



Will the West be *One*?

Exploring West-Wide Regional  
Coordination



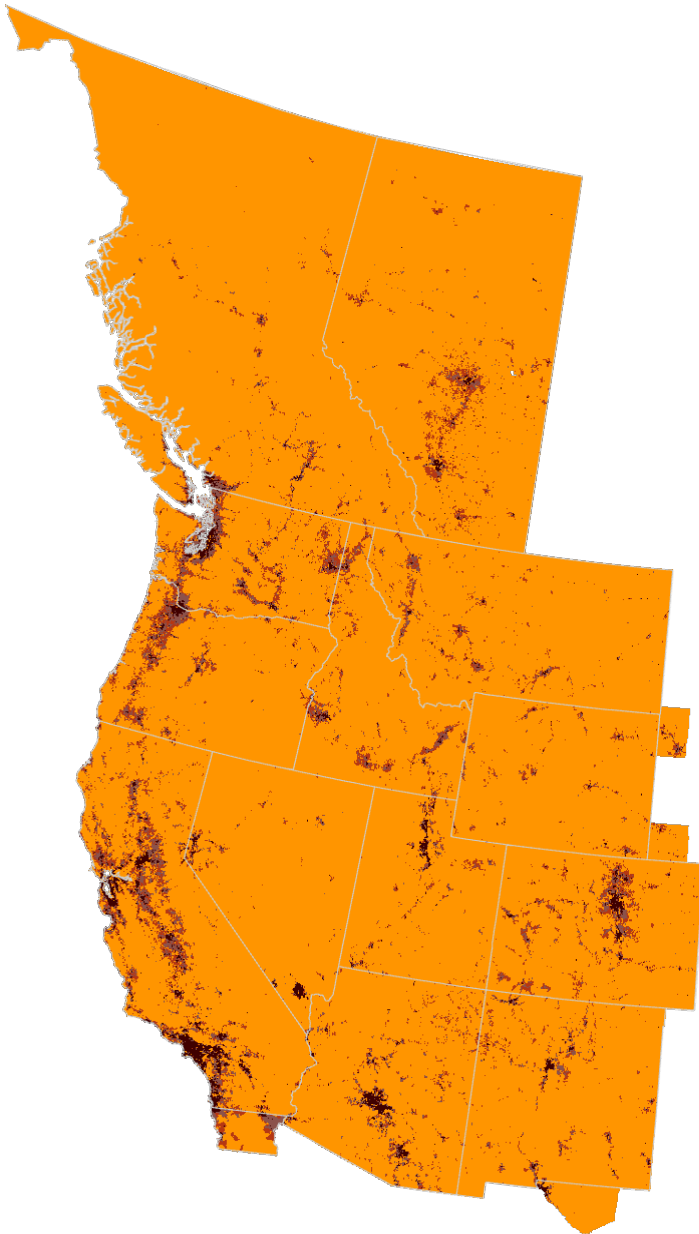
## *Exploring West-Wide Energy Market Coordination*

April 18, 2024

CalCCA Annual Conference

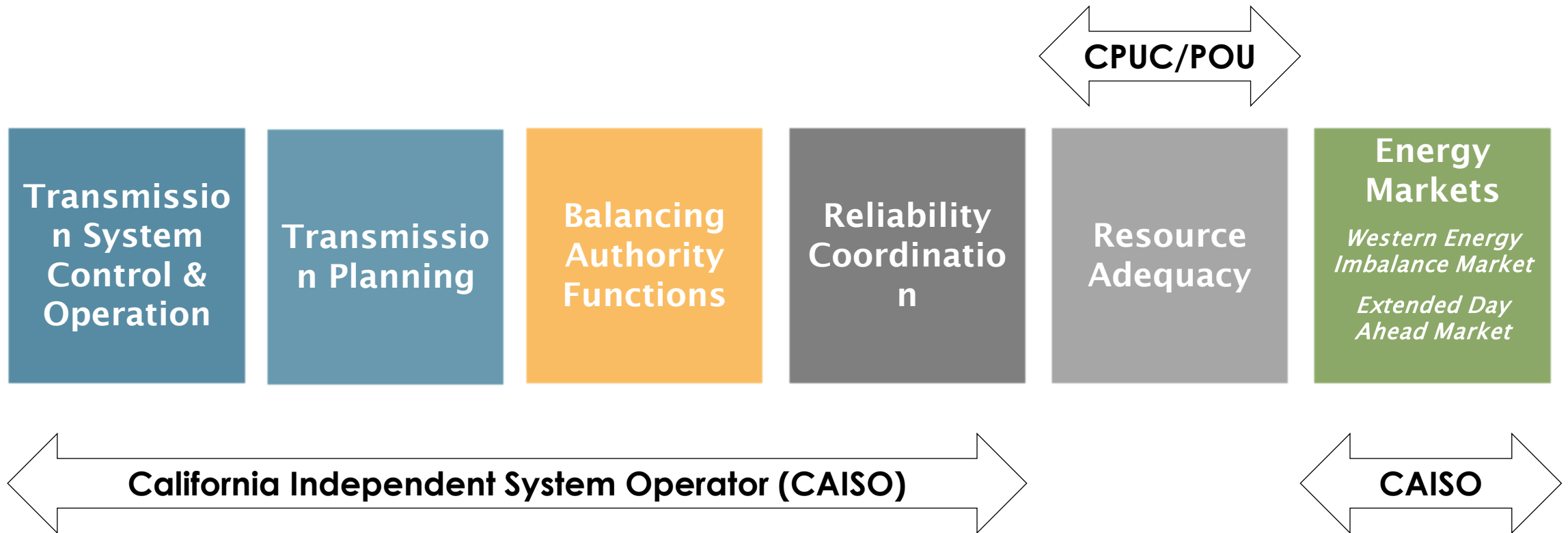
# Western Electricity Coordinating Council (WECC)

14 States  
2 Canadian Provinces  
Northern Baja Mexico



# What Do We Mean by “Regionalization”?

## *Building Blocks*



# Consumers?

## *Cost Savings + CO<sub>2</sub> Emissions Reductions + Improved Reliability*

“Additional savings to WEIM entities participating in an EDAM ranged from **\$143 million to \$273 million** per year based on the assumptions that were tested .... By comparison, actual **WEIM-only benefits in 2020 reported by CAISO** were **\$375 million** (2022 dollars).”



“CO<sub>2</sub> emissions related to California load simulated for 2030 fell **6.7%–7.5%** with a West-wide RTO, with greater reductions (**9.3%–10.6%**) if California were to import more out-of-state renewables. CO<sub>2</sub> emissions WECC-wide were projected to fall **3%–4%** with a regional RTO.”



“[R]educes variations in net load that need to be managed...”

Reduces variation in wind and solar net output

“Provides a deeper pool of resources to manage variability.”

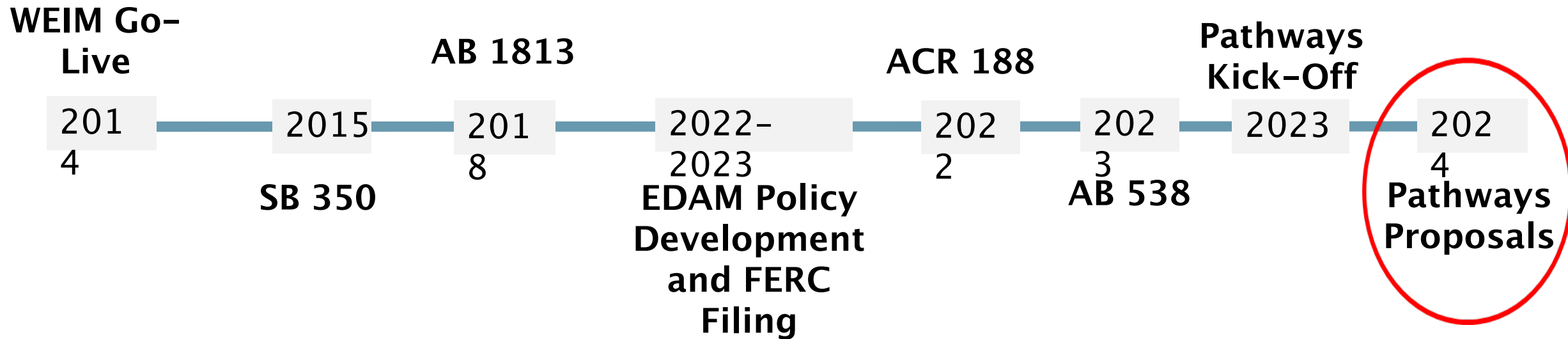
Mitigates “the impact of extreme weather events, extended drought, and cyberattacks.”

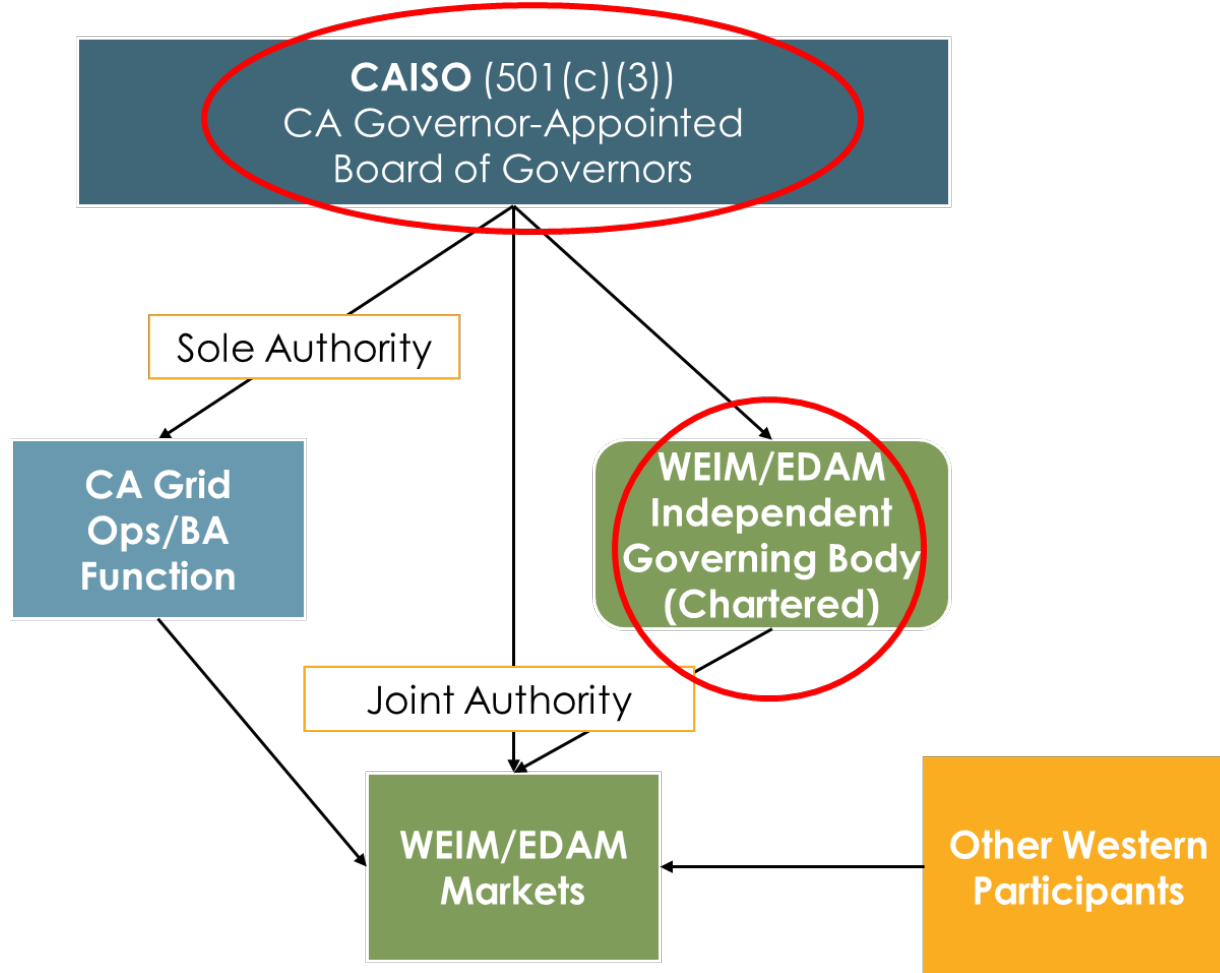


Source: NREL, *The Impacts on California of Expanded Regional Cooperation to Operate the Western Grid (Final Report)* (ACR 188 Report) <https://www.caiso.com/Documents/Expanded-Regional-Cooperation-ACR-188-Final-Report-Feb2023.pdf>

# Haven't We Tried This Before?

*Overly Ambitious Legislative Efforts Have Failed*





# What's the Problem?

*California-Appointed Board Oversees Market Governance*

# What Is the Pathways Initiative?

## *Regulator-Initiated Process to Regionalize Western Markets*

### **States/Provinces:**

Commissioner Milt Doumit, WA  
Commissioner Kevin Thompson, AZ  
President Alice Reynolds, CA

#### *Alternates:*

Letha Tawney, OR  
Siva Gunda, CA  
Pat O'Connell, NM

### **CA IOU Transmission Owners:**

Scott Ranzal, PG&E  
Jeff Nelson, SCE

### **EIM Entities:**

Alyssa Koslow, APS  
David Rubin, NVE  
Kerstin Rock, PAC  
Pam Sporborg, PGE

#### *Alternate:*

Robert Eckenrod, PAC

### **Labor:**

Marc Joseph, IBEW - CA

### **Public Power and Coops:**

Josh Walter, SCL  
Connor Reiten, PNGC  
Jim Shetler, BANC  
Randy Howard, NCPA

#### *Alternate:*

Jon Olson, SMUD

### **Independent Power Producers:**

Scott Miller, WPTF  
Jan Smutny-Jones, IEPA  
Ben Fitch-Fleischmann, Interwest

#### *Alternates:*

Spencer Gray, NIPPC  
Lisa Tormoen Hickey, Interwest

### **Residential and Small Commercial Customers:**

Michele Beck, Utah Office of Consumer Services

### **Non-utility Load Serving Entities:**

Evelyn Kahl, CalCCA

### **Large C&I Customers:**

Kathleen Staks, Western Freedom  
*Alternate:*

Heidi Ratz, CEBA

### **Technology Providers:**

Brian Turner, AEU

### **Public Interest Organizations:**

Michael Colvin, EDF  
Alaine Ginocchio, WRA  
Ben Otto, NW Energy Coalition

#### *Alternate:*

Mark Specht, UCS

### **Power Marketing Authorities:**

Chrystal Dean, WAPA



# Pathways Initiative

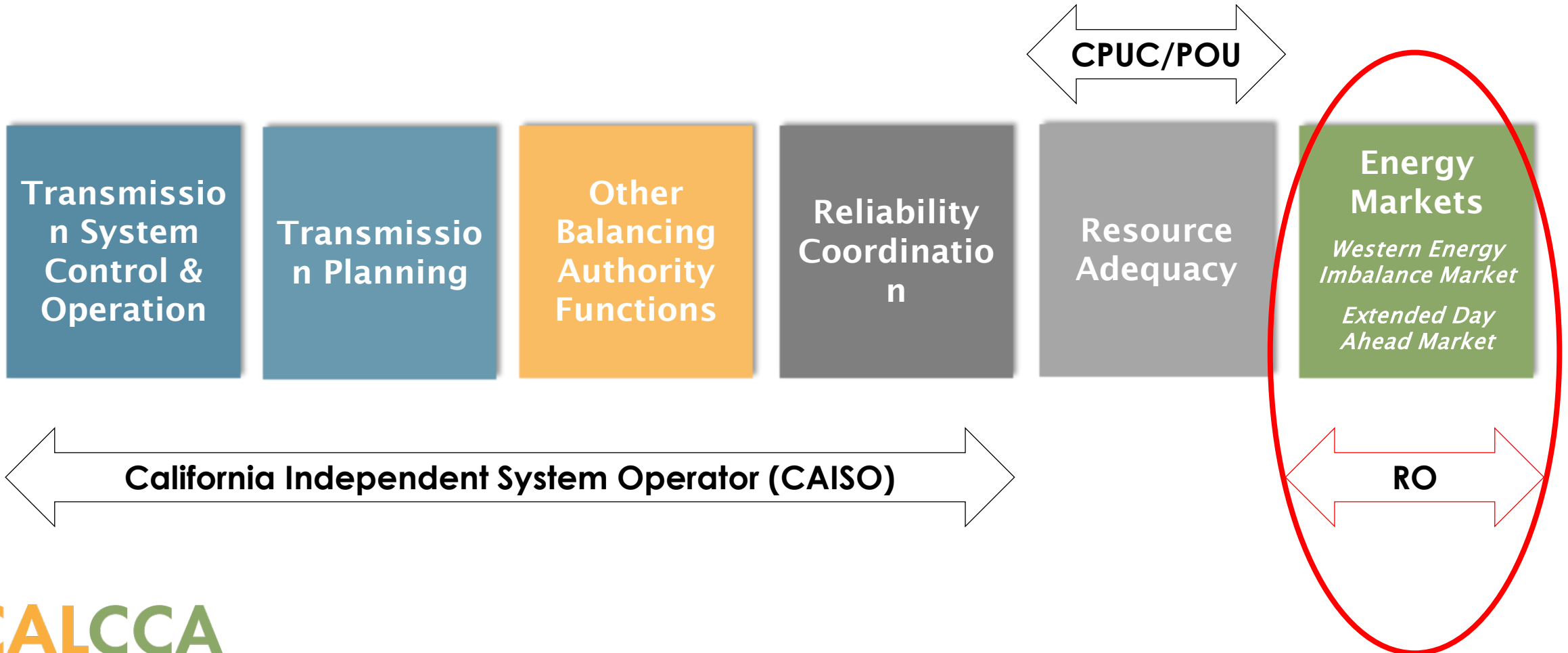
## *Launch Committee Mission*

The Mission of the Launch Committee of the WWGPI (Committee) is to develop and form a new and independent entity with an **independent governance structure** that is capable of overseeing an expansive suite of West-wide wholesale electricity markets and related functions based on the following core principles:

- The entity should enable the **largest footprint possible that includes California**, and maximizes overall consumer benefits;
- The entity will include **independent governance** for all market operations;
- The new entity will **preserve and build upon existing CAISO market structures** that serve over 80% of the Western Interconnection, including the Western Energy Imbalance Market (WEIM) and the proposed Extended Day Ahead Market (EDAM) that has been submitted to FERC;
- A primary goal will be to **minimize duplication and incurrence of costs** for both the market operator and market participants; and
- The structure should be flexible to accommodate the future voluntary provisions of **full regional transmission organization (RTO) services** for those entities that desire to do so, but not mandate that any entity must join such a future potential RTO.

# Which Functions Does Pathways Target?

## *Initial Sights Set on Energy Markets*



# How Is Pathways Approaching Solutions?

## *Stepwise Process*





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