

July 21, 2021

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Room S-221, The Capitol  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Room S-230, The Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Room H-305, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Room H-204, The Capitol  
Washington, DC 20515

The Honorable Joe Manchin  
Chairman  
U.S. Senate Committee on Energy and  
Natural Resources  
304 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable John Barrasso  
Ranking Member  
U.S. Senate Committee on Energy and  
Natural Resources  
304 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Frank Pallone  
Chairman  
House Committee on Energy and  
Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Cathy McMorris Rodgers  
Ranking Member  
House Committee on Energy and  
Commerce  
2322 Rayburn House Office Building  
Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, Minority Leader McCarthy, Chairmen, and Ranking Members:

The country is witnessing a renewed interest in expanding organized wholesale electricity markets, as they support grid reliability, encourage energy efficiency, increase savings for energy consumers, and accelerate decarbonization.

In May, Oregon passed and enacted legislation directing the Oregon Department of Energy to conduct a study, specifically identifying benefits, opportunities, and challenges posed by the development or expansion of a regional transmission organization (RTO) in the State.<sup>1</sup> In June, Nevada passed legislation requiring “every transmission provider in the State to join a regional transmission organization” by 2030<sup>2</sup> and Colorado also passed legislation which would require all Colorado transmission utilities to join an organized wholesale market by 2030.<sup>3</sup> Subsequently, both Nevada and Colorado enacted their respective bills, establishing a clear path forward for organized wholesale electricity market expansion in the Western United States.

In the Southeast, the North Carolina legislature is considering legislation to study restructuring

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<sup>1</sup> See, [S.B. 589, Oregon Legislative Assembly 81st Session](#), Jun. 10, 2021.

<sup>2</sup> See, [S.B. 448, Nevada State Legislature 81st Session](#), Jun. 10, 2021.

<sup>3</sup> See, [S.B. 21-072, Colorado General Assembly 73rd Session](#), Jun. 24, 2021.

North Carolina's wholesale electricity market.<sup>4</sup> This bill is similar to legislation South Carolina enacted last year—legislation which established the Electricity Market Reform Measures Study Committee to examine a range of potential electricity market reforms and their benefit to South Carolina's ratepayers.<sup>5,6</sup>

Furthermore, nine former commissioners and chairs from the Federal Energy Regulatory Commission (FERC) recently weighed-in in support of wholesale markets, arguing in a [letter](#) to the agency that the U.S. should expand "well-structured organized power markets in all regions of the country" and that doing so would result in greater levels of renewable energy deployment and bring "substantial customer benefits."

Simultaneously, both Congress and the Biden Administration are advancing bipartisan policies to spur infrastructure development, promote clean energy, and decrease emissions, including "achieving 100 percent carbon-free electricity by 2035."<sup>7</sup>

As States across the West and Southeast lead the way, exploring options to evaluate, develop, and expand organized wholesale electricity markets, they would benefit from increased coordination with the U.S. Department of Energy's Office of Electricity (DOE-OE). Specifically, given DOE-OE's role leading "activities that provide long-term transformational strategies to ensure that it supports the evolving grid and emerging threats, like climate",<sup>8</sup> DOE-OE maintains the necessary tools and expertise, including grid, economic, and emission modeling, to collaborate with and assist State energy and regulatory officials and consumers as they explore efforts to evaluate, develop, and improve organized wholesale electricity markets.

Our organizations represent a new constituency of associations, representing commercial, industrial, and residential consumers and public interest groups, that are ready to work with Congress, the Biden Administration, the FERC, and States to evaluate, develop, and improve well-designed organized wholesale electricity markets to facilitate climate solutions and lower electricity costs for energy consumers.

With the renewed interest in expanding organized wholesale electricity markets, led by States across the West and Southeast, now is the time for Congress to help ensure that the benefits of an interconnected regional grid, as well as organized wholesale electricity markets, can be realized in all parts of the country. Congress also has the opportunity to ensure that the independent governance of RTOs and Independent System Operators (ISOs) are held accountable to States and end-use customers.

As Congress considers any new authorizations and related funding for grid modernization and/or energy infrastructure, we urge you to support a dedicated program at DOE-OE to provide technical and financial assistance on a voluntary basis to States for efforts related to:

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<sup>4</sup> See, [H.B. 611, North Carolina General Assembly 2021-2022 Session](#), Apr. 21, 2021.

<sup>5</sup> See, [H.B. 4940, South Carolina General Assembly 123rd Session](#), Sep. 29, 2020.

<sup>6</sup> Other states in the Southeast are considering similar efforts. Earlier this year, the Mississippi Public Service Commission opened a docket to investigate the long-term benefits, costs, and commitment of Entergy joining Midcontinent Independent Service Organization (MISO). See, [Mississippi Public Utility Commission Docket No. 21-AD-52](#).

<sup>7</sup> See, [Fact Sheet: The American Jobs Plan](#).

<sup>8</sup> See, [U.S. Department of Energy, Office of Electricity Mission Statement](#).

- Wholesale market buildout, including market governance, planning and policy, and regulatory development assistance related to RTO and ISO formation, expansion, or improvement.
- Technical capacity needed to address challenges related to the coordination and alignment of existing organized wholesale markets with state energy and climate priorities, governance, and interoperability.
- Studying the costs and benefits to consumers and the financial and operations impacts of joining an RTO or ISO, including regional and multi-state-level economic modeling of the benefits of interstate sharing of electric resources to provide reliable and affordable service; planning for significant additions of new variable electric resources, grid demands presented by state or federal energy and climate policies; consideration of system and fuel interdependencies that create emergency conditions during extreme weather events; and accounting for generation production costs savings, fuel savings, transmission cost savings, reliability, resiliency, deferral of capital investments, and the effect on economic development and retention of industry.

We also support the reauthorization and robust funding of the State Energy Program (SEP), which provides essential funding and technical assistance to States, territories, and the District of Columbia to enhance energy security, advance state-led energy initiatives, and maximize the benefits of decreasing energy waste. Specifically, we support efforts to make electricity transmission and distribution system planning a mandatory feature of the SEP.

As States are actively exploring opportunities to evaluate, develop, and improve organized wholesale electricity markets, the Federal government should join States to advance markets and build needed infrastructure. We look forward to working with you in the coming months to build a better system ready to power our economy into the future.

Sincerely,

National Association of State Energy Officials (NASEO)  
 Renewable Energy Buyers Alliance (REBA)  
 Advanced Energy Buyers Group  
 Advanced Energy Economy (AEE)  
 American Council on Renewable Energy (ACORE)  
 Carolina Utility Customers Association (CUCA)  
 Electric Power Supply Association (EPSA)  
 Energy Alabama  
 Energy Choice Coalition (ECC)

Interwest Energy Alliance  
 National Retail Federation (NRF)  
 Renewable Northwest (RNW)  
 Renew Missouri  
 Retail Industry Leaders Association (RILA)  
 R Street Institute  
 Solar Energy Industries Association (SEIA)  
 Southern Alliance for Clean Energy (SACE)  
 Southern Renewable Energy Association (SREA)  
 Union of Concerned Scientists (UCS)

Cc: The Honorable Jennifer M. Granholm, Secretary, U.S. Department of Energy  
 The Honorable Richard Glick, Chairman, Federal Energy Regulatory Commission  
 The Honorable Gina McCarthy, National Climate Advisor, White House Office of Domestic Climate Policy