

May 24, 2022

The Honorable Dianne Feinstein
Chairwoman
U.S. Senate Appropriations Subcommittee on
Energy and Water Development
138 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable John Kennedy
Ranking Member
U.S. Senate Appropriations Subcommittee on
Energy and Water Development
138 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Marcy Kaptur
Chairwoman
U.S. House Appropriations Subcommittee on
Energy and Water Development, and Related
Agencies
2362-B Rayburn House Office Building
Washington, D.C. 20515

The Honorable Michael K. Simpson
Ranking Member
U.S. House Appropriations Subcommittee on
Energy and Water Development, and Related
Agencies
1036 Longworth House Office Building
Washington, D.C. 20515

Dear Chairwoman Feinstein, Ranking Member Kennedy, Chairwoman Kaptur, and Ranking Member Simpson:

Our organizations represent a new constituency of associations, including commercial, industrial, and residential consumers, renewable energy supporters, and public interest groups, that are ready to work with Congress and states to evaluate, develop, and improve organized wholesale electricity markets to facilitate climate solutions and lower electricity costs for energy consumers.

As Congress begins the annual appropriations process for Fiscal Year (FY) 2023, we urge the Senate Appropriations Subcommittee on Energy and Water Development and the House Appropriations Subcommittee on Energy and Water, and Related Agencies (Subcommittees) to provide robust funding for the U.S. Department of Energy's (DOE) Wholesale Electricity Market Technical Assistance and Grants program.

For the first time in a decade, regions of the country, including the West and Southeast, are exploring opportunities to evaluate, develop, and improve wholesale electricity markets. These organized markets support grid reliability, promote energy cost savings, encourage energy efficiency, and allow increased renewable energy onto the grid.

Last year, Nevada enacted legislation requiring "every transmission provider in the State to join a regional transmission organization" by 2030.¹ Similarly, Colorado enacted legislation which requires all Colorado transmission utilities to join an organized wholesale market by 2030.² Oregon also 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

¹ See, [S.B. 448, Nevada State Legislature 81st Session](#), Jun. 10, 2021.

² See, [S.B. 21-072, Colorado General Assembly 73rd Session](#), Jun. 24, 2021.

transmission organization in the state.³

Similarly, in the Southeast, South Carolina, in 2020, enacted 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.⁴

The Administration's budget for FY 2023 signaled support for these ongoing state-led efforts by requesting \$19 million for the creation of the Wholesale Electricity Market Technical Assistance and Grants program at the DOE to provide analytical support and grants to states and regions to "investigate market improvements, specifically to evaluate wholesale market opportunities."⁵

The Wholesale Electricity Market Technical Assistance and Grants program will provide an opportunity to analyze requirements for well-designed wholesale market component formation and concerns regarding:

- Resource Adequacy;
- Wholesale Market Buildout;
- Policy Coordination;
- Cost and Benefits of Market Components;
- Market Designs;
- Reliability; and
- Distributed Energy Resources (DER) Integration.⁶

Therefore, we ask the Subcommittees to fully fund the Administration's FY 2023 budget request for the DOE's Wholesale Electricity Market Technical Assistance and Grants program to provide technical and financial assistance to States and regions to analyze and develop market governance, planning and policy, and regulatory development assistance related to the formation, expansion, or improvement of regional transmission organizations and independent system operators to ensure a clean, reliable, resilient, and equitable grid. Additionally, in FY 2023, we encourage the Wholesale Electricity Market Technical Assistance and Grants program to provide grants to evaluate new markets and investigate market improvements, including examining opportunities such as expansion of wholesale market offerings to include day-ahead markets or transmission planning.

As Congress seeks to increase grid reliability, reduce energy costs, increase customer choice, address climate change, and accelerate decarbonization of the nation's grid, we look forward to working with the Subcommittees to fully fund the DOE's Wholesale Electricity Market Technical Assistance and Grants program.

Sincerely,

Advanced Energy Economy

Alliance for Affordable Energy

³ See, [S.B. 589, Oregon Legislative Assembly 81st Session](#), Jun. 10, 2021.

⁴ See, [H.B. 4940, South Carolina General Assembly 123rd Session](#), Sep. 29, 2020.

⁵ See, U.S. Department of Energy. (March 2022). *FY 2023 Congressional Budget Request: Budget in Brief*. Retrieved from <https://www.energy.gov/sites/default/files/2022-03/doe-fy2023-budget-in-brief.pdf>.

⁶ See, U.S. Department of Energy. (2022). *FY 2023 Budget Justification: Grid Deployment Office*. Retrieved from <https://www.energy.gov/sites/default/files/2022-04/doe-fy2023-budget-volume-3-gdo-v2.pdf>.

American Council on Renewable Energy
Carolina Utility Customers Association
Clean Energy Buyers Association
Coastal Conservation League
ConservAmerica
Conservative Energy Network
Council for New Energy Economics
Energy Alabama
Energy Choice Coalition
Interwest Energy Alliance
National Association of State Energy Officials
National Audubon Society
National Retail Federation

North Carolina Sustainable Energy Association
Northwest & Intermountain Power Producers
Coalition
Renew Missouri
Renewable Northwest
Retail Industry Leaders Association
R Street Institute
Southern Alliance for Clean Energy
Southern Environmental Law Center
Southern Renewable Energy Association
Southface Institute
Sunnova Energy Corporation
Western Resource Advocates

Cc: The Honorable Jennifer M. Granholm, Secretary, U.S. Department of Energy