

MINUTES
Regional Transmission Coordination Task Force (RTCTF)
October 12, 2022
9:00 a.m.

The Regional Transmission Coordination Task Force held a public meeting on October 12, 2022, beginning at 9:00 a.m. at the following locations:

Legislative Counsel Bureau, 401 South Carson Street, Room 4100, Carson City, Nevada 89701; via videoconference at the Grant Sawyer State Office Building, 555 East Washington, Suite 4401, Las Vegas, Nevada 89101.

- 1. Call to order, roll call and establishment of quorum.** Senator Chris Brooks, Chairman, opened the meeting at 9:07 a.m. and opened this agenda item.

Task Force Members in Las Vegas	Task Force Members in Carson City	Task Force Members Absent
Senator Chris Brooks	Luke Papez	Asm. Melissa Hardy
Asm. Daniele Monroe Moreno	Alise Porto	Kris Sanchez
Carolyn Turner	John Seeliger	Pete Goicoechea
Richard Perkins	Hayley Williamson	
Mona Tierney-Lloyd	Ernest Figueroa	
Erik Hansen	Rebecca Wagner	
Jeremy Newman	David Bobzien (Zoom)	
Kostan Lathouris		
Elizabeth Becker		
Leslie Mujica		
Carolyn Barbash		
Eric Witkoski (Zoom)		
Senator Dallas Harris (Zoom)		

- 2. Public Comment and Discussion.** Chairman Brooks opened this agenda item.

Jaina Moan, The Nature Conservancy: Good morning, Chairman Brooks, and members of the task force. My name is Jaina Moan, and I'm the External Affairs Director for The Nature Conservancy in Nevada. I'm here today to tell you about a new study that The Nature Conservancy released last week called The Power of Place-West. The Power of Place-West is a comprehensive energy, economic and geospatial study that analyzed dozens of scenarios that achieve clean energy goals by 2050 in the eleven western states. It is the most comprehensive energy analysis to date that incorporates detailed ecosystems and wildlife habitats. This analysis is necessary because without being mindful of where and how we develop this new energy capacity, we risk losing some of the West's most important natural areas and working lands. Currently, 50% of all renewable projects are being developed on top

of our most productive natural areas and working lands. The study can be found at www.nature.org/powerofplace. Thank you for the opportunity to come and speak to you here and thank you for your service on this task force.

Mr. John Williams, Bonneville Power Administration: My name is John Williams. I'm with the Bonneville Power Administration. Good morning, Mr. Chairman, and members of the Coordination Task Force. Most of you may know that Bonneville is a federal nonprofit agency in the Pacific Northwest. We market power to about a third of our electricity customers in the Pacific Northwest. We're connected all the way from Canada to the Pacific Northwest, and I want to make sure that Bonneville is involved in your proceedings. As you know, Cogeneration is terminating in the next ten years. Bonneville and other utilities are working to ensure a reliable transmission grid and to do that, we need to work together, coordinate, and make sure we have the resources for the citizens of the Pacific Northwest as well as the Western Interconnection, which includes California, Nevada, Utah, and Wyoming. BPA is also participating in the Southwest Power Pool's next phase of its Market Plus development program developing a Western Market that supports reliability and delivers value to our customers. BPA is also involved in the council's proposal for a regionalization grid, specifically, the Day-Ahead Market initiatives and governance review committee. So as the committee looks at different ways the state should move forward and as the point of contact for Bonneville, I plan to continue to attend your meetings and offer whatever you need from Bonneville. I'm here to help the best way I can. And with that, Mr. Chairman, that concludes my comments. Thank you.

Sarah Steinburg, Advanced Energy Economy: Good morning. Thank you for the opportunity to make public comments today. My name is Sarah Steinberg. I'm a principal with Advanced Energy Economy, the National Association of businesses working to advance policies that make energy more reliable, secure, clean, and affordable. This summer brought record-breaking heat and a drought that has drained Nevada's grid infrastructure and required energy users to voluntarily reduced demand during peak heat conditions. That's in part because Nevada's electric grid and, more broadly, grid infrastructure across the West currently operates like a bunch of islands, each responsible for serving all extremes primarily on its own or regional transmission organization or RTO. Connecting the western states would allow Nevada to tap into affordable clean energy from sources across the entire western region during all weather conditions, export access, and Nevada energy when there is a surplus, and develop the appropriate transmission infrastructure to ensure maximum grid efficiencies at the lowest cost. This would help Nevada lower electricity costs for homes and businesses, boost the local economy and bring 1000s of living wage jobs to the Silver State. In fact, we just released a report two weeks ago that looks at the economic impact of a westward RTO on Nevada's economy. The analysis shows that joining a Western RTO would save Nevadans \$32 million dollars per year. Extra money in people's pocketbooks and lower energy costs for businesses would mean more money could be spent in the local economy and used to expand business operations in the state. New jobs created because of an RTO, up to 21,300 permanent jobs at the high end and up to 800 temporary construction jobs would be in fields of transmission, solar and geothermal development, but also in diverse sectors of the economy, including warehousing and storage, battery manufacturing, construction, single and multifamily homes medical lab telecommunications, data processing and more. These industries, which are sensitive to energy prices, and businesses with sustainability goals will find Nevada more attractive because the grid is cleaner, more reliable, and lower costs. Altogether, a Western RTO would add 10's of millions to hundreds of millions of dollars to state to local and state tax revenues and between 550 million to two billion to Nevada's Gross State Product

each year. I've shared the report with members of the task force via email, but I'm happy to circle up with anyone to answer additional questions that you have at any time. We look forward to the continued conversation about how transmission and energy markets can benefit Nevada and thank you for your time today.

Mary Mahoney, Ceres: Ceres is a national nonprofit that works with influential businesses and investors in Nevada and across the country to build equitable, market-based solutions to today's sustainability challenges. And as part of this work, Ceres organizes the Business for Innovative Climate and Energy Policy or BICEP networks, a coalition of over 80 major businesses leading consumer brands and Fortune 500 with many operations and facilities here in Nevada. Major companies in the US want to see the Western States coordinate on a regional plan to integrate and deploy clean energy across the region. Companies have ambitious climate and clean energy goals. To be more specific, more than 250 companies, including many Fortune 500 have committed to power all their corporate operations with 100% renewable energy. And here in Nevada, over 45 companies have set a goal of being powered by 100% renewable energy. Similarly, major investors consider the policy environment for clean energy and clean transportation when making fixed-income and equity investment decisions. Eliminating market barriers and supporting energy investments are crucial to ensuring that companies have access to clean energy choices. A reasonable approach that puts decarbonization front and center will help them meet these goals and stay competitive in the global economy. An approach that improves access to cost-effective resources and also to attract new investments, innovation, and jobs because of the geography and abundant natural resources, we know that Nevada will be central to any regional wholesale energy market construction. So, I want to thank you for considering the perspective of these large energy customers and thank you for this opportunity to put forward these comments. We look forward to working with you, and please do not hesitate if we can provide further information or connect you to any of our members. Thank you

Sam Johnston, Interwest Energy Alliance Good morning, Mr. Chair, and members of the task force. My name is Sam Johnston, and I'm grateful to be here on behalf of Interwest Energy Alliance. Interwest is a trade association and we represent roughly 40 of the largest developers and manufacturers of utility-scale wind, solar storage, and geothermal resources, including many developed renewable generation facilities here in Nevada. To begin, we want to express our support and gratitude for this task force and the work that it has done so far. We see the effort for West wide utility collaboration through an RTO as the single most important policy effort facing our industry. This task force has an opportunity to demonstrate Nevada's leadership on the RTO issue. It can do that by asserting that Nevada wants its electrical utilities to join an RTO that includes the largest Western footprint possible. That is critically important because the larger the footprint, the more an RTO will deliver cost savings and reliability to Nevada customers. During your last meeting, Chair Brook's shared the State-Led Market Study. The State-Led Market Study found that an RTO makes electricity delivery more efficient by connecting geographically diverse resources with geographically diverse customers, and the greater the footprint, the more the benefit. The idea is that no matter the weather or time of day, if the entire West is connected, there will always be a renewable resource somewhere operating and ready to serve a utility customer anywhere. Having an RTO that includes the largest Western footprint possible would connect Nevada's solar resources to other states where renewable energy is in high demand. That would maximize the economic development potential of Nevada's ideal conditions for solar resource development. But Nevada won't just be sending that energy outside of its borders because having resources in Nevada that are connected to a

wide marketplace elsewhere also makes them more affordable for Nevada ratepayers. This task force can show that it recognizes all those benefits by asserting that the best way forward for the West is if its utilities join an RTO that includes the largest possible Western footprint. We appreciate the continued engagement and effort by this task force, and we look forward to the task force's report. Thank you.

Christi Cabrera, Deputy Director, Nevada Conservation League: Thank you, Chair, and good morning. My name is Christi Cabrera, and I'm the Deputy Director of Nevada's Conservation League. We'd like to thank the task force for their work on this important topic, which is critical to addressing the climate crisis. Climate change is the greatest threat to Nevada's future. It is threatening our water supply, habitat, and landscape. Extreme heat and wildfire are harming our health, our workers, and our businesses. To meet the ambitious but necessary climate goals of 100% clean power and zero greenhouse gas emissions by 2050 that were set by Governor Sisolak and the Legislature, we must move away from all fossil fuels as quickly as possible. In order to do this, Nevada needs an updated state-of-the-art electricity grid and the ability to move clean, renewable energy across state lines. By joining an RTO Nevada will be able to utilize more clean energy across the West while keeping energy costs low, providing more reliable energy, and boosting our economy through the creation of 1000s of good paying jobs. Nevada families deserve access to clean energy, clean air, and clean environment. Joining a western regional electricity market will allow us to sell our excess solar to other states, and it will get us closer to achieving our climate and carbon reduction goals while creating a cleaner, healthier state for all Nevadans. We look forward to seeing the task force report in the upcoming week. Thank you for your time.

3. Opening Remarks by the Chair – Sen. Chris Brooks, RTCTF Chair – *(For Discussion)*

Chairman Brooks: Welcome everyone to this task force meeting. In our first meeting, we discussed what the need was and what the potential benefits could be of Nevada joining into, entering, or creating a Regional Transmission Organization and how that could affect the price of electricity in Nevada, the reliability, and how we could help achieve our clean energy goals. This meeting, we are going to have presentations from three organizations. The California Independent System Operator, the Western Power Pool, and Southwest Power Pool. This will give us a good insight into the organizations that are standing up and doing some of this work and how they could interplay with Nevada and each other. And so, this is very timely because it has been an incredibly busy summer for transmission operators and for electric utilities across the West. This year, we've seen the constant disruption that has been caused by the escalating climate crisis, and we have increased demand due to the growth of the economy and the electrification of loads that were served by fossil fuels. And we've seen an energy crisis in Europe that was caused by the Russian invasion of Ukraine as well as gasoline price escalation based on the gouging taking place by the oil companies in this world. It's interesting that at the same time we have the highest gasoline prices ever, the oil companies have the highest profit margins ever, and there is a correlation there. All these issues facing our world, our nation, our state, and our economy have one common denominator, and that is transmission. And we need more of it. We need to coordinate amongst ourselves how we use it, and we need to optimize it. And all these issues also have another common denominator, and that is fossil fuels. As we electrify, and certain loads that are currently powered by fossil fuels, this will become more important for our

national security and for our state's economy. There are a few events that have happened in the West since we last met, and I'd like to mention them briefly.

One, Miss Steinberg at Advanced Energy Economy already mentioned, and that was the Western RTO economic impact study. And it's a region-wide analysis that really shows some of the benefits that an RTO could provide for the West. It's available at the Governor's Office of Energy website, and that website is energy.nv.gov. Also, Advanced Energy Economy released a Nevada-specific report that has benefits that are specific just to our state within that economic impact study. Just the top line from that report, though, is a West-wide RTO would result in about 32 million per year in electricity cost savings for Nevada, compared to the operation of the electrical grid without a West wide RTO, and this takes into account likely operational costs for Nevada. It would provide anywhere between 5000 to 21,000 permanent jobs across the state, with these jobs averaging total compensation of 65,000 per year. Generally, it would generate between 500 million and 2.2 billion in additional gross state product per year across the state. It would produce incremental state and local tax contributions anywhere between 25 and \$100 million a year and create 76 to as much as 800 temporary construction jobs in 2030 just from the development of clean energy resources that meet a corporate demand. There are a lot of benefits that are specific to Nevada, and it reinforces why we're doing this work and while we're looking at this. Another thing that happened this summer is California State Assemblyman Chairman Chris Holden crafted and then introduced ACR, Assembly Concurrent Resolution 188, which passed both legislative chambers with a unanimous bipartisan vote. That ACR can be found on the Governor's Office of Energy website for your review as well. That measure requires California Independent System Operator to produce a report that summarizes recent relevant studies on the impacts of expanded regional electric grid cooperation on California and identifies key issues that will most likely advance the state's energy and environmental goals, including any available studies that reflect the impact of regionalization on transmission costs and reliability for California ratepayers. This report shall be completed in consultation with the California Balancing Authorities and is due to the California legislature by February 28, 2023. It has already started some conversations in the state of California and these conversations are very important to Nevada because Nevada shares 650 miles of border with California, and 90% of Nevadans live within 50 miles of California. It's very important what is happening just to the West of us as the largest load in the Western interconnect. Also, this summer, we experienced an all-time high electricity peak load on the western grid. That was September 6, and it was a 167,500-megawatt peak, and Nevada, California, and the rest of the West avoided blackouts by working together. I would not like to necessarily be in the control room at CAISO or here in Nevada at NV Energy when it was about 6 pm On September 6, and we were being urged by NV Energy here in Nevada to conserve, and NV Energy was doing everything they possibly could to make sure that they could provide reliable service at that incredibly trying time when we had that heat wave. The key thing is that it worked, and it worked largely, I think because there was coordination among utilities. I've talked to my friends at SDG&E, CAISO, and NV Energy and they were talking in real time about what was going on and how they can work together. So, coordination regionally shows us the value of coordination regionally. But you know, batteries and demand response were rock stars in this historic event. I can't recall what the number was, but when California put out that statewide alert where everybody's phone started buzzing and beeping and saying, hey, we need to conserve energy, and maybe somebody when they're giving their presentation later, or somebody even on the committee can tell me what that number was but it was a tremendous amount of, what was it, 3000, 2000 megawatt dropped immediately based on demand response and human behavior, and it restored some of my faith and humans and my neighbors, and they cared about their neighbors enough to conserve energy and

averted a crisis. Those were some lessons learned about batteries, demand response, and coordination amongst utilities regionally.

Those were some of the big events of the summer since we last met and reinforces why we're doing what we're doing here. Nevada's transmission picture is changing rapidly with plans from TransCanyon's Cross-Tie project, LS Power's SWIP North project, GridLiance, and all the things they're doing in the CAISO system in Southern Nevada. And we have TransWest Express potential line from Utah to California. And NV Energy is moving forward with Greenlink and looking at many other opportunities to take advantage of Nevada's geographic position in the West's transmission system. NV Energy also continues its conversations with neighboring utilities and with CAISO and SPP, and I'm looking forward to hearing about the status of CAISO, SPP, and WPP and what progress they have made as the transmission system and the electricity markets evolve across the West.

4. Presentation: Southwest Power Pool (SPP) – Update on Markets in the West – Kara Fornstrom and Steve Johnson (For Discussion)

Kara Fornstrom: Good morning, Chairman Brooks, and members of the task force. Thank you so much for this invitation to present with you today. I have my colleague, Steve Johnson, and we will be doing tag team on this presentation. My name is Kara Fornstrom, and I am the Director of State Regulatory Policy for SPP. I've been with SPP since January 2021 in this role. Before that, I served at the Wyoming Public Service Commission for eight years.

The Southwest Power Pool (SPP) – Update on Markets in the West presentation can be found here: <https://energy.nv.gov/rtctf/>

Rebecca Wagner: The six entities in Colorado who have already verbally committed to the RTO, are those consumer-owned, or are any of those investor-owned utilities?

Kara Fornstrom: There are no know investor-owned utilities in this first launch.

Rebecca Wagner: Do you anticipate any modifications to the RSC in the east? Even though these are consumer-owned, will Colorado have a seat on the RSC for the RTO?

Kara Fornstrom: Yes, there are four states that will be eligible for RSC membership if they choose to take their seats. Montana, Utah, Colorado, and Wyoming will be offered a seat on the RSC. Early indications, as we talk to those Commissions, most of them would like to do that. Utah, for example, based on the issue that you raised, their invitation would be based on Deseret's participation in the RTO West, and while they have some jurisdiction over Deseret's, it's limited, and so, they have indicated, at least preliminarily, that they may not take a seat on the RSC because they don't want to create the perception that they have more jurisdiction over Deseret than they do. But we anticipate the other three states will take a seat on the RSC.

Rebecca Wagner: Will it be the same RSC? You're not going to have separate RSCs for Western and Eastern Interconnect, correct?

Kara Fornstrom: Correct.

Rebecca Wagner: In 2023, at the beginning of next year, you'll be asking for a commitment from those entities that have already indicated that they were going forward or interested in RTO West and then thinking of launching the Market in the West in 2025. Is that the right timeline?

Kara Fornstrom: Yes.

Rebecca Wagner: What's the timeline for evaluating, and what type of investments would need to be made to really make those available and useful for the Western Interconnect?

Steve Johnson: This is a question on the DC Inter-Ties. We currently have 1320 megawatts available, bidirectional, so it's essentially double that, and of that, 510 megawatts will be used for RTO purposes. Essentially, there's a DC tie owned by Tri-State and Basin Electric and then two ties owned by the Western Area Power Administration. Those will be turned over to the RTO for operation. Beyond that, if we start talking about some large capacity like I mentioned, that is something that folks are starting to talk about, but those haven't completely materialized beyond some DOE conversations potentially, and some private capital may be looking at that. But there are spots on the grid that make a lot of sense in the West, the Colstrip, for example, once that power plant goes down in Montana and Four Corners, as I mentioned earlier, a lot of coal is shutting down with a large AC transmission infrastructure left behind, and there are others in the middle. We are not studying that until we have a footprint where regional transmission planning would be prudent. It is essentially left up to private entities and or states and other entities to look at that. That said, we would participate with information to the extent we could. We would be very interested in those types of discussions.

Kara Fornstrom: I'd like to note that there was a lengthy stakeholder process related to these DC ties that Steve led for more than a year. I just want to be clear that we spent a ton of time on this issue between the east and the west, really working through how this would work in bringing in the Legacy assets and how cost allocation would work for any investments going forward. I just want to be clear that we looked at this with a lot of depth, and it took a lot of compromises to get this issue through the Board in July.

Steve Johnson: That's a great point. We spent about 14 months working out cost allocation for the DC Ties and the Legacy DC Ties and how we would manage the congestion rents allocation across the DC Ties. The Legacy ties are a little trickier because historically, we have not regionally cost allocated any Legacy assets, whether we bring in the RTO, it's in your transmission revenue requirement. The assumption is, and this is just an assumption, that likely a DC line or DC Tie would be at least a major portion of it would fall into a regional cost allocation bucket. So, this is specific to the RTO those studies would kick off essentially as soon as we get into our first planning process to see what that looks like. But the broader footprint, like I was talking about, that's really what I was referring to earlier.

Rebecca Wagner: So, Markets Plus, you're wrapping up the market design and governance now. And in the first quarter of 2023 there's a financially binding commitment, I think is what the terminology was. Is that the cost-benefit of that study? Is this where the utilities can identify the value

proposition so that when they can share that with their regulators? What is that financially binding commitment mean, and what do you mean by binding, like once you're in, you're in?

Kara Fornstrom: I think there'll be additional information provided on this, and we have a webinar scheduled in early November to talk through the details of this, and there'll be more information when the final service offering is issued in November as well. But in the draft service offering, we've estimated the cost of these to be \$9.7 million and take 21 months. We intend to leverage components of the proposed governance structure in this phase to develop the market protocols, the remaining governing documents, and the tariff language, so the participants committee would be stood up like the working groups would be stood up. And then, we would use our governance process, and those that have made that financial commitment would have the ability to participate with a voting structure. That's not to say others would not be able to participate. We have a robust and inclusive stakeholder process. So, anybody can take the mic anytime and give us their thoughts. But our thinking is that we would leverage the governance structure with potential participants. So those entities that commit to the financial component of this would get votes within that governance structure. In the November webinar that I mentioned, we'll walk through in a bit more detail what the cost allocation of that 9.7 million looks like and how that will work. We can then anticipate perhaps some fine-tuning of that number and the timeline in the service offering that we issue in mid-November.

Rebecca Wagner: Nevada has legislation that NV Energy has to join an RTO by 2030, with off-ramps in 2027, but as I look at The Day-Ahead Market, it's the next thing to think about in bringing benefits to customers, but Markets Plus is a separate governance than RTO West. Do you envision these two migrating together somehow, or you're in Markets Plus, and then you decide, this isn't working out well, we're going to leave, we're going to transition or migrate into RTO West? How does that work if Markets Plus is the next stop and then, ultimately, an entity needs to get to RTO West, they have separate governance structures and different value propositions. How are you envisioning that, so we see the big picture?

Kara Fornstrom: As Steve mentioned, when he talked about the RTO expansion that we're looking at today, anytime that happens within the Eastern Interconnection, and now in the Western Interconnection, there's a process that is triggered within SPP's governance structure to look at any potential changes that need to be made to accommodate these new members. Steve mentioned in the West RTO expansion, there were 13 terms and conditions that were brought to the Board in July of 2021 to accommodate the new membership. The additional change came with the DC Tie that we just talked about for July of 2022. That process would be triggered by entities indicating that they wanted to join the RTO, and there would be discussions about whether changes needed to be made in the RTO governance structure to integrate those new members. I would note that while it is separate and autonomous, and independent, the Markets Plus governance structure has a lot of components that are similar to how the RTO functions. And some of that was by design to make sure that the concepts that are important within SPP are incorporated into Markets Plus while giving all the deference that we possibly can to Western stakeholders about what they want to see in a governance model. So, the process would involve discussions about whether changes would be requested and then obviously would go through the governance process or the stakeholder process to determine whether there was agreement about presenting those as part of the expansion efforts.

Carolyn Barbash: Miss Wagner asked a question about the Q1 2023 financial commitment. Is it correct that that is really a service offering from Markets Plus that will come out in November? NV Energy is busy writing comments on the latest proposal. But when that service offering comes out, isn't it the process where the participants will have the opportunity to review that for a few months, and then in January, that financial commitment is really to have a seat and a voting right at the table for tariff language drafting and further development of the proposal. But even if an entity does not participate in that, they can still join the Markets Plus Day-Ahead Market as long as they're happy with the outcome of that process, correct?

NV Energy has the intention to participate in all offerings to make the best decision for the State or recommendation. Is my understanding of that process and that financial commitment, correct that it's not the door closing, but it is a decision to have a seat at the table for further development.

Kara Fornstrom: That's correct. And I would also add that just because an entity would decide to participate in phase one does not mean they're making a commitment to join the market when it launches in phase two. Both commitments are separate.

Mona Tierney-Llyod: Relative to membership and I believe in one of the slides you showed the composition of the membership and SPP, and because of the introduction that the Chair gave earlier about the import of batteries and demand response and maintaining the reliability of the western grid through that stressful period in September. I didn't notice those as members of your stakeholder list. And I'm just curious to ask that question about how you're looking at the changing composition of the electricity grid and new market participants and how they get considered and in the membership with either your Markets Plus or the RTO West.

Steve Johnson: A couple of things about SPP's process. We have, as you mentioned, quite a diverse group. There are many developers that are working on a lot of co-located battery storage within the SPP footprint. There are others, if you noticed, there were 14 independent transmission companies that are members, and these large retail customers themselves are looking at these things. So, when you're looking at the third quarter 2022, which is driving a lot of this type of what I would call a smaller-scale integration. The point being is FERC is looking at this, and we must respond to these things. We do have entities bringing these things to the table as part of the process or proposed projects that we are studying. So, beyond that, I just want to mention that anyone can participate in our process. Our meetings are all public and open. We've had entities that have participated for years before they became an actual member of SPP. It's a very open and inclusive process to be able to discuss these types of things, but the reality is if somebody brings a project to the table to one of our planning processes, then it will be looked at.

Mona Tierney-Llyod: I'd like to ask a follow-up question relative to your response, which is understanding, you have an open stakeholder process, and I guess the other part of that is the voting process and having a voice and making decisions with RTO West or with Markets Plus, so can you speak to that element? Is there a place for those types of resources in voting within your structure?

Kara Fornstrom: Within the RTO membership you get voting rights, and you can become a member in the RTO by paying a \$6,000 annual fee and then you are eligible to participate in various components of the stakeholder process within the RTO in terms of voting, as Steve said, anybody can participate, but voting rights come with membership. The governance structure within the RTO is expansive. We didn't show any of that today, but there are tons of opportunities for members to be serving on working groups and other stakeholder components within the RTO. The Markets Plus governance structure has a category of stakeholders called Markets Plus Market Stakeholders. And those MMS are eligible for voting rights on the impact working groups if they get appointed task force in the nominating committee, they pay a \$5,000 annual fee to get that sort of status in terms of voting rights. So, anybody can do that within the RTO or within Markets Plus.

Mona Tierney-Llyod: Thank you for your answers. And just for full disclosure, we are a Market Participant in SPP currently, so thank you.

Kostan Lathouris: My question is also regarding the membership slide on slide 12 and a little bit of slide 22, talking about regional planning and grid modernization. My question is, to what extent have you engaged with or included federally recognized tribes within your areas in terms of either membership, regional planning, or grid modernization?

Steve Johnson: That's a great question. I know indirectly through WAPA there's a large tribal customer base within WAPA that they have engaged, but I would have to go back and ask. I'm not 100% Sure, but maybe Kara has that answer.

Kara Fornstrom: I don't, but we can certainly follow up on that.

Chairman Chris Brooks: Mr. Lathouris just talked about the representation of tribes in communities, whatever those communities might be, that might be impacted by the decisions made by any of the governance structure, whether it's a Western RTO or Markets Plus. And I'll stick with Markets Plus because I think that's like the baby step towards the Western RTO. And if things didn't go just great in a Markets Plus scenario, I don't think we'd go any further. We talked about, in earlier questions, about the governance structure and voting rights within Markets Plus, and it looks like the ultimate kind of the buck-stops-here with the SPP Board of directors. Are all decisions going to be up for a vote, and would it be a majority vote, and is it one member, one vote? Is it the SRP style, the more land you got, the more power you use, the more votes you get? Or is it one member, one vote and \$5,000 is your ticket to ride? So how is that going to work? In a situation with tribal representation, would a tribe then be able, if a tribe was in the footprint of the Markets Plus program, would the tribe then get one vote? Would multiple tribes get multiple votes?

Kara Fornstrom: In the Markets Plus context, there are two categories that you're referring to. There's Market Participants and Market Stakeholders. And those entities, they would have a representative on the Impact Participants Committee, the working groups, etc. So, any tribe that wanted to join as an MMS, pay the \$5,000 would be considered a Markets Plus Markets Stakeholder and be included as a voting member of these governance structures.

The MIP and the Board are completely separate. Both the Independent Panel and the SPP Board members are required to be completely independent of any Markets Plus Participant, they can't have any ties at all to those, so that's a separate vote.

The Participants and Stakeholders on the MPEC will make recommendations to the MIP. If it's a Markets Plus exclusive issue, the MIP alone will vote, one person one vote, simple majority vote, so, three out of those five would carry a proposal. If it's a Markets Plus-specific exclusive issue, that's the position that will be filed. SPP will be directed to file that. If it's an issue that implicates the organization, a staffing issue, the requirement of issuing a debt, something that is material, and this is all laid out in much more detail within our service offer, but those are the broad categories. It would then go to the Board of SPP Board of directors as an agenda item with a recommendation from the MIP about their action, so they would vote on it. It may have to go to the SPP Board. I just want to be very clear that we're separating out participants and stakeholders from the independent Board members, both at the MIP and the SPP Board level.

Chairman Chris Brooks: The stakeholders and participants, they basically just get input to the MIP, and the MIP makes the final vote, and it's a three out of five-majority vote?

Kara Fornstrom: There is a voting structure within the MPEC, which is where participants and stakeholders vote on issues, so there's a voting structure. It's three different categories. It's a bit complicated, but it is spelled out of what those categories are. And it requires a supermajority with the MPEC to approve something, and that's simply a recommendation to the MIP. And that's where the authority lies within the MIPs and then potentially within the Board, depending on what the issue is.

Chairman Chris Brooks: Who is the MIP? Who appoints him? Where do they come from? And how are they independent from the stakeholders or the participants?

Kara Fornstrom: On the schematic that I showed, those were the gray boxes on the left, there's a nominating committee that's sector-based, made up of 11 representatives, and then every market participant and market stakeholder meet at what we call the MIP forum to vote on the recommendations from that nominating committee. Within the service offering, they're spelled out what those qualifications are, market experience, independence as required by FERC. Some Code of Conduct things that SPP has, so there are some qualifications there within the service offering and who those are, but they will go through a thorough and comprehensive nominating process with a national search firm similar to how SPP conducts their Board searches, looking for highly qualified people with the knowledge necessary to serve on the MIP. Several of our participants have suggested they like the additional qualification of Western experience. So that may be something that gets added in phase one next year. Other issues are being considered for qualifications from MIP as well.

Chairman Chris Brooks: I understand the MIP nominating committee and the MIP. What about the MIP selection forum? We have participants and stakeholders in that selection forum, and then you need a supermajority out of the selection forum to approve a MIP member, is that correct?

Kara Fornstrom: At the MIP forum, it's a simple majority.

Chairman Chris Brooks: Out of the selection forum, would our technology providers who are members, and our tribes who are stakeholders, would they be voting members on the selection forum?

Kara Fornstrom: Yes

Chairman Chris Brooks: One member, one vote?

Kara Fornstrom: Correct. If you are Markets Plus Market Participant or a Markets Plus Market Stakeholder, having paid the \$5,000 fee, you have a vote at the forum.

Chairman Chris Brooks: So that is where, inputs one thing but actual ability to control the outcomes, that's where the ability to control the outcomes of who the MIP members would be is at that form. And that's made up of stakeholders and participants, one member, one vote.

Kara Fornstrom: Correct.

Chairman Chris Brooks: After you've paid your fee to vote, okay, got it.

Kara Fornstrom: As a Stakeholder. Market Participants don't pay a fee. They're obviously in the market.

Chairman Chris Brooks: Because they're in the market, and they've already paid. Well, they've paid quite a bit which leads me to my next question. Going to slide 50, the financial commitment stage of the Markets Plus process. I don't know of anything, and I'm not implying anything. I'm going to use a hypothetical, NV Energy, for instance. Let's say they want to be Markets Plus Participant. At what point do they pay, and how much? What's that based on? What's that calculation based on?

Kara Fornstrom: As I mentioned, for phase one, what we have in the draft service offering is an estimate of \$9.7 million that will be paid by participants that want to participate in phase one. We intend to include an estimate of the cost for phase two, actual integration and implementation of the market so that data will be coming.

Chairman Chris Brooks: So, 9.7, is that a one-time payment just to stand up?

Kara Fornstrom: There are provisions if the timeline is extended for certain purposes, there may be a monthly run rate, for example, to be charged, depending on the process to continue to support the staff that's been hired by SPP to prepare these documents. There are travel expenses, meeting expenses, etc. Those are kind of the big components, mostly, staff are the big components of that phase one budget.

Chairman Chris Brooks: But it's not based on numbers of transactions, the volume of trading, the volume of inner transactions or energy or footprint or anything like that. It's just basically one member, one cost kind of a scenario?

Kara Fornstrom: There isn't any transaction in phase one. We're still trying to develop the products. That component of what you're talking about would be part of how the market cost would be allocated.

Steve Johnson: That will be developed during that phase one process during protocol development, and I would also note that we have a webinar on November 1st to address this exact issue, phase one funding and what that looks like and how that will be divided up amongst the participants that come in.

Chairman Chris Brooks: Great, I think offline, I'll ask NV Energy and the Public Utilities Commission how they envision a potential \$9.7 million being recovered, like just, you know, just curious, like, what the mechanism would be for the recovery of that. But that is a different conversation for a different day.

Carolyn Barbash: Just one follow-up for clarification. The 9.7 million for developmental purposes in phase one. That is divided up between all the participants in Markets Plus, right, and can you explain the allocation methodology for that 9.7?

Steve Johnson: We'll be hitting that on November 1st. To be perfectly honest, we are still working on what we would propose, and of course, there'll be some interaction between November 1st and the 15th and 16th. By the 15th and 16th, we will be making a proposal on how we want to allocate those costs. So, we're right in the middle of the sausage-making process. I mean, there are discussions about some sort of a house and senate type charge where it's, you know, half of everybody pays the same half as a load base, something like that. But we have not nailed that down yet, to be perfectly honest. Again, we will be making a proposal on November 1st. See what feedback we get, and we will have that in the final proposal.

5. Presentation: Western Power Pool (WPP) – Introduction and History of WPP – Ryan Roy (*For Discussion*)

Ryan Roy: Good morning and thank you all for this opportunity to participate in this discussion. I'm Ryan Roy. I am the Director of Technology Modeling and Analytics at the Western Power Pool. Today we're going to talk a little about our organization, Western Power Pool, and the Western Resource Adequacy Program that we have been working on, in which NV Energy has been participating in the design.

The Western Power Pool (WPP) – Introduction and History of WPP presentation can be found here: <https://energy.nv.gov/rtctf/>

Mona Tierney-Llyod: I wanted to start with a statement that you made early on in your presentation about there not being support for an RTO within the WRAP. Was that from the RA Participating Committee that made that decision?

Ryan Roy: I would characterize it slightly differently, not that there was no support for an RTO. What folks wanted to ensure was that the Board of Directors could not unilaterally establish an RTO which would mandate participation by members currently signed on to the tariff. I think that was the

real kind of consideration. Not that there wasn't value seen in an RTO, just there was concern about the Board of Directors being able to unilaterally establish a regional transmission organization that would compel participation based on their signing on to the tariff.

Mona Tierney-Llyod: Thank you for that clarification. I have a question about the Board and the movement towards a new Board from where you currently sit. Could you talk just a little bit about the number of Board seats you currently have and then where you're moving toward with the new selection process?

Ryan Roy: We currently have five Board members at the Western Power Pool with five Board seats, and four of them are currently taken. Three of them are semi-independent. One of our current Board members is an employee of one of our existing members, so clearly not an independent. As we move to this transition, we have a slate of four Board members. We have additionally, one of our existing Board members will become a voting member of the new Board, so that would be five wholly independent Board members, one of which will be an existing WPP Board member. Additionally, the other two, which are semi-independent, will be given advisory seats. To start, we will have seven folks on the Board, four new, and that slate has been put forward now, one Board member that will come from the existing semi-independent members and two advisory seats that will come from the existing semi-independent members as well. Those advisory seats will roll off, so we'll have a five-person Board, fully independent, put forth by the nominee committee.

Mona Tierney-Llyod: Thank you. One other question is also about how the decision-making process is made. You indicated that the RA PC would provide, and I want to just verify that this is correct, a super majority position that would go to the Board for decisions. Is that correct?

Ryan Roy: Yes, it's 67% of House and Senate-style voting, and that is an advisory to the Board. The Board is by no way mandated to rubber stamp that, but our hope is that it goes through the PRC process, gets voted on by the RAPC, and gets put forward to the Board for a vote, and ideally, we would have a consensus from the Program Review Committee which is made up of stakeholders and anybody can come to that. The RA participants committee was 67% and then go to a vote for the Board. There's nothing to preclude a stakeholder from going directly to the Board to object to any of what has made it through that process, so it's really open to everybody. We anticipate that it will go through the PRC RAPC Board process, but certainly, anybody could show up if they were either supportive or not supportive of certain initiatives.

Mona Tierney-Llyod: Thank you, and then the Community of State Representatives. You indicated that could compel the RAPC to reconsider any position that they were advancing. Could the Community of State Representatives take an opposing position, and that would be advisory to the Board as well?

Ryan Roy: There wouldn't be any reason why they couldn't do that, exactly. In lieu of the section 205 filing rights, the States really wanted some way to ensure that they could have a meaningful dialogue with the RAPC prior to their vote on sending something on an advisory basis to the Board. There wouldn't be any reason why they couldn't go there directly to the Board. But the States brought forth very complimentary comments on the process. We think that this interaction with the RAPC through them and their abilities sort of compelled them to the table was a good outcome in lieu of

section 205 filing rights. And if worse came to worse, they could certainly go to the Board and take an opposing position.

Mona Tierney-Llyod: You mentioned the way you're establishing the planning reserve margin is to evaluate these critical hours, ten years of information that you have, and then developing a planning reserve margin based on a one-and-ten event, weather event, I assume, and then adding that on to the one and two years so that would be comparing that to a one and two years and that would essentially be your planning reserve margin. Is that correct?

Ryan Roy: The planning reserve margin capacity needed to mitigate or to maintain the one in ten reliability metric is calculated probabilistically. So, sort of in line with industry best standard practices for this type of thing. There are a couple of places where we use the capacity critical hours. One, we use them in the accreditation of our storage, and hydro resources. So, the storage hydro resources are not accredited using ELCC. So, it's that performance on those capacity critical hours, with a nod towards how the storage of those projects could have been utilized, defines that capacity accreditation, so we use the CCH is there. When we run the ELCC Analysis and come up with a megawatt contribution for a group of resources based on the zone they're in, we look at that individual resource's performance on those capacity critical hours to allocate the megawatt value that had been come up with probabilistically. So, we wanted to stay with best practices or recognize the individual characteristics of certain resources. That was important to stakeholders and important to IPPs, so we do use it there. It's not used in establishing the reliability metric. That's done probabilistically through sampling loads, sampling resource performance, and sampling outages. But it is done and is utilized to help inform accreditation of certain resources for the allocation and is used in the calculation of the forced outage factor. So, an entirely probabilistic calculation is utilized to determine the capacity need. Once you determine that capacity need, it's translated to a percent of load. The planning reserve margin is then added to the one-and-two peak load to determine the monthly capacity requirement.

Mona Tierney-Llyod: Are you able to share what range of planning reserve margin you're looking at for the Desert Southwest versus the Pacific Northwest?

Ryan Roy: Absolutely. Would it be possible to provide that to somebody after this? I don't want to misspeak. There are nine numbers across two seasons, so I'd be unlikely to get it correct. What we do see is a higher planning reserve margin generally in the summer, obviously for the Desert Southwest, and a higher planned reserve margin in the winter for the Pacific Northwest. Those range from 10 to 26% off the top of my head. We don't currently model any transmission connectivity between the two sub-regions. That would obviously be tremendously beneficial, unlocking the sub-regional diversity. We have written into the tariff and can operationalize that transmission should it exist. An LRE could put it in, and folks could come together and procure transmission if it gets built in the future. We have a mechanism in the program to lower the planning reserve margin should that sub-regional region-to-region transmission exist either somebody puts it in who has that in their commercial portfolio, or something gets built in the future, but we have made the ability to utilize that to further lower those planning reserve margins.

Chairman Chris Brooks: The Committee of State Representatives, is that a regulator from every State that has participating members? And how is that person designated? Are they designated by the State? Is it picked by the program?

Ryan Roy: It's every State or province who has an entity that has a compliance obligation in the program. They self-select participation. So, it wouldn't necessarily have to be a commissioner or commission staff. It could be from an Energy Office or something like that, so, it's a self-organize committee of state representatives. We have partnered with WIEB, but they're generally self-organized, and no requirement that it be a commissioned staff.

Chairman Chris Brooks: If it's self-organized and there are no requirements like who picks it. Like, I want to be it. Who gets to tell me no or yes? That's what I'm trying to get at. Does the governor make an appointment, or does the WRAP Program pick based on candidates?

Ryan Roy: I may have to get back to you on that one. I don't want to misspeak.

Chairman Chris Brooks: In this non-binding voluntary participation phase, where are the teeth? Let's say you have an energy delivery obligation, and the obligation is not met. How can you enforce that? And what are some of the ramifications or penalties for not meeting that energy delivery obligation?

Ryan Roy: Currently, if you're a non-binding participant, you don't have a binding obligation, and so your surplus would not be obligated to the program. If you're a deficit entity, other folks can voluntarily provide supply. If you're a surplus entity, you can voluntarily provide supply, but any capacity that you may have by calculation isn't obligated to the program. There are really no penalties, so to speak. If you sign up as a non-binding participant, you are funding the program, you don't have an obligation to provide voluntary supply. We're not calculating whether you're surplus or deficit. If your deficit and raise your hand, there's no guarantee you're going to get that supply. It would all be on a voluntary basis. In that regard, there's nothing to compel significant participation.

We don't want a transfer of wealth, so to speak, whereby somebody, for example, Puget Sound Energy, through their IRP process, has been very clear to say that they have traditionally relied on the Day-Ahead Market. They know they have a need because of load growth, and to sign up for a binding program in 2025 that they can't pass would represent a transfer of wealth, and their customer ratepayer base, to the other members of the program, and that's not what we want. What we want are folks to be working towards a binding program, keeping them at the table, helping with design, working through those forward procurement processes, working through the process of putting steel on the ground, voluntarily offering supply if they have it, which we've worked into the program, and to the extent that they're having a hard day and these folks are at the table together, giving them access to voluntary supply if somebody's willing to put it forward. We have participants in this program, and to be frank, we don't look at the participant's performance but there are some folks with significant length, and they have said, to the extent that we are in this together, we want to help our neighbors. It's non-binding, we aren't compelled to, but if we have voluntary supply, and you've given us a platform by which you can put that supply into the program, we would like to make that available to those participants that are working through the process of forward procuring, getting that steel in the ground, recognizing the importance of resource adequacy.

It's about maintaining the integrity of the program, keeping the footprint as large as we could without a transfer of wealth through the cost of new entry for folks that clearly, in a very short timeframe, could not meet those forward procurement and deliverability requirements.

Kostan Lathouris: I was curious about the involvement of tribes within your program, either as part of the stakeholder engagement process or as participants.

Ryan Roy: We currently don't have any load responsible entities that are primarily made up of tribal organizations. However, our organization does, through our partnership with Energy Keepers and SKQ. But in terms of the stakeholder process, because it's an open public forum, those folks that are members of consumer-owned utilities that have environmental and natural resources concerns, with the impact of what it means to put a wind farm somewhere, for example, could all participate in the program review committee. We could evaluate the makeup of that program review committee and make sure that we have representation, say from the tribal community rather than public interest organizations or consumer interests. It might be beneficial. I think that's something we should explore.

Leslie Mujica: Regarding the Board, since you are working together with SPP and CAISO, are there any Board members that overlap? Do they sit on that Board and sit on this Board as well? And if they don't, is going to be prohibited or allowed?

Ryan Roy: There is not currently any overlap. I would have to go back and review our independence criteria and talk to our legal staff. I don't know that anything would preclude that. It might be slightly different with SPP because they are the program operator that we've selected. But to the extent that they're independent, and that's generally independent of members and participants, at least on the surface, it doesn't seem like they would be precluded. There is not currently any overlap. And we have looked for folks, as part of our criteria, with Market or RTO experience.

Carolyn Turner: When we're talking about reliability, I see a big role in baseload resources, schedulable resources, hydropower, of course, thermal, and then batteries, I think have a big role to play. But at the beginning of September, we saw some participants and utilities in the West deploying battery resources at earlier times in the day as load smoothing resources, as opposed to reserving those resources until critical hours, generally six to 9 pm. Let's say that a load-serving entity did deploy resources in a way that was internally beneficial earlier in the day to prevent issues but then did not reserve enough for these critical times. Where are the teeth? There are financial penalties, but how are RAP and the RA programs looking at preventing that becoming the cost of doing business?

Ryan Roy: The way we're currently intending to prevent that is to make the cost of business so high that it's not an economic choice. And to be honest, we're talking about up to 50 times. So, 50 times the index for non-delivery penalty if that need couldn't be served by the program, and so you're understanding your potential obligations seven days in advance, you've got an opportunity on the day ahead, should it exist, to sort of procure if you need delivery and firm up that transmission. We don't want it to be an economic choice. We think up to 50 times what you would pay to have procured in the market could you and delivered it, we think that's a significant disincentive. Of course, there is the "we're all in this together" and the folks have a real kind of interest in delivering

when they have the obligation because they're going to be on the other side of that potentially, at some point. I think there's an aspect of it that is that that's probably not as strong an incentive as 50 times the index, but it is an incentive, nonetheless. And then, of course, kind of the independent evaluator and Board of Directors looking at these things. We wouldn't allow somebody to stay in the program if they were habitually not delivering on their obligation. That has an impact on a forward basis because you gain some diversity of load and resources. But if you can't realize that that's a problem. We've tried to make some outside of financial penalties just a strong incentive because you may be on the opposite end of this someday to make allowances for the Board to address bad actor type of situations.

Erik Hansen: I have a quick follow-up to that line of questioning there. In some RA Markets, there are seasonal testing periods for resources that opt into the market, and they'll say, we'll give you a three-week period where that's your testing period, and at any given moment, the market could call on that resource just to see how it does react. That's kind of a before you get into July or August and realize you have an issue with that resource being able to perform, and it's more of a preventative look in that. Is that something you're considering as well?

Ryan Roy: We have in our TARA testing requirements, as you know, thermal and traditional resources, ones that are accredited probabilistically. We have something very similar for customer-side resources, and demand response. If you tell us your resources are good for a certain amount, we want to understand what that is. Much of that is going to be in the business practices, and frankly, we have some work to do in that area, sort of this non-binding runway gives us a little bit of time to do that. But we have contemplated testing criteria for many of our resources, and that's going to give the program operator, other participants, and the program administrator comfort that those resources are going to perform. Now I want to be very careful to say there's clearly, with recent events, particularly in Texas, this idea of resiliency that is something I think we, along with others, are struggling with. Not only with the capacity requirement of the program but what it will look like from an energy perspective. Given the incremental nature of what we were asked to do, focused on a capacity adequacy program, but we are very closely watching this. It's a particular concern how our program, given our reliance on hydro, as a potentially fuel-limited resource. I want to be careful to say, yes, there is this testing requirement. The testing requirement is around the minimum/maximum capacity and the ability to reduce load over a given period of time, and less about resource performance from a fuel management perspective, which we know is an issue and something that our program is going to have to address at some point.

6. Break

7. Presentation: CAISO – Update on Markets in the West (*For Discussion*)

Stacey Crowley: Thank you, Chairman. I appreciate the opportunity to be here and present to you, and it was interesting to hear the two previous presentations. They were very thorough, and I appreciated your questions to and from the committee members. It was a good start to the morning, and in fact, a lot of the key issues are very similar across the activities with the Southwest Power Pool, the California Independent System Operator, and the Western Resource Adequacy Program. We're all working on this thing together. There's no playbook in the West for the direction, but it's

been about the folks engaging in this conversation, and many of them are the same that are working across these various formats, so you're getting a lot of the good thinking across all these areas.

Today, Holly and I wanted to go over a couple of our current activities. I first wanted to touch on transmission planning and some of the projects that we see coming through. I know that's very important to this task force. Second, Holly will talk on the current market activities, including the Western Energy Imbalance Market, our look at the Day-Ahead Market, and beyond. I'll go back and touch on governance, which I know is a key issue for you all. And then just finish on a quick observation on the summer heat event that we had around Labor Day.

The CAISO – Update on Markets in the West presentation can be found here:
<https://energy.nv.gov/rctcf/>

Carolyn Barbash: I have a question on the governance piece because, like Chairman Brooks indicated, we're all more familiar with the California market than SPP. How would the Markets Plus transfer into an SPP RTO? What do you see, I guess, unlike SPP, that set up with multiple states, California being primarily in one State and being a product of California state legislation with a governance board appointed by the governor of California. What do you see as the process, and if you could even put a timeline, you know, like an optimistic timeline and a pessimistic timeline for how that governance would transition to a multistate governance structure over time?

Stacey Crowley: My thoughts that have been evolving over the nine years that I've been at the ISO, but certainly, the main component would be to enable the California ISO, which would likely then change its name, to have a Board that is self-selected or selected in an independent way, like these other ISOs, and like the WRAP are describing where it's through a stakeholder nominating process, and either the board self-selects or there's some other mechanism there. So that is the goal, right, so that no one state has the influence to select the board. That would be the goal, and in doing that, you'd have to basically repeal pieces of the statute to enable us to do that. And then we would in our own bylaws, just like every other multistate ISO in our own bylaws and our own structure, we would develop a governance structure that stakeholders could support. In terms of a timeline for that, we certainly see the Day-Ahead Market evolution as being important for, I would say market participants to continue to feel more comfortable. We've all recognized that that real time market EIM has built confidence in working in markets and confidence in what others bring to the table. EDAM will do that same, building more confidence, and then we need to see interest in full market participation through an RTO. And then, I would imagine there would be a transition, and we'd have to figure out exactly what that looks like. We had proposed some transition elements in the previous work through the legislative process back in 2015-2016 under SB 350, as well as in 2017-2018 under a bill that Assemblyman Holden brought forward called assembly bill 813. There was a set of principles established to say if these principles were true, then we would start to repeal the statute in the California Legislature, and the principles talk about states maintaining their current existing authority over siting and resource procurement and that kind of thing, that there would be a voice for states and things that matter to states like planning reserve margins and cost allocation. And if those principles were true and that we produced a governance structure, then you would repeal the statute. That would take several years, and we believe that no utility could join us as a participating transmission owner next year without other market design changes, so it's probably six years away, maybe three if we're optimistic.

Carolyn Barbash: Thank you. And compliments on the fall heatwave. How did you get the Amber Alerts out so quickly? Was that working with the State, was that CAISO or the utilities doing that, or was it the Governor's Office?

Stacey Crowley: That was 100% the Governor's Office. That was not our call or even our suggestion. The Governor's Office was very involved in this, in just caring about keeping the lights on in the State. Their team, they had the Office of Emergency Services working on call, and I think that was one of the tools in their toolbox that they decided to use. We recognize that that's not a tool that folks could count on often, that was a special circumstance. Even the flex alerts, ten days of asking people to cut their energy usage from four to eight, is asking a lot when it's 115, day after day. That can't be the long-term solution, and that's why we need a more diverse set of resources.

Kostan Lathouris: I'm the Chair of the Nevada Indian Commission, and I'm the representative from the Nevada Indian Commission on this task force. I also come from a tribal community where our lands had been condemned to create a project that would generate power, losing our ancestral historical lands being displaced to high desert mesa, and to this day, we still suffer with unreliable power. We're not able to develop, we have old transmission lines, and so that's really the spirit of some of the questions that I've been asking today. And so, I see the resource and transmission development plan significant transmission projects. It's not that I think that these are bad ideas. But my question is, again, what are the engagement? What is the involvement with tribes? Are tribes just treated like members of the public when they should be treated as sovereign nations? And not only that, but if we're going to be developing good policies, and I do believe that this is good policy. I don't want to see it be at the expense of tribes, especially when tribes don't even really benefit from it. And so that's really what I'm trying to get at is, what is the inclusion of tribes in this process? How have they been consulted with or collaborated with, and as a reminder to this taskforce under Chapter 233 A of the NRS, Section six, three, a state agency shall make a reasonable effort to collaborate with tribes in the development and implementation of policies, agreements and programs of the State agency that directly affects those Indian tribes? And so, I want to see how we're including tribes in this process, I can't speak for them. They're each their own respective sovereign nation and can make policy decisions on their own, but I want to make sure that this is something that's going to also be consistent with their values. We talked about stakeholder scoping and issues, but I want to see consideration tribal sovereignty, tribal self-determination, making sure that these are done in a culturally appropriate way and in a way that will benefit tribal communities as well. And so, if you have any experience with how tribes have been included, I would love to hear that.

Stacey Crowley: Very important question. There is an example, at least in our footprint recently, where the Morongo Band of Mission Indians became a participating transmission owner in our system. And they did that to the benefit of their tribe. It was supportive of the renewable resources in their area, and we call it the West of Devers Transmission Project that brought power in from Riverside, and the Imperial County areas into the grid. And that was a great partnership, at least the way we experienced it. And it allowed the tribe to engage in the process and understand the benefits that would accrue to them, as well as helping to serve clean energy resources into the system. So

that's one example that we have. We also know that they are a large part of the conversation when it comes to siting and permitting through State processes that California has.

They had a committee, DRECP, I think it was, was Desert Renewable Energy Coordination, I forget the acronym I can provide that to you. But it's it was a multiyear look at where the best places are to develop resources. And I know the tribes had a lot of influence and input into where to build and where not to build, right, so absolutely an important component. Those are a couple of examples that I know of, but something that certainly we should keep in the front of our minds.

Mr. Newman: My question is on your subscribing participating transmission owner. Can you explain how that program works and how the rates are recovered on that, and the governance behind the transmission owners?

Stacey Crowley: In this case, the transmission developer would seek out contracts for the procurement of the resources on the other end, in this case, it's Wyoming Wind, and they would seek rate recovery through the subscription of the line and the resources on the other end. The ISO would only at the point where there was serving ISO customers would they include that in the transmission access charge, which is our way of recovering the rates from the transmission lines that we put in. It is entirely in their court to make that happen. So, it is up to them to get the subscriptions, and they meet the timelines. And then, they would use the contracts that they signed to get the firm rights to the transmission line on their own, and they would essentially charge their subscribers the cost of that.

Mr. Newman: The subscribers only come from California, or can they come from any of the States that transmission lines actually crossing through?

Stacey Crowley: The way the Trans West Express Project is being contemplated is that they will have a DC line until a point in, I think, Utah, and at that point, it becomes AC lines. And at that point, other utilities could take a subscription onto those lines in both directions. So other utilities could certainly subscribe to that line, and then there would be their own cost structure associated with that. So, it does allow some flexibility, and it's not just a single one-way straw from Wyoming into California, and at that point in Utah, there's other breakout points where the AC system can allow additional utilities to participate.

Chairman Brooks: Thank you. We will move on to our next agenda item, which is the preview and discussion of the draft task force report, which will be presented by Laura Wickham from the Governor's Office of Energy. A reminder to those on the committee. In the statute that created the task force, it also tasks the task force with creating a report to the legislature and to the Governor in November. The report will be some of the findings and or recommendations, if any, of the first two meetings of the task force. And my anticipation is that this report won't be as robust as future reports because this was the first couple of meetings and was about us gathering information and getting a baseline of knowledge. But we will hear about the process moving forward from Miss Wickham.

8. Preview and Discussion of Draft Task Force Report – David Bobzien, Director,
Governor’s Office of Energy (*For Discussion*)

Laura Wickham: The Governor's Office of Energy, as a supporting agency to this taskforce, will be working on the legislatively mandated report, and we will make the draft available to all task board members and the public in the coming weeks. As Chairman Brooks already stated, our report is due no later than November 30th and is to include any task force activity which, this year, mostly consisted of receiving reports, presentations, and gathering information. It is also to include any legislative recommendations for enabling transmission providers in Nevada entrance into an RTO. Our intent is to have a final report to present for approval during our next scheduled meeting, which will be on November 17th, and it will be held virtually. If any members have comments or recommendations, you are welcome to individually send comments to staff or the task force email and please refrain from copying each other or Bcc’ing each other and those recommendations will be incorporated into the draft report.

Chairman Brooks: Thank you. The next meeting will be to review and approve a draft report and I don't think it warrants tying up the resources of LCB or anything like that. So, we're going to be doing that one virtually. For the purposes of Open Meeting Law, remember what Ms. Wickham said, please don't blind copy or copy other members when making any sort of suggestions and or questions to the Office of Energy or myself.

- 9. Public comments and discussion.** No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

Chairman Brooks: We can move on to our last agenda item which is the public comment period. Please remember to keep your comments to three minutes, if possible. Is there anybody in Carson City that would like to make public comment? Seeing none. In Las Vegas is there anyone who wants to make public comment? Seeing none. Broadcast services, do we have anyone on the line for public comment? No callers currently.

10. Adjournment. (*For Possible Action*)

With that, I would like to thank all LCB and their staff who always make sure that these meetings run very smoothly. And this will probably be my last meeting with LCB as a legislator. I have announced my intention to resign from the Nevada Legislature here in a few weeks and this will be the last meeting where I will be in LCB’s offices as a legislator. I also would like to thank all the members of this taskforce for participating today and all the presenters who helped us out and the Office of Energy. Thank you for staffing this meeting and for doing all the hard work to make it a possibility. And with that, I will adjourn

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>
- (4) Nevada Legislature Website: <https://www.leg.state.nv.us/App/Calendar/A/>
- (5) Nevada Legislature Building, 401 S. Carson Street, Carson City, NV
- (6) Grant Sawyer State Office Building, 555 E Washington, Las Vegas, Nevada