MINUTES
Regional Transmission Coordination Task Force (RTCTF)
June 24, 2024
1:30 p.m.

The Regional Transmission Coordination Task Force held a public meeting on June 24, 2024, beginning at 1:30 p.m. at the following location:

Microsoft Teams Meeting

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AGENDA:

1. **Call to order, roll call and establishment of quorum.** Jennifer Taylor, Chair, opened the meeting at 1:32 p.m.

Task Force Members Present		**Task Force Members Absent**
Jennifer Taylor	Luke Papez	Asm. Melissa Hardy
Leslie Mujica	Alise Porto	Senator Dallas Harris
Henry Shields	Hayley Williamson	Tom Burns
Richard Perkins	Ernest Figueroa	Dwayne McClinton
Jeremiah Drew	Kayla Dowty	Senator Pete Goicoechea
Luis Cruz	Eric Witkoski	Asm. Daniele Monroe Moreno
Ryan Atkins	Elizabeth Becker	Carolyn Turner
		Erik Hansen
		Jeremy Newman

2. **Public Comment and Discussion.** Chair Taylor opened this agenda item. **No public comment was received.**

3. **Opening Remarks by the Chair – Jennifer Taylor, RTCTF Chair –** *(For Discussion)*

Chair Jennifer Taylor: Welcome everyone to the first task force meeting for 2024. This is my first meeting chairing the task force and I want to thank Governor Lombardo for giving me the opportunity and the honor of being the chair for this important discussion. I also want to thank former Senator Chris Brooks, who is my predecessor for both bringing forward Senate Bill 448, to make sure that this was the idea of regional transmission organization and how Nevada may join or form a regional transmission organization is something

that is robustly discussed and that we have a body in place to advise both the governor and the legislature on the policies needed to be able to accomplish that task. Big shoes for me to follow, but I know that the senator has laid some good groundwork and I'm really excited to continue to build on that. I also want to thank Director McClinton and his staff for the work and support in getting this meeting put together. As I noted, there have been a lot of changes in both the market and in the market work from a lot of our presenters and the task force as well. I wanted to use today as a way to reset our foundation. There are new task force members that may have different types of experience and expertise from task force members that preceded them. Senate Bill 448 was passed in 2021 and it established the task force with this very broad and diverse set of Members that bring different expertise, different experiences, but all are part of the folks that are ratepayers, customer classes, power consumers under different forms of utilities and it will be great to hear from everybody and get their thoughts, their concerns and their impressions as we move forward. Senate Bill 448, we are assigned the duty of advising the governor and the legislature on specific items. The first is the potential cost and benefits to transmission providers and their customers in Nevada of forming or joining a regional transmission organization which provides access to an organized competitive regional wholesale electricity market. Number two is policies that will accommodate entrance by transmission providers in this state into a regional transmission organization.

By January 1st, 2030, policies will cite transmission facilities necessary to achieve the state's clean energy and economic development goals. Potential areas in the state were growth in demand for electricity or growth in renewable energy generation would be accommodated by additional transmission or regional market opportunities, and businesses and industries that could relocate here as a result of the state's position in an organized competitive regional wholesale electricity market. We will continue to work through those specific requirements as we move towards putting together a report for the legislature by November of 2024. We are going to hear today from folks that will talk about the basics of an RTO to get everybody in the right frame. I would just like to remind all the task force members and the public that this presentation will be shared on the screen here, but is also available as a link in a download on the Governor's Office of Energy's website under the notices tab and then the Regional Transmission Coordination Task Force tab.

4. **Regional Markets Overview and Structure; Spencer Gray, Executive Director, Northwest & Intermountain Power Producers Coalition**

Spencer Gray: I'm with NIPPC, the trade association for independent generators and marketers in the northwest and neighboring states, just north of Nevada, Oregon, Washington, Idaho and Montana. Recognizing that Nevada is one of two states in the West that does have requirements in state law for regulated utilities to examine and plan to enter into an RTO. The California ISO, both of those forms of wholesale market entities, are generally nonprofit entities that operate at wholesale rather than at the retail level in the electric market and the in addition are also transmission operators. The Federal Energy Regulatory Commission issued order 888, which is a founding regulatory document for encouraging and outlining the design of these new entities. After 30 years of development of RTO's, collectively the seven in the United States managed about 2/3 of power sales at the wholesale level. The exceptions to that are largely the West as a whole and the Southeast. The key functions of the RTO's are above all, to ensure nondiscriminatory access to the bulk power system to the high voltage transmission network. The economic thinking that led to the creation of RTO's had origins in the 1970's, when natural gas began to be deregulated economically, nationally, followed by electricity, and the creation of independent nonprofit wholesale market operators was an outgrowth of changes in technology and policy preferences among states to open the power grid up to competition. The place where competition began and where it continues to thrive is on the wholesale generation side and there is some additional competition compared to decades ago in transmission development.

The theory was and is a sound theory that vertically integrated participants in the wholesale markets who served retail customers, therefore had distribution lines who owned transmission lines at a high voltage. Your own generation had some natural biases in favor of their own assets. If we were to move as a region or a

country toward a more competitive market where any given entity would have a nondiscriminatory opportunity to access the grid, there needed to be stronger rules of the road and the concentration of operating power and disinterested third parties, which is what the RTO's were designed to be. A primary function of the RTO's and ISO's is to operate the transmission networks in a disinterested way. They do not own transmission and they are not asset owners. They operate transmission that is owned by legacy transmission owners as well as developers of new transmission.

In addition, a separate but related function is the RTO's operate wholesale energy markets, typically on an auction basis. It's a movement away from a bilateral sale of power where buyers and sellers call or email each other or operate on bilateral exchanges online to a platform where in advance, a whole series of generating plants are input into expectations for how much power consumers need in real time. Finally, most RTO or ISO's also plan regional transmission across their footprints, and this incorporates reliability needs that the transmission operator anticipates. There is both a planning and an operational function and the reason to have a third party take over the operational control of transmission in addition to the energy markets is to help ensure that no one is favored or disfavored in accessing the grid and developing resources to sell the consumers.

From a consumer and public interest perspective, the value proposition for creating RTO's is there are changes in having an RTO in terms of how transmission rate making happens. The administrative complexity and governance complexities of establishing one of these operators can cut the other direction. RTOs are not a panacea. They do not solve every problem. They are not a magical power sector transmission problem solver, but in general it certainly for the part of the electric sector that I represent independent generators and marketers they tend to have a sound or structure to encourage competition than the alternative. The traditional bilateral market illustrates the distinction between how we run the markets in the West and in the rest of the country. Balancing authorities are for the most part the large vertically integrated utilities and transmission owners in the grid that runs in the eleven Western states, plus the corner of Texas and the two provinces and in Western Canada versus the overall structure of the grid in the rest of the country.

The small distinction between an RTO and ISO is the geographic footprint and RTO under FERC’s requirements covers more than one state, and there is a geographic test for whether a market operator qualified as an RTO under a rule 20 years ago. Functionally, apart from that geographic distinction, the operations of these entities are essentially equivalent, and in the industry, we often refer to RTO's collectively to describe the suite of market operators. The intuition that crossing those different jurisdictional boundaries and complying with the rules of different States and different transmission operators and utilities creates a great deal of complexity in managing the transmission network. The general value proposition for an RTO is understanding that Nevada already has legislation on the books, but to restate the basics in an operating a grid that is more seamless is centralized, is more automated and has a disinterested operator both for generation and transmission. The idea is to lower wholesale costs to consumers so that more states can rely on both the geographic diversity of their generation when it's windy in one part of the West, the sun may be set in another and vice versa when it is sunny in Nevada and California. Perhaps the wind has died down in Montana or Wyoming. The ability to merge generation that have complementary production profiles is a primary value proposition of RTO that has a corollary in that states and large consumers that are committed to decarbonizing their power supply.

It becomes easier to build less generation if the generation you are building is balancing itself better. Additionally, the topic of this task force mission, it can be easier to build transmission when a single operator is looking at a large footprint and able to analyze with transparent public information where the congestion points are, where it would be most efficient to procure new transmission. Depending on the market design and the transmission connectivity RTO’s can offer additional support for regional resource adequacy. In other words, making sure that there are enough power plants for the very coldest and hottest days of the year so that the lights are on at all hours. Increasingly, as we have transition in the generating fleet and as the energy markets captured in those circles, they have shown the value proposition of more centralized organization of

the sector. Those transmission functions are becoming more attractive to more participants and that underscores that the legislation in Nevada and Colorado are not occurring in a vacuum. The impetus to pass those bills is echoed in many other states who are seeing similar changes in their own power grids.

A group of about 30 volunteers in the industry, as well as regulators and public interest groups have been gathering over the past ten months or so to propose changes to the governance of the California ISO. That would lead to a more independent governance approach over primarily the energy markets. We are working toward recommending toward transmission services and wanted to make sure that the task force was aware that the launch committee of this Pathways initiative has thought through as a group and we will be sharing more about this over the summer. Properly independent governance of potential future transmission services that are typical of an RTO, including those required in the Nevada legislation, would be possible in the state of California. These services are very similar to what the Southwest Power Pool provides as well. Our task as a volunteer stakeholder committee is to attempt to make sure that the governance of the California ISO operated transmission services offers a level of independence that is similar to what other RTO's, including SPP, can offer to the West. That is not yet the case, and it is our hope that it can become the case over the coming year.

Chair Jennifer Taylor: I know we talk a lot about generation with this but if you have a few comments on the demand response elements of RTO's and how they both help shape load and manage the grid and provide those opportunities for resource adequacy and how you might see them fitting into a Western market again.

Spencer Gray: One way to think about an RTO is an institution created to aggregate different resources. The resources can be transmission, they can be generation. The geographic diversity of renewables across a very wide area. This is also true on the supply side, and in a bilateral market, in the absence of a central wholesale aggregator programs for demand response tend to rely more on contracts and arrangements between two parties. A typical example is between a large consumer of energy and a utility. An RTO can allow you to take those largely bilateral arrangements, aggregate dozens of them in a way that they can participate in a wholesale market, even though many of those demand response programs are happening at a retail level, this is something that the Federal Energy Regulatory Commission has encouraged, and it is difficult to have that aggregation service outside of the complementary services. It opens a new tool for demand response to work on a region wide basis and to monetize it better.

Chair Jennifer Taylor: The work of the day ahead markets from the Western entities that are providing offerings right now and I wondered if in context with your comment that an RTO is not a panacea, if you might mention some of the value propositions of a full RTO versus staying with a day ahead market, which is where a lot of the the utility thoughts are right now in the West.

Spencer Gray: The way I think about an RTO is, all things being equal means that regulators and policymakers and market participants, for example, are satisfied that the way the market is governed is fair and is not dominated by a set of market participants or a particular state or region. All things being equal in my view, there is a lot of value being left on the table by the West moving in a incremental or evolutionary way toward energy market service offerings that an RTO provides without changing the underlying transmission paradigm. It is much generally more expensive and sometimes simply cost prohibitive to add new sources of generation to the grid to enable programs like demand response that we just covered. The current system relies on a legal fiction of physical contract path rights from point to point across a network flow. We have certainly progressed than we used to be at trying to make that legal fiction correspond better to the physics of the power network, but it will never approximate it as well as using a better network basis, those series of reforms that the West so far has left on the table. I'm not seeing what is going to be left indefinitely outside of Nevada and Colorado, but it adds up to greater cost for generation developers. To have a critical mass of the transmission owners decide that in their best interest or the best interest of their consumers. At the same time, that is why we have struggled for 30 years to make this decision. Some of those transmission owners are jurisdictional, defer

their private investor-owned utilities. Some are not. They are consumer owned, for historic and governance reasons, the West has struggled to move forward on transmission reforms.

NIPPC's presentation can be found here:
https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/RTO%20Presentation.pptx

5. **Regulatory Review; Commissioner Tammy Cordova, Public Utilities Commission of Nevada**

Commissioner Tammy Cordova: This will be an overview about the energy markets that we have available and what the Commission's jurisdiction is because it is a nice foundation of where we are in our current investigatory docket.

The system has to be balanced at all time, which is what makes the transmission system so critical and who is controlling the transmission system and how they are going about doing that and where markets can come into that activity because it is not like a lot of markets where supply and demand can be adjusted, supply and demand in this case have to meet each other. One of the first things that the West did look at was a real time energy supply market and that is the aim. Everyone is familiar with that and that usually runs about once per hour and once every five minutes. In a day ahead market, you are looking for a day ahead, not looking just five minutes ahead, you are looking a day ahead at the opportunities to optimize OHM. The Commission has been working on and investigating the first phase that we have done in that docket and is to talk about what are the characteristics of a day ahead energy market that might be of value to Nevada.

One thing that we should all keep in mind is that when you talk about a regional transmission organization or an independent system, not operator, you are talking about something that includes the real time market and it includes the day ahead market and then it has all of those other features. The real concern that we have is when you start talking about an RTO or an ISO, it is more than just that kind of balancing market function that becomes a responsibility of someone outside of the state. The concern in the trade off always is, is that to the extent that you hand over functions to an RTO, the RTO is not regulated by the state, it is regulated by the Federal Energy Regulatory Commission. FERC does a fabulous job, but it is a different entity, and it is something that the state has to work through as we are thinking about what are the folks in Nevada going to do once we move towards a more regional organization that is regulated by the FERC as opposed to by the PUCN. Everyone is probably familiar with the PUCN and probably familiar with NV Energy, but our primary duty is to set electric utility rates, approve electric utility plans to serve the load, maintain the resource adequacy in the system, and ensure compliance with the various state laws that are passed by the legislature.

The legislature in 2021 passed a law which is Senate Bill 448 and SB 448 states the Commission shall require the Commission, being the Public Utilities Commission and every transmission provider in the state, to join a regional transmission organization honor before January 1st, 2030. In the law, there is a provision where the Public Utilities Commission is supposed to look at that request by the provider to ensure that that request is in the public interest. To the extent that there is not the opportunity to join an RTO or where the opportunity does not look like it is in the best interest of Nevada, the Commission is going to have to look at that. The Commission did authorize NV Energy to join the California ISO Energy and balance market and the energy has announced that it is going to seek authority at some point in the future to join a day ahead market. Nevada has just one utility that serves the vast majority of the customers in the state.

There is a single balancing area authority in NV Energy that currently balances our transmission system and that means that those customers in the state that are not NV Energy customers, the transmission system for the whole state is still balanced by a new energy and we also have a renewable energy mandate which not all of our neighboring states do and that is something that we also have to take in consideration as we are having this

conversation. There is a footprint of the native Nevada Rural Electric Association. The areas in Nevada which are not part of NV Energy system will also be affected by any movement by NV Energy and Nevada as part of their balancing area authority to move towards an RTO a day ahead market. Some of them may or may not be participating in the energy imbalance market in California. These are the folks, in addition to, some NRS 704B customers and other kind of transmission level customers that are not necessarily NV Energy retail customers that need to be part of this discussion as we move forward. Docket number 20-2310019 is available on the Commission's website, and we held several rounds of workshops. We had several rounds of comments and initially we just started off with a conversation about what is going on in Western market activities and then it became apparent that we must do it one bite at a time. We started by narrowing the scope to talking about the day ahead markets. The workshops included presentations from the California ISO and from the Southwest Power Pool because they are both currently working on a market offering that is a day ahead market that NV Energy was participating in, and had individuals speak to the Commission and answer questions. Additionally, there were several rounds of comments focused on what are the features of a day ahead market that would be of value to Nevada and specifically to assist the Commission, what is the type of information that the Commission should consider when it is evaluating a day ahead market is in the public interest for a Nevada.

We just released an order in a report which is on our website and the order adopting the report lays out that the purpose is to identify what should be the requirements for NV Energy to come forward to the Commission and request to join a day ahead market. It highlighted the next phase will move further into other kinds of Western interconnection and regional transmission types of activity. One of our workshops included presentations on cost benefit analysis, but we want to see what information is available so that we can do an assessment whether this is in the best interest of Nevada and then some other information about capital investments and costs. NV Energy has indicated that it may file an application with the Commission later this year to request authority to join a day ahead market. If they do so, any requests that it makes, any application would be docketed. Hearings would be held such that then the full Commission can make a decision.

Chair Jennifer Taylor: Thank you very much Commissioner Cordova for that thorough overview of both the uniqueness of Nevada and the work that you are doing. This is some of the groundwork in the foundation so that when 2027 gets here, you will be able to have the rules of the road to assess those items necessary for your charge under Senate Bill 448. Is that correct?

Commissioner Cordova: Yes, I think that is fair. I certainly think at least for my Commission, given that Nevada has not participated in an RTO up until this point, having this investigatory process has been very helpful in just bringing our staff members up to speed, creating a place where we can have educational sessions to learn what sorts of information we are going to need to have. That is where we continue to move forward to make sure that we are getting everybody to the place that we need to be with the information that is available.

Chair Jennifer Taylor: To the extent that there are still engagement opportunities in the well, are there still engagement opportunities in the investigatory docket for those parties that may want to weigh in, attend hearings, attend workshops? Do those still exist and how do folks get involved if they are interested?

Commissioner Cordova: Absolutely. There is a process on the Commission's website where you can be put on the service list so that all information in the docket is automatically emailed to you, or you get a notification. You receive a notification when information has been made available. The website is having issues so send me an email and I'm happy to get you in touch with whoever you need to get in touch with to make sure that that happens for you because we will have more workshops.

Chair Jennifer Taylor: I think that is one of the things that is great about this task force and that the work that you are doing is that there are very few people who have that wholesale expertise in what we're trying to do and having these different pieces of the puzzle together, or to try to create the whole I think is good.

PUCN's presentation can be found here:
https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/PUCN.pptx

6. **Status of Regional Transmission Organizations in the West; Michael O'Brien, Senior Engagement Manager, Western Resource Adequacy Program**

Michael O'Brien: I am Michael O'Brien and the Senior Engagement Manager for the Western Resource Adequacy program. That is the WRAP at the Western Power pool and WRAP is not a market. The Western Power Poll has been operating for over 80 years, providing services that are more efficiently delivered through regional coordination rather than by an individual utility, say going out on its own. It is important to note that since WRAP received FERC approval at the beginning of last year, we currently have an independent board at that PP, which was something we did not have until we got the first WRAP. Last year we gained a new participant, bringing the total number of voluntary participants to 22. WRAP started back in 2019, when many of these entities began sharing observations about the very real problem of resource adequacy, which it at a high level, is just making sure that there's enough resources to meet load under a variety of conditions, including some extreme conditions, especially as more variable resources. Call plants were coming offline. Loads were expanding due to electrification and data centers and all against the backdrop of increase increasingly extreme weather conditions. The FERC approved tariff that enabled the WRAP to be the product of years of work and collaboration and negotiation between not just the participants but other stakeholders as well.

All of this leads to the WRAP, and it is not a market, and it is not creating a new one and that in this operational component of the program where energy is exchanged, that is still exchanged bilaterally between participants as though market role there at the moment. WPP serves as the program administrator and that role is defined in the tariff and we are entirely responsible for running the WRAP. The tariff also describes the program operator, and that is defined as a third party who we contract with for technical and analytical support towards implementing the RA program. We hired Southwest Power Pool (SPP) for that role. It is important to note that while SPP's role in WRAP is critical and very important, it is purely contractual. The WRAP is about planning to make sure that participants have adequate quick capacity so that they can deliver to their loads under a variety of circumstances. The APPS program is linked to that by allowing the participants who have surplus capacity to help those out that do not. We are trying to work together to develop a common set of metrics to develop, to analyze how our increasingly diverse resources that we have across the region can meet the needs of our rapidly diversifying loads under a variety of circumstances. Diversity is key. The benefits of the WRAP hinge on the diversity of resources loads and transmission across a broad footprint and we are working towards a binding construct.

WRAP binding means that there will be compliance consequences in terms of financial charges that we explain to participants for failing to comply with the requirements that they have designed and signed up to and or if they fail to cure any deficiencies that have been identified. This binding construct will eventually apply to both the forward showing planning component and the operational component and the planning component. This is where each participant shows their loads and resources seven months ahead of the two seasons in the WRAP and that summer, which runs from the beginning of June to mid-September, and winter, which runs from November to mid-March and then there is the operational component which we have talked about matching those with capacity surplus to that forward sharing planning needs to those that do not have enough. Planning and operations should help us to maintain reliability by holding the appropriate amount of capacity collectively and driving upstream investment decisions on both generation and transmission.

While this is the ongoing value right proposition will always have reliability at its core, participants will have different starting points in the WRAP. In which case achieving resource adequacy could come with increased investments in the short term for some. All the voluntary participants that have signed up for the tariff are still non-binding. We are still working on how they do the planning and how they do the operations program. A lot

of learning by doing but WRAP does have an on ramp in the tariff and that is called the transition period and it is a three year period between 2025 and 2028 where a participant can choose one of the six seasons to choose to go binding and expose itself to potential financial penalties, and the incentive during the transition period is that those financial penalties are quite substantially reduced.

The forward showing program is the advanced planning piece and is the monthly compliance obligation that each participant must meet seven months ahead of the beginning of those summer and winter binding season. Each of those seasons, summer or winter, has the months in it, and each of those months will have its own capacity requirement that needs to be met. How is that amount of capacity determined? The program operator gathers data from all of the participants about what resources they have, what loads they have and expect to have, and then runs a loss of load expectations study. That determines the extra capacity above the load and that is known as the planning reserve margin, or PRM, that is needed to ensure an event date in 10 years. In other words, the amount of extra capacity needed so that every 10 years during one of these seasons as a single outage due to the lack of capacity being available and that is the regional reliability metric that is being used collectively by the WRAP that leads to a planning reserve margin, a little bit of extra capacity above load needed for each month of winter or summer.

The WRAP region is currently divided into 2 footprints, the Northwest and the Southwest. We are working on trying to explore the extent to which we can allow some transmission between the two but in those two sub regions you are in, at least which have a sub region, or the participants have the same PRMS that they use per month. The program operates with information about the performance and availability of their generation over the last ten years and that is done two years ahead of each season. For each month and each season, winter and summer, each participant has its forward sharing capacity requirement based on the planning reserve margin needed to ensure reliability and their own low forecast and then they add up the QCs. If planning ahead, a participant sees their short in either the capacity needs or the transmission needs, it can start trying to fix that before the show and forward showing deadline. At some point they get to the deadline, they submit their information about how they are trying to comply with their forward showing capacity requirements, and then we have two months to analyze them and let them know you're deficient in this area or that area. Then they have another two months to try and cure the deficiencies. If they fail to cure the deficiencies and they are binding, they expose themselves to forward showing deficiency charges and these charges are based on what we call the cost of new entry, a new plant coming onto the system.

The initial phase of the operations program compares that earlier forward, showing the forecast, look for a particular month to the app to the actual operational reality in a week or a particular day between when they made their plans and what is happening right now, a plant may have gone offline, load may have been higher or lower than they predicted. Variable resources such as wind or solar may have performed differently, the forward showing as compared to what is happening and then we can determine whether a participant has excess capacity to their needs or is and some sort of deficit. The participant has excesses obligated to hold back some of that capacity in case the deficit participant wants it. If they do, they call upon it and they must deliver.

Each day of the season, winter or summer, is called an operating day and consideration of any particular day in the winter or summer begins seven days in advance. We are currently in our summer 2024 season so we are in a non-binding operations program and there is a lot of data flying around between participants but there are no charges for deficiencies or failures. People are just setting up their IT systems so that they can send the right data files to their program operator and the multi day and the day ahead basis about whether resources are right now compared to where they were in the forward showing earlier this year. On March 31st, participants submitted their non-binding forward showing for the upcoming winter 2024-2025 season and we are reviewing their deficiencies with them.

The deadline for participants to indicate if they wanted to go binding was at the end of May 2024. In summer 2026, you have to give two years notice. On April 22nd, the WRAP participants sent a letter to the region and

reaffirmed their commitment to the WRAP program but wanted to highlight a few things to serve as context to the decision about when to go binding. They noticed that they had been pursuing resources, contracts, ownership and there had been more efforts on the transmission front. They were encountering friction and supply chain issues and while WRAP was more important to them than ever, given the magnitude of deficiency charges they could be exposing themselves to, they felt that summer 2026 was too soon to go binding and expose themselves to those penalties. They took advantage of that flexibility allowed by the tariff, and they are working towards a critical mass in 2027 and as part of that, they are going to revise that transition plan by changing some of the mechanisms surrounding how much the deficiency charges are reduced.

Western Transmission expansion coalition effort that takes place at WPP is trying to facilitate new and improved conversations on regional transmission planning. It is not focusing on permitting or cost allocation and it is trying to be different and is striving to be actionable. It is looking 20 years ahead at new transmission and ten years ahead at what grid enabling technologies might be able to be used in the nearer term. It is trying to be expedient by leveraging existing resources that we might have or capabilities such as those through web and trying to have as broad and inclusive a table as possible from the industry that set it up through to state regulators and representatives.

Utility boards, Tribes, and customers try to make sure that what comes out has as much buy in as possible. This is not a process but a study. They are working on a steering committee and a technical committee, both of which have representation from NV Energy. The study plan data will go into the studies for the 10- and 20-year outlook. There will be an opportunity to comment on that study plan on July 19th and then the aim is to get the work going in September of this year and then August next year report back on the 10-year outlook. Then October 2025, report back on the 20-year outlook and that will lead to new lines on maps of an actual study.

Chair Jennifer Taylor: Are there analogous RA programs and entities in other markets, regional markets across the country in any of the other RTO?

Michael O'Brien: The closest ones would be run by SPP in the RTL, which is why we contracted with them to be the program operator and they put out PRMS for their members and we have used a lot of the similar software that they have used. The design of our program is slightly different because it has come from our own participants, but it is quite similar to what I described with some Northwest new ones due to hydro.

Chair Jennifer Taylor: I don't know if you have the ability to provide a real-world example of how WRAP has functioned in some of these summer high heat domes or high grid demand that we have had over the past couple of years to show the efficacy of the program. It is in non-binding status right now but to show the efficacy of the program.

Michael O'Brien: That is not something we're able to share right now. We are only in our second non-binding operations program. We are still trying to get to the level of data quality and assurance before we can start making that kind of predictions or statements about heat domes, etc. We emphasized the need for all participants to submit sufficient high-level data that is required by the tariff. There are still a lot of systems being set up to make sure that the data is being provided and the right data is being provided, but everyone's working really hard on trying to make sure that they understand where the holes are and as we get through each season, we will get closer to being able to make these kinds of statements on the heat domes.

WRAP's presentation can be found here:
https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/WRAP%20Presentation.pptx

7. **Status of Regional Transmission Organizations in the West; Bruce Rew, Senior Vice President of Operations, Southwest Power Pool**

Bruce Rew: Southwest Power Pool has been around since 1941, when utilities got together for a critical war effort to expand the aluminum production in the central part of the U.S. SPP is in one of the RTO's and is a 501C6 nonprofit. One of the key things to emphasize is that as an RTO, we do not actually build transmission. That is delegated to the transmission owners participating under the tariff. For our market, which has a peak of about 55,000 megawatts, the annual savings for 2023 being about 3.6 billion. Looking at our supply in generation, we have nameplate capacity in the RTO of just over 100,000. Of that, about 66,000 megawatts credited and if you look at generations such as wind, we have about 33,000 megawatts of wind accredited capacity. We are showing the peak demand for summer was 56,000. Our winter peak is about 47,000. Wind was our #1 fuel at about 37% of our total energy production. Coal and gas are #2 close together about 27%, and hydro and nuclear are the 4th and 5th largest producers of energy for SPP. The number one fuel in our generation interconnection request that is under study is solar with 31,000 megawatts or 36% of proposed new generation is solar; #2 is wind with an additional 17,000 megawatts and battery and storage combination makes up about the same amount, about 18,000. Hybrid and thermal are about 8% of our new generation interconnection queue are new thermal generation.

A key part of SPP is the stakeholder process and how we interact as an organization. SPP has an independent board of directors, there are 10 independent board of directors. One is our President and CEO, Barbara Sugg and the other nine representatives are independent directors elected on a 3-year process. Every year we have three new directors or potentially new directors up for election. While other ISO's and RTO have similar state representation committees, a key aspect of SPP's is that the SPP Regional State Committee has specific responsibilities. We have 114 members, and it is a diverse group of members with generation transmission cooperatives being number one and right behind it is independent power producers and invest drowning. The embers committee is a sector-based committee that has representatives from the major sectors in the organization that members vote on everything before the Board of Directors. The Board of Directors get to see the advice and recommendation of the members committee before they vote independently. Overall, we have over 500 stakeholders that work collaboratively driving the decision making and strategic direction for SPP. SPP is primarily in the 3:45 KB system. The transmission is an important aspect of an RTL rights, or it is the transmission part of the RTO and SPP has a transmission cost allocation process where Ford transmission is 300KV and above that is directly assigned. If it is not directly assigned, it is paid for by the region and for facilities that are allocated at 100KV to 300KV. The region pays one-third, and the local zone pays two-thirds and then four facilities that are below 100 KV, it is one hundred percent by the local zone.

If there is the opportunity for those to be directly assigned, that is where the product owner would build it and be responsible for the cost. There are several things that SPP is engaged with in the Western interconnection. The first is the expansion of the RTO and provide an energy and balance service market. This is very similar to the California EIN Market. It was launched in February 2021, and we have over a 13½ gigawatts of market load participating in energy imbalance market. We do a lot of work with Markets+ and this is SPP's day ahead and real time market. SPP serves as a reliability coordinator since 2019 for thirteen Western transmission operators. We facilitate the Western interconnection unscheduled flow mitigation plan, helping organizations manage grid congestion interconnection. We are involved in most of the Western interconnection with the different activities that we are engaged in. In order for Nevada to participate in an RTO, you could either have an additional entity join that would be connected to Nevada or entities in Nevada could obtain transmission service connecting to the SPP RTO and be able to participate in the SMP organization. SPP covers multi state. We are going to continue using the SPP existing tariff in a single RTO and is the expansion of the existing RTQ and that is an important aspect to note and to do that, there's very limited changes to the governing documents that we currently use today so it will be operated essentially similar to SPP today. One of the things is that for a balancing authority, we are going to have one balancing authority, but with two balancing authority areas, one in the Eastern Interconnection and one in the Western interconnection. We are going to

consolidate the balancing authorities in the Western interconnection into a single balancing authority and then we will optimize across the DC ties. We have a diverse membership in our organization in terms of specific working groups and committees and will continue to be inclusive of the Western interconnection parties in the representation of those groups. One of the things that we see is a benefit for both current and future SPP members is the diversity of solar and wind. When you look at SPP's current footprint, we have a lot of wind. Some other benefits for SPP, we see a positive environmental benefit. We are currently 27% of our energy and is by coal. If you look back to 2014 when we started the integrated marketplace, we had over 60% and through SPP RTO, we are able to dramatically reduce that generation output by less than half and greatly reduce CO2 emissions by over 22% since 2014.

There is significant economic development as we look at transmission expansion and how it is facilitated capital investment and growth for a local opportunity and local economies. The high-level timeline of the overall arterial expansion project is targeted for April 1, 2026. We are currently on schedule after getting our tariff filed and developing systems and on track to go live in 2026. Markets+ is our day ahead and real time market services that has been under development, this is a separate footprint and services from the arterial expansion. It is a new tariff and has been filed at FERC on March 29, 2024, and requested an order on July 31, 2024. We are waiting on the FERC order to take the next steps, which would be to get a contract discussion in place and get phase two commitments. Phase two will be the SPP development testing of the systems and we would have a targeted go live of sometime in the second quarter of 2027. This is a big collaboration process that we used with hundreds of Western stakeholders to develop the proposal and to get to the point where they approve the tariff to allow us to move forward the overall tier development of through the marketplace.

Markets+ governance is under the SPP Board of Directors because it is an SPP file tier. The Markets+ independent panel will have substantial autonomy over the Markets+ Terrapin implementation. SPP is planning on end markets plus State Committee, which would be similar to the SPP Regional State Committee and would provide assistance in oversight of the SPP market working with the states, understanding the value and benefits that Markets+ provide. Every market will have a SEAMS, it just depends on where that SEAMS is at, but for us, proper incentives are in place for seeing negotiations to yield favorable outcomes for the consumers. SEAMS creates transparency in terms of what the market design is, how that market interacts with the neighboring market, and it improves market design and performance by comparing one market design with another. You can identify the best of both markets and make sure that your market is continually using the best practices that other markets come up with to improve but also bolsters reliability and times to generate transmission scarcity by being able to have partners in markets that you deal with on a regular basis so that you can have high levels of transferring and we saw that for SPP during our most recent winter event that we had. We imported levels of up to 7000 megawatts during that storm, which for us is a level that we never hit before. This is due to the large markets that are next to us and the ease at which it is being able to coordinate with them to transfer those large amounts of power into our footprint on a seamless basis and those extensive benefits yield significant value to the market participants and have established great value for not only the short term but the long term as well. As an independent market operator, we exist for the sole purpose of providing value to the customers. We are going to negotiate and collaborate with pure market operators on a peer-to-peer basis and make sure that we retain the value and trade between those systems.

Chair Jennifer Taylor: What would happen if Nevada's transmission providers decided that SPP was where they wanted to go for a market for an RTO, but there was no adjoining entity? What would that look like and what would the cost and impact be to reliability and Nevada and repairs in Nevada?

Bruce Rew: What we would do is that the interested parties in joining the RTO would obtain transmission service to connect to the SPP RTO and then with that transmission service, we would be able to optimize transfers between the existing load serving entity in Nevada and the rest of the SPP market. It would become just part of the SPP market. We would optimize it as a single consolidated balancing authority. Nevada

customers will get the benefit of sharing those operational costs with the rest of the SPP footprint based on the connectivity and size that was obtained to join the RTO.

Chair Jennifer Taylor: I think the other question I wanted to go back to your interconnection queue and ask about what is the current time frame for interconnection studies, especially with solar?

Bruce Rew: We have a process that we are working on at the interconnections. We have over 20,000 megawatts of assigned interconnections backlogged, and we have worked through that to where we are still about a year and a half or two years behind. If you put a request in today, you should have a good answer within about two years to know what the cost would be and what your interconnection requirements would be to join. We have almost 10,000 megawatts of solar that are assigned and ready to be built in the SPP footprint.

Chair Jennifer Taylor: How much of that might be speculative versus actual projects with agreements in place and development in place versus just the speculative reservations in the queue?

Bruce Rew: We have a requirement process as it goes through interconnection. There are different requirements to go to the next level and all of the customers are required to meet those requirements as they move through the planning process.

Carrie Simpson: You were asking how much of that 10,000 could be speculative? Bruce Rew said that we have 10,000 signed as full agreements but we are waiting on them to build, is that correct?

Bruce Rew: That is correct. We have almost 10,000 megawatts of signed interconnect, well over 20,000 total, but almost 10,000 is solar that is signed and ready to go. It is waiting on them to get the construction started under the process.

SPP's presentation can be found here:
https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/SPP%20Presentation.pptx

8. Status of Regional Transmission Organizations in the West; Jeff Billinton, Director, CAISO

Jeff Billinton: I am Jeff and joining me is Milo Bosanac, Shani and Anna McKenna, Vice President of Market Design and Analysis and Holly Taylor, Manager of Regional Affairs. Our peak demand was 52 GW, and we serve about 80% of the load and is most of the Western interconnect which is outside of an RTO structure. There is significant coordination that currently does exist and some of that is with the Western energy imbalance market which the ISO operates in 11 states and the province of British Columbia, as well as the RC West in which 40 balancing authorities and transmission operators currently receive their coordinating services through the Kaiser's RCRC West. In terms of our coordination with the California Energy Commission with regards to the load forecast and the resource planning with the California Public Utilities Commission, those are significant inputs into our planning, and we have two processes right now. We have our annual 10-year transmission planning process, which is formal and based on our tariff. We are going into next year expanding to a 10-to-15-year transmission planning process and we have had accelerated load growth due to electrification and the escalating renewable energy needs are transmission planning particularly over the last three transmission plans is increased.

We ramped from a 10-year average of $650 million per year to $3 billion in 2021-2022 plan, $8.1 billion in 2022-2023 plan and $6.1 billion in the 2023-2024 plan. We are looking at our near-term planning or 10-year horizon planning and how it fits into long term plans, and it is invaluable in terms of the state resource planning. There is a documentary produced called Taking the Longview that looks at planning processes as

well as coordination and collaboration efforts in regard to planning internally and outside of California. There are five projects that are identified of the coordination and collaboration outside the California ISO and that would be the S line that is within California to the Imperial Valley or Imperial Irrigation District as well as the 10W line that is coming to service, connecting California to Arizona through Colorado Delaney connection. The ISO has conditionally approved in the 2022 or 2023/2024 transmission plan, the Swift N project, also demonstrates the collaborative in coordinating with Idaho Power for South to North. The subscriber PTO model was approved as well as two PTO's participating transmission owners under the subscriber model and that being Trans West Express to access windy Wyoming as well as the Sun Zia project to access wind within the New Mexico area and with those two projects being under the subscriber, it became part of the ISO balancing authority area.

ISO is coordinating west-wide multiple tracks and are sharing study efforts. ISO participates in the Western Transmission Expansion Coalition (WestTEC) and am also one of the co-chairs on that committee and there is also the work with the Western States transmission initiatives. We have a significant amount of informal and informal meetings and discussions with PacifiCorp, LADWP, Idaho Power, APS and Portland General. The creative bilateral efforts to advance projects would be the subscriber PTO approach that the ISO developed and received FERC approval for the tariff have two parties moving forward in that area, Sun Zia and Trans West Express. Another unilateral approach that we have taken with the SWIP North project and collaboratively working with Idaho Power on their needs.

Milos Bosanac: I am going to provide a bit of an update on Western Energy Imbalance Market. There are currently 23 balancing authorities across 11 Western states, representing approximately 80% of the demand of the Western interconnection that is participating in the Western Energy Imbalance Market, which is a common market across the West that has demonstrated important and tangible benefits of collaboration over the last decade. The WEIM is a real time centralized market platform to buy and sell power close to the time electricity is consumed. The 23 balancing areas will find the most cost-effective solution and dispatch resources to serve load across that footprint. It provides sub-hourly (15 and 5 minute) economic dispatch of resources in real time, balancing supply and demand, finding least-cost solutions to meet power needs, harnessing that access to diverse resources to identify the least most efficient solution to serve low since the market inception in 2014. The EDAM has provided approximately 5 ½ billion in benefits for its participants through the dispatch of less costly supply to serve demand and of those NV Energy, who is a western energy imbalance market participants since 2015, has derived an estimated $488 million in the quarterly benefits that we estimate every year.

The benefits of the Western energy balance market have grown at the footprint and have expanded as additional entities joined the market, bringing to the market not only additional supply but also additional transmission connectivity across the footprint. It allows for more efficient real time transfers of energy through connectivity across balancing areas in the West. The EDAM has provided and demonstrated reliability benefits by providing operational visibility across the footprint into the supply and transmission availability conditions in real time as conditions across the footprint change, whether it's driven by changes in load, heat waves, loss of generation or transmission or other factors that are not predictable, the market is able to quickly find the most efficient supply to dispatch to serve the man and support reliability. We have seen that over the last decade, practically every summer across the footprint, that the market provides that reliability value as well as in winter conditions when unexpected conditions arise, and the market will find the most efficient solution and supply across the footprint.

The success of the WEBM in real time market has demonstrated those tangible economic reliability and environmental benefits of coordination across the West. It has led the ISO as well as Western stakeholders to sign and establish a day ahead market to derive those further benefits for participants and their customers. The extended day ahead market design was developed jointly together with market participants across the West over multiple years with over 80 stakeholder meetings and workshops, hundreds of pages of stakeholder written comments and multiple proposal iterations and the design integrated sought to balance the varying

perspectives and interests considering the input from all market participants across the West. That policy design has been fully approved by FERC in December of last year and approved the entire design with the exception of one element that is called the EDAM access charge, and we refiled that element earlier in the year and just two weeks ago it was approved for EDAM access charge design by the FERC and is ready for launch.

The real time market provides for voluntary entry. Those that are in the WEIM can voluntarily extend that participation into the day ahead market, or they can stay and participate only in the real time market. Additionally, there are no exit fees to the extent that somebody extends participation to the day ahead market and maybe they're not giving the benefits that they expected, they can exit the day ahead market and there are no exit fees or penalties for exiting that market. The integrity was to provide for ease of entry and exit to the extent of the participants if they are not seeing benefits. Another important element is that each entity continues to retain autonomy and management of their operational reliability within their balancing area. Their transmission planning function, as well as their resource planning function, the ISO as the market operator of the day ahead market, does not extend or does not take on those functions, but they remain with the entity and their regulatory structure. The IRAM design is compatible and interoperable with the varying resource adequacy programs and resource planning programs that exist around the West, including the Western Resource Adequacy Program (WRAP). Participants in the WRAP and other resource adequacy programs are able to offer the supply that they contract to meet those resource adequacy obligations on a seasonal, an annual or a monthly basis and offer the supply into the day ahead market to meet and demonstrate their daily sufficiency, that they have sufficient supply to meet their next day expected load conditions in the market, then optimizes all of that supply to find the most efficient way of serving that supply across the footprint.

The EDAM, similar to the EM, also helps improve reliability through enhanced situational awareness of supply and transmission conditions in the day ahead time frame and is able to position the footprint from supply perspective in the day ahead time frame to meet the next day expected demand and that additional visibility into the supply conditions allows the market to have awareness of whether the footprint has enough supply to meet changing conditions in the next day and is able to reduce the risk of balancing areas have to potentially declare emergencies and to access additional supply. Over the last several months, several balancing authority areas have indicated their commitment or interest to participate in the extended day ahead market in a robust market footprint and is starting to take shape. This includes a specific organization who has executed and implemented an agreement in April this year, and the balancing authority of Northern California, the Los Angeles Department of Water and Power, Portland, General Electric, Idaho Power Company, as well as NV Energy, along with the ISO balancing area of this footprint. If all of these entities were ultimately to join, this footprint represents about 50% of the demand in the Western interconnection and that represents the transmission connectivity in a meaningful footprint to derive significant benefits in the load and supply diversity that would exist across that footprint.

With this footprint, I do want to recognize the importance and the impact of SEAMS that can arise between multiple markets. To the extent that multiple markets do form in the West, SEAMS arrangements are important to ensure management, reliability and integrity of the respective market structures. We have shared with FERC our filings and more broadly in other forums, the ISO stands ready to engage from market to market. It is important to recognize that SEAMS does introduce impactful and meaningful inefficiencies as challenges between markets. The current governance structure is shared authority over regional markets between the ISO Board and WEIM Governing Body and this shared authority is a starting point that has been extended to the day ahead market with the launch of EDAM. The WEIM governing body is selected by a nominations committee that represents a wide set of stakeholders across the West across different sectors, including WEIM entities, transmission owners, energy suppliers, marketers, publicly owned utilities, body of state regulators, as well as public interest and consumer advocates, organizations, have the ability to participate in the nominations process and identify the WEIM governing body numbers. States also have an important role in the current governance structure of the WEIM and the body of state regulators, which consists of regulators representing states with the WEIM entities. At this point, the body of state regulators provide comments and

perspectives on policy initiatives that are going in front of the ISO Board of Governors in the EDAM governing body, and they take those comments and input into account.

The pathway differs and is looking to further build on and evolve the governance structure, working with stakeholders across the region as we speak. We continue to work on implementation of activities for a spring 2026 go-live for EDAM. As part of those implementation activities, we expect that in the fall of 2025, there will be a lengthy market simulation period where market participants can test the system functionality and features of the EDAM and then closer to onboarding of 2026. We work for a number of months with the prospective entities in parallel operations, where the perspective participant is effectively testing their system through the market, training their staff, obtaining support as if they were operational in the market to test out readiness, and then they go-live in the binding market. The FERC has approved the entirety of the EDAM design, and we are on pace to launch that first.

Chair Jennifer Taylor: Do you have thoughts on how nearly 50% of the demand in the West may translate to broader economic benefits within the states that are part of the balancing authorities? Does the fact that there is a significant amount of demand from state to state, meaning that it provides greater benefits to Nevada for either exporting energy or for being able to import energy for business growth within the state.

Milos Bosanac: Each one of the entities, including NV Energy, have done a Brattle study that considers similar variations in the footprints within their study and I don't want to speak necessarily for WBE, but I think their studies have demonstrated significant benefits under the EDAM and under the different options that have this particular footprint within that study and assessment, those benefits that arrive from the ability to import less costly generation, turning down some of the more costly resources in favor of renewables and other resources. They have the ability to export generation across transmission paths and across this connectivity with the other areas that have the demand to take in additional generation, particularly in the peak periods like in the afternoon periods when Nevada has resources that can be dispatched to serve load across other areas when solar resources are ramping down. The benefits are both for the import of cheaper generation as well as for the export of generation from the area in those afternoon periods and across the day.

CAISO's presentation can be found here:
https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/CAISO%20Presentation.pptx

9. Status of Regional Transmission Organizations in the West; Kathleen Staks, Director, Western Freedom

Kathleen Staks: My name is Kathleen Staks, and I am the Executive Director of Western Freedom, which is an organization working on RTO issues in the West on behalf of large commercial and industrial customers. I'm also the Co-Chair of the Pathways Initiative Launch Committee, and that is the role that I'm speaking to you about today. We have the launch committee of the Pathways Initiative and are about 26 people from 12 different sectors. We have committee members from state representatives and the power marketing authorities who are all non-voting entities, as well as representatives from the from IUS, public power, labor customers, developers, COOP's and PIO's. It is a diverse group of people. The Pathways Initiative was kicked off in July of 2023 by a letter sent to the Western Interstate Energy Board by regulators from 5 different states, West Washington, Oregon, California, Arizona and New Mexico.

They sent a letter to WWGPI putting out an intent to see an organization in the West that had independent governance that could create an entity that could serve the largest footprint possible, including California, enable and maximize benefits for customers across the West. WWGPI, which is a group of 26 volunteers, developed a mission at the beginning that really reflects the directives from those regulators. Independent

governance structure is a really important component of this. Given all of the things that you just heard from Western Power Pool, CAISO and the Southwest Power Pool and how they are structured, 80% of the West is participating in the Western Energy Imbalance Market.

The governance structure is what makes it really difficult for CAISO to evolve into an RTO to serve the entire West and the fact that the Kaiser's Board of Governors is appointed by the California Governor and approved by the Senate. That basically makes it so that CAISO is not going to turn into an RTO for other entities and other Western states. The idea was, how do we create a separate, independently governed organization that can build on the market structures and success that we have seen through the WEIM while minimizing costs and duplication of resources that is able to turn into an offer market that services up to and including an RTO, while recognizing that we have mandates in Nevada and Colorado for investor-owned utilities to be able to join an RTO? How do we create something different?

We have run into some challenges in previous efforts to change the law in California and would ultimately change the way the board is appointed in California and those legislative efforts in the past have not been successful. We have had to get creative to try to find a different way to do it, and that is what the pathways initiative is really focused on doing. One of the early things that the launch committee spent some time on was developing a set of evaluation criteria. We were working on different options for how we create this new regional organization and independent entity. How are we evaluating the various aspects of that entity, and we came up with this list of evaluation criteria. We put it out for stakeholder comment and one of the main criteria is to expand responsibility of WEIM/EDAM Governing body to respect both "state and local" policies. It is also one of the most important principles which is respecting state and local authority and the ability for each state to set its own energy goals, own climate goals and to acknowledge that this new entity will not do anything to impede each state's ability to set and enforce its own procurement, environmental reliability and public interest policies.

We created a stepwise approach to get to this end state. The reason that we created a stepwise approach was because we received input from stakeholders and taking this in one big bite, let's take some incremental bites. How do we make progress that makes demonstrable increase in independence for the WEIM governing body and the market services that we are looking at? How do we build from that success and move into a full regional organization that has an independent governance structure? Step 3, which is beyond the scope of the launch committee, is the evolution from that new regional organization into a much broader set of market services and potentially an RTO for the West.

We put out a straw proposal that kind of put out some of these options. Is we got feedback at the beginning of this year and then we put out another proposal earlier this spring that had a much more detailed focus on the first step and then a couple of options for what Step 2 might look like. I think it is important that when creating this new independent regional organization, it is focused on just the energy markets. We are addressing the governance at this point. The idea is that eventually this new regional organization will be able to take on and coordinate with CAISO on these other functions that are imperative to maximizing the benefits of a full RTF structure in the future. These first steps are focused on the real time and the day ahead market which was a step designed to be implemented within current California law.

Step 1 does not require any legislative change in California, but it proposes to change the governance structure of the of the western energy imbalance governing body from current joint authority with the CAISO board to primary authority over the energy markets. There is a proposal that will come forward and the CAISO Board has the ultimate authority over it. If the WEIM governing body disagrees with what the change is, it can file with FERC a differing opinion, but it is just an opinion and doesn't have any independent weight. One of the big changes that we are proposing in Step 1 is that the WEIM governing body is the one that has the authority over the changes to the market services. Instead of it coming up through the CAISO board, it would come up through the WEIM governing body because the WEIM governing body is still underneath the Board of

Governors, the CAISO has to file with FERC. If there is a disagreement after an extensive dispute resolution process or if there is still a disagreement between the CAISO Board of Governors and the WEIM governing body, the CAISO will file equal proposals from the governing body and from the WEIM governing body from the Board of Governors and governing body. Both opinions get filed at FERC with equal weight and FERC looks at both, decides which one is more just and reasonable, and that is the one that they decide to go with. The Launch Committee voted on the final recommendation at the end of May and passed it over to the CAISO Board of Governors and WEIM governing body as a proposal for the CAISO to consider the Board of Governors and the governing body asked CAISO management to run through a stakeholder process which is currently going, and the CAISO hosted a stakeholder call last week.

There is currently an open public comment process until July 10 and a second stakeholder call later in July with the intent for the CAISO board to take this up again in August or September timeframe. If CAISO board adopts this proposal, it will begin working on tariff language and would file those changes to enact with FERC and it would go into effect. Since we developed this, NV Energy and Portland General Electric have committed to join EDAM. Some of the comments that we received back through on Step 1 include adding local to the consideration of those state policies if there is a certain level of exits from the EDAM, CAISO board will look at the governance and trigger that if entities are leaving the day ahead market. In the final proposal, we added some additional information about a handful of different aspects of the proposal. We are building upon the existing dispute resolution process that existed and was developed for EDAM. The CAISO is in the middle of its stakeholder process for moving this first step through. The documents are posted on the CAISO stakeholder initiative page.

Step 2 turns out to be a whole lot more complex than Step 1 and we will ultimately require a legislative change in California. Part of this proposal is keeping the CAISO balancing authority intact and is not changing the governance structure for the balancing authority for the CAISO in California. The ability of the California governor and the Senate is to appoint and approve the Board of Governors for the CAISO balancing authority. To that end, that sort of retention and focus on keeping state policy has brought some of the historic opponents of this issue to the table. We have a representative from the labor union in California launch committee. We received a lot of feedback from stakeholders that ranged very broadly but some feel very strongly about how independent things need to be. Some people feel very strongly about minimizing costs to the greatest extent possible, and so trying to find somewhere in this spectrum that works for the greatest number of stakeholders and that opens the door to the future ability to evolve into a full RTO. Our next steps are to refine and finalize Step 2. We are going to have a series of stakeholder workshops over the summer.

The goal is to have a final recommendation for Step 2 by the end of September and we will have a comment period at that point in time and then have something locked down. Then in late October early November, we are going to create a formation committee that is going to work on getting the new regional organization off of the ground, and that includes nominating an entity to help us select a nominating committee for the board for the new regional organization. We have lined up supporters and bill authors and have done all of the necessary legislative homework. We have created six different work streams focusing on some of these technical issues, including developing a stakeholder process, working with CAISO on the various contractual staffing issues and the legal questions where you have a group that is looking at the existing CAISO tariff and identifying what applies to the market, what applies to the balancing authority and what do we do with that as we are moving forward?

We will have workshops over the summer on all of the issues at hand and we will be soliciting input to try to incorporate as much experience and input as possible. Part of what we hear regularly is how robust the SPP stakeholder process is, and we have a lot of people who are engaged in the development of markets. How can we learn from people who've participated in the rap stakeholder process or West Tech, or any of these other processes that you heard about today? How can we take those experiences and build something that works for

the new regional organization and accommodates the needs and desires of the diverse set of stakeholders we have here in the West?

Chair Jennifer Taylor: Could you give us the information on how people could join any other workshops, if they are interested in doing that?

Kathleen Staks: You can reach out to me or anyone else on the task force that you know of, and we can get that information. I will make sure that I send that to you so that can share it with your group.

> **Western Freedom's presentation can be found here:**
> https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/Pathway%20Initiative.pptx

10. **Public Comment and discussion**

Chair Jennifer Taylor: I will move to the last agenda item which is a second period of public comment.

Lezlie Helget: No public comment was made.

11. **Adjournment:** We can adjourn. I appreciate everyone's participation today and enjoy the rest of your afternoon.

This notice and agenda have been posted on or before 9:00 a.m. on the third working day before the meeting at the following locations:

(1) Governor's Office of Energy principal office at 600 E. William St., Ste. 200, Carson City, NV
(2) Governor's Office of Energy website: https://energy.nv.gov/
(3) Nevada State official website: https://notice.nv.gov