

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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United States, Reno

Phone Conference ID: 202 263 995#

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

Jennifer Taylor	Luke Papez
Leslie Mujica	Alise Porto
Henry Shields	Hayley Williamson
Richard Perkins	Ernest Figueroa
Jeremiah Drew	Kayla Dowty
Luis Cruz	Eric Witkoski
Ryan Atkins	Elizabeth Becker

Task Force Members Absent

Asm. Melissa Hardy
Senator Dallas Harris
Tom Burns
Dwayne McClinton
Senator Pete Goicoechea
Asm. Daniele Monroe Moreno
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 ensure that the idea of 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, assigned us the duty of advising the governor and the legislature on specific items.

The first is, achieves the objectives of an open and competitive wholesale electric generation marketplace, elimination of barriers to market entry and preclusion of control of bottleneck electric transmission facilities in the provision of retail electric service. Number two is, operates under policies that promote positive performance designed to satisfy the electricity requirements of customers policies that will accommodate entrance by transmission providers in this state into a regional transmission organization. Number three, by January 1st, 2030, policies will cite transmission facilities necessary to achieve the state's clean energy and economic development goals. Number four, 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. Finally, number five, 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

NIPPC's presentation can be found here:

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/RTO%20Presentation.pptx>

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, how they both help shape load and manage the grid and provide those opportunities for resource adequacy, as well as 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 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: With 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 an 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 from where we used to be 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 saying 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, deferring 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.

**5. Regulatory Review; Commissioner Tammy Cordova, Public Utilities Commission of Nevada
PUCN's presentation can be found here:**

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/PUCN.pptx>

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 the 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: 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 contact 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 along with the work 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.

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

WRAP's presentation can be found here:

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/WRAP%20Presentation.pptx>

Chair Jennifer Taylor: Are there analogous RA programs and entities in other RTO's across the country?

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 new Northwest 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, even though it is in non-binding status right now.

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 those 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.

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

SPP's presentation can be found here:

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/SPP%20Presentation.pptx>

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 relates to your interconnection queue. 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 plans 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.

**8. Status of Regional Transmission Organizations in the West; Jeff Billinton, Director, CAISO
CAISO's presentation can be found here:**

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/CAISO%20Presentation.pptx>

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 mean 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.

**9. Status of Regional Transmission Organizations in the West; Kathleen Staks, Director, Western Freedom
Western Freedom's presentation can be found here:**

<https://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/Pathway%20Initiative.pptx>

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.

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>