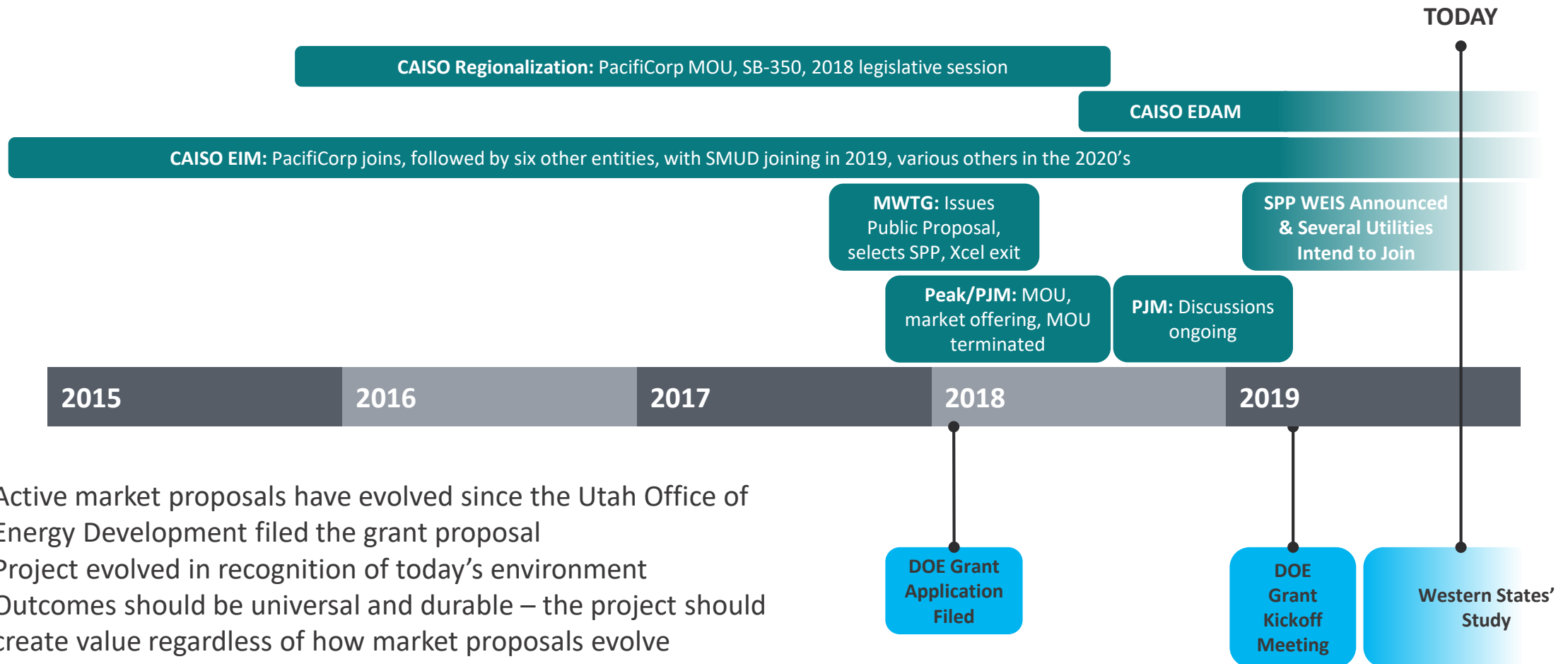
NASEO 2019 Annual Meeting
Panel Discussion: Western Electric System Regionalization Opportunities and Options
September 17, 2019

Presentation Outline

- **Historical context and current status of wholesale energy market developments in the West**
- **Summary of project and why it is being undertaken**
- **Example of issues being considered by states**
- **Project schedule and stakeholder engagement**



Regionalization Efforts and Timing



- Active market proposals have evolved since the Utah Office of Energy Development filed the grant proposal
- Project evolved in recognition of today's environment
- Outcomes should be universal and durable – the project should create value regardless of how market proposals evolve



No shortage of market benefits studies in the West. What makes this effort different?



Examination of Potential Benefits of an Energy Imbalance Market in the Western Interconnection

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Senate Bill 350 Study

Volume VIII: Economic Impact Analysis

PREPARED FOR



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July 8, 2016



Regional Coordination in the West: Benefits of PacifiCorp and California ISO Integration

October 2015



Analysis of Benefits of Imbalance Market in the

NA Samaan	R Schellberg	D Warady
R Bayless	S Conger	R Brush
M Symonds	K Harris	J Newkirk
TB Nguyen	M Rarity	P William
C Jin	S Wallace	M Landau
D Wu	J Austin	H Owen
R Diaio	R Noteboom	W Morter
YV Makarov	T Van Blaricom	K Haragu
L Kannberg	K McRunnel	J Portouw
T Guo	J Apperson	K Downey
S Dennison-Leonard	M Empey	S Sorey
M Goodenough	P Etingov	

October 2013

NV Energy-ISO Energy Imbalance Market Economic Assessment

March 25, 2014



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Production Cost Savings Offered by Regional Transmission and a Regional Market in the Mountain West Transmission Group Footprint

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Colorado Springs Utilities
Platte River Power Authority
Public Service Company of Colorado
Tri-State Generation and Transmission Cooperative
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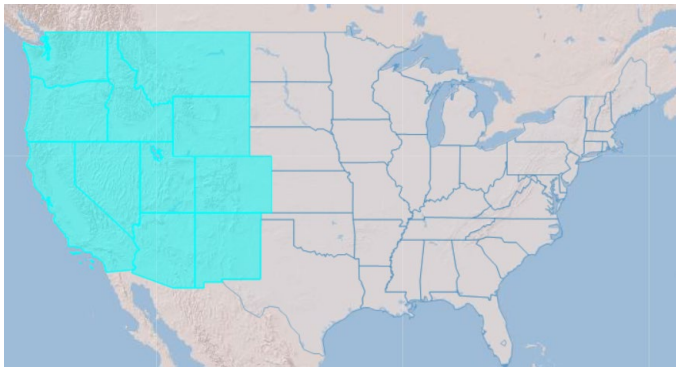
Judy W. Chang
Johannes P. Pfeifenberger
John Tsoukalis

DECEMBER 1, 2016



Summary of the “State-Led Study”

- **Premise:** Decision-makers in Western States need a neutral and transparent forum to evaluate market options
- **Project goal:** Facilitate a neutral forum, and neutral analysis, for Western States to independently and jointly evaluate the options and impacts associated with new or more centralized wholesale energy markets and their footprints
- **Participating States:** 11 Western States

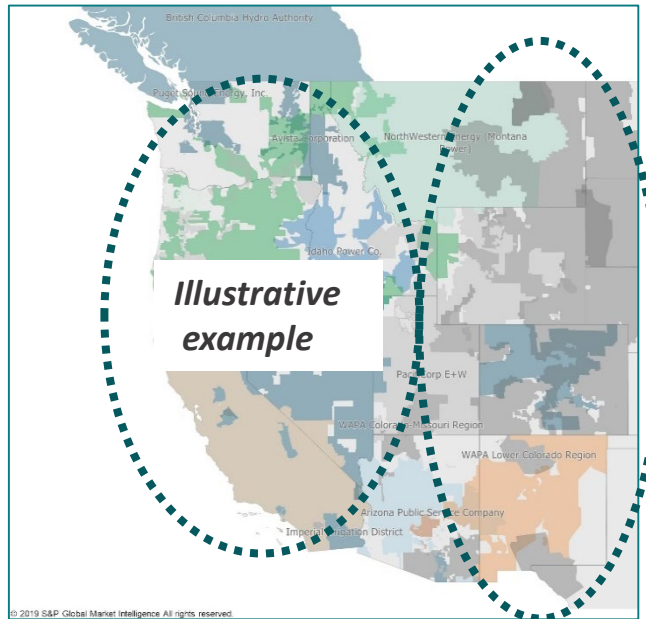


- **Key Players:** Lead Team or “*the states*”; Lead Team Support (*contractor and Utah Office of Energy Development*); Stakeholders (*everyone else; hopefully utilities, NGOs, and others that can provide useful guidance*)
- **Scope:**
 - ❖ Regular interstate **stakeholder engagement** that includes utilities, non-governmental organizations, State and Federal agencies
 - ❖ **Technical Modeling:** Estimate relative operational benefits associated with a subset of organized market configurations identified by participating states; studied under common framework
 - ❖ **Market & Regulatory Analysis:** Create “Market Factor Scorecard” for states to use in evaluating future market proposals: energy market offerings, ancillary services, seams issues, transmission planning, transmission cost allocation, public policy considerations, and stakeholder processes.



To demonstrate the complexities of this project: Examples of issues that states are or will be grappling with...

Assumed market footprints



Footprints to calculate benefits...

- State
- Balancing area
- Utility
- WECC-wide

Market services to study...

- Imbalance/real-time
- Day-ahead
- Full service/RTO

Study timeframe...

- Near-term
- Long-term
- Effects of policy

Types of benefits to consider...

- Production benefits
- Capacity savings

Policy issues to explore...

- Seams?
- Transmission planning and cost allocation?

New Transmission Build...

- Approved in IRP?
- Regional O1K Plans?
- Permitting status?

State policy considerations...

- Major legislation in WA, NM, CO, NV
- Aggressive track for CA

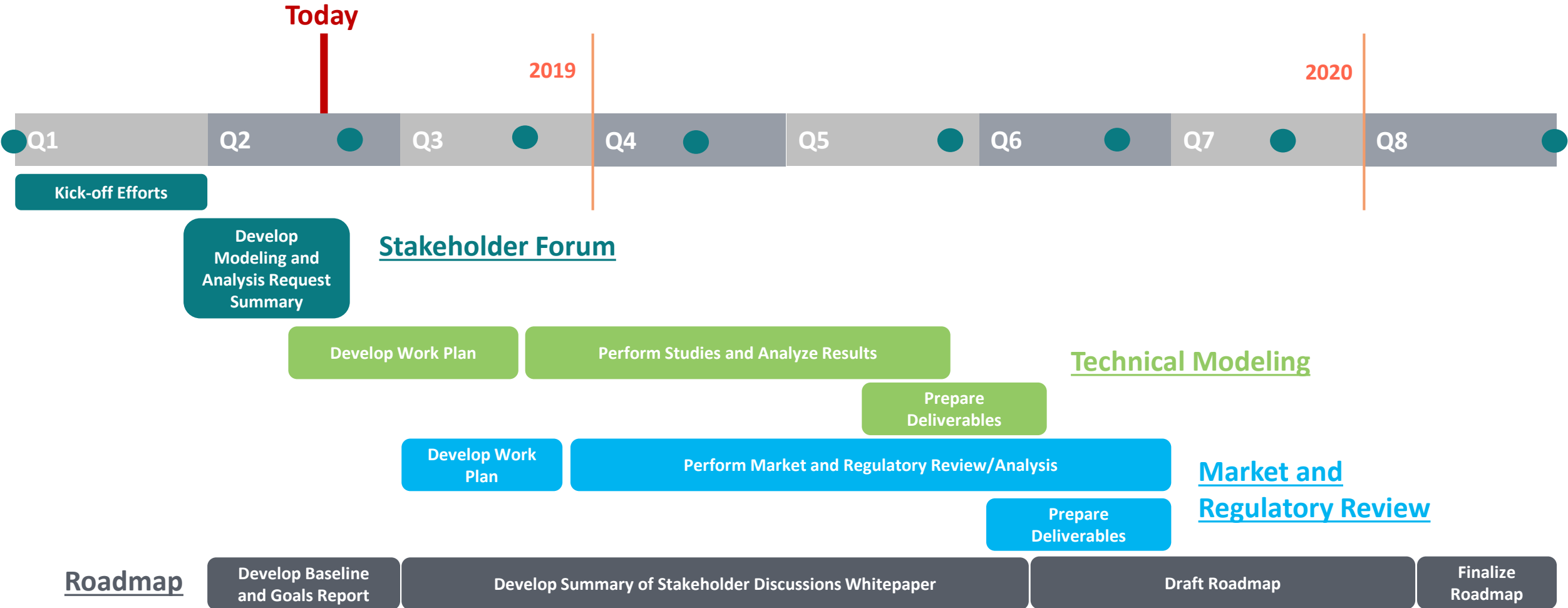
Consideration of costs...

- Market operator costs?
- Lost transmission revenue?



Summary of Project Timeline

- Two year timeline (eight quarters), but project may take less time to complete
- Stakeholder Forum continues for project duration
- Key deliverables from each work area; body of work feeds into Roadmap







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THANK YOU

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