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IN THE MATTER OF THE COMMISSION'S INTEREST IN THE ACTIVITIES OF THE MOUNTAIN WEST  
TRANSMISSION GROUP

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## Recommendation to communicate with the Nevada CEC on this matter

*respectfully submitted to the Commissioners by*

Larry Miloshevich, Lafayette      December 2017

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### **SUMMARY**

Nevada is engaged in a process to choose or design an ISO/RTO, and they are considering many of the same things that the Colorado Commissioners are considering in this docket. Therefore, the Nevada process could provide an additional source of relevant information for evaluating the Mountain West proposal, and alternatives.

Please consider asking Staff to contact the Nevada Governor's Committee on Energy Choice (CEC) [1], especially the Technical Working Group (TWG) on Open Market Design and Policy, in order to:

1. Provide a periodic summary to the Commissioners of lessons from Nevada relevant to our RTO decision;
2. Discuss with Nevada peers the RTO choices and the long-term consequences of this decision; and
3. Introduce Nevada and ourselves to the possibility of a second Western RTO (an alternative to CAISO in the Western Interconnection), that might initially consist of interested Mountain West members and Nevada entities.

**Breaking news:** Another option for a new Western RTO was just announced [2,7]. It couples Peak Reliability's westwide reliability model with the market-design expertise of PJM. This possibility further supports the idea of a pause in MWTG's commitment and expenditures toward joining SPP while the Commission looks deeper into all of our RTO options in a public process that includes input from western grid experts and other stakeholders.

### **DETAILS**

1. Following passage of Nevada's 2016 "Energy Choice" initiative, the Governor's Committee on Energy Choice was formed to study the mandate to eliminate energy monopolies and establish retail electricity choice [3]. The CEC is studying Nevada's options for both retail choice and wholesale markets (RTO) [4].
2. My previous public comment on this docket [5] detailed concerns about the opaque process used by MWTG to unilaterally choose SPP over alternatives, and about the lack of input from non-utility stakeholders such as experts on western grid integration, PUC Commissioners, consumer and environmental advocates, and the public. I urged the Commission to expand this docket to allow a full airing of our RTO options and their pros and cons, with testimony and/or workshops that welcome participation by all interested parties.
3. At the 12/5 meeting of the CEC/TWG on Open Market Design and Policy [6], the speaker summarized the wholesale options that Nevada is currently considering, and shortcomings of each:
  - Join CAISO, eventually (assuming they work out the Governance issues).
  - Join SPP, eventually (probably a heavier lift than joining CAISO).
  - Nevada-only ISO, then expand later (is Nevada alone too small of a market?).
4. A fourth RTO option that Colorado and Nevada should discuss arises from the happy coincidence of both states examining RTOs at the same time, namely: joining forces to stand up a second Western RTO (and seeking additional Western partners).
5. A fifth RTO option just opened up with the announcement of an alliance between Peak Reliability and a PJM subsidiary to study creating a new Western RTO [2]. This is also relevant for a Colorado-Nevada alliance. A "blank sheet of paper" approach has great advantages according to Travis Kavulla [7].

## CONCLUSIONS

1. Please take advantage of the opportunity to discuss and collaborate with the Nevada CEC (and the PUCN which is conducting a parallel investigatory docket) regarding RTO and wholesale market options. I recommend scanning the CEC website [1] and noting the rich input Nevada is receiving from Commissions and stakeholder groups across the country, as well as the transparency of their process (presentations and recordings are posted and easily accessible by anyone, and public input is invited at every meeting). We could emulate this!
2. Please expand this docket or otherwise begin to look at the bigger picture of identifying the best wholesale market situation for Colorado's long-term future. We deserve to hear from western grid integration experts and potential western partners like Nevada. Note that a course change would not negate all of MWTG's work to date, as much of that work involved designing a common transmission tariff which remains relevant.
3. Certainly there are tricky aspects of this that I don't fully appreciate, such as limitations on what the Commission can and cannot tell MWTG to do. You probably can't say "join CAISO"; you probably can say "don't join SPP, for cause". My question is this: Can you say: "It is inappropriate for the Commission to allow a unilateral decision of such great impact on Colorado if it turns out to be an inferior decision compared to alternatives, and we cannot possibly know if it's an inferior decision unless we expand our investigation from one of assessing a unilateral decision to one of understanding and comparing all of our RTO options."?
4. It is possible that even MWTG might come to a different conclusion today, given that: 1) they didn't consult with experts or non-utility stakeholders, so their decision was made from a position of semi-ignorance; 2) time has passed and there is a much greater chance today that CAISO expansion will occur in the near future and may be a more desirable RTO than SPP; 3) the Nevada election has led to possibilities that MWTG likely never considered; and 4) a new scenario of a western RTO stood up by Peak Reliability and PJM just came to light. Therefore, the RTO choice deserves a second look, this time in an open process with broad input.

A final thought: Wouldn't it be doubly-tragic if the SPP choice turned out to not only be less than optimal for Colorado ratepayers, but also not even MWTG's preference if only they had gotten external input from multiple perspectives and had engaged the big thinkers who are just waiting to give them free advice?

Thank you for your consideration!

## REFERENCES

- [1] *Nevada Governor's Committee on Energy Choice*.  
<http://energy.nv.gov/Programs/TaskForces/2017/EnergyChoice/>
- [2] *PJM subsidiary looks to Western markets, with new RTO a possibility* (Utility Dive)  
<https://www.utilitydive.com/news/pjm-subsi-dary-looks-to-western-markets-with-new-rto-a-possibility/512609/>  
Also see [RTO Insider story](#).
- [3] *Nevada: 72% for retail choice*. A summary of Nevada's Energy Choice initiative.  
<http://energyfreedomco.org/nevada.php>
- [4] *TWG Committee Workstream Issues Assigned by the Chair*. Nevada CEC's "to do" list.  
[http://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/2017/Technical\\_Advisory\\_Committee\\_Workstreams\\_Issues\\_Assigned\\_by\\_Chairman\(1\).pdf](http://energy.nv.gov/uploadedFiles/energynvgov/content/Programs/TaskForces/2017/Technical_Advisory_Committee_Workstreams_Issues_Assigned_by_Chairman(1).pdf)
- [5] *Compelling reasons to expand this docket*. My previous public comment on this docket (Oct 2017).  
[https://www.dora.state.co.us/pls/efi/efi.show\\_document?p\\_dms\\_document\\_id=874376&p\\_session\\_id=](https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=874376&p_session_id=)
- [6] *Nevada Governor's Committee on Energy Choice, Technical Working Group on Open Market Design and Policy, 12/5/2017 meeting video (10:00am)*. See [1].  
[Note: The Nevada CEC website mistakenly archived the 2pm meeting in the 10am slot (I watched the meeting live). If the 10am video has an energy storage presentation a few minutes in, it's still the wrong video.]
- [7] *Travis Kavulla on twitter*. <https://twitter.com/TKavulla/status/939132478513545216>

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