

November 18, 2022

The Honorable Jennifer M. Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Granholm:

Our organizations represent a new constituency of associations, representing commercial, industrial, and residential consumers and public interest groups, that are ready to work with the U.S. Department of Energy (DOE), the Biden Administration, Congress, and states to evaluate, develop, and improve well-designed organized wholesale electricity markets to lower electricity costs and increase reliability for energy consumers.

This last year, Congress passed and President Biden enacted several pieces of legislation, including the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), which unlocked unprecedented amounts of Federal investments to spur clean energy development and reduce carbon emissions.

Simultaneously, regions across the country are embarking upon efforts to expand or improve organized wholesale electricity markets, to facilitate grid reliability, encourage energy efficiency, increase savings for energy consumers, and accelerate decarbonization.

In the West, Nevada, pursuant to Senate Bill 448,¹ which was enacted in 2021, created the [Regional Transmission Coordination Task Force](#) to advise the Governor and the State Legislature on policies relating to regional energy transmission in the West, including the costs and benefits of the transmission providers in Nevada joining a regional transmission organization (RTO) to provide access to a wholesale electricity market. Similarly, Colorado is implementing legislation which would require all Colorado transmission utilities to join an organized wholesale market by 2030.² Oregon, pursuant to Senate Bill 589,³ published the "Regional Transmission Organization Study: Oregon Perspectives" in December 2021, which found that "Oregon retail customers, on average, would likely see a reduction in net power costs if electric services providers in Oregon participate in an RTO."⁴

In the Southeast, South Carolina's [Electricity Market Reform Measures Study Committee](#) is examining a range of potential electricity market reforms and their benefit to South Carolina's

¹ S.B. 448, Nevada State Legislature 81st Session (2021).

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/8201/Text>

² S.B. 21-072, Colorado General Assembly 73rd Session (2021).

https://leg.colorado.gov/sites/default/files/documents/2021A/bills/2021a_072_enr.pdf

³ S.B. 589, Oregon Legislative Assembly 81st Session (2021).

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB0589/Enrolled>

⁴ Oregon Department of Energy. (2021). *Regional Transmission Organization Study: Oregon Perspectives*. <https://www.oregon.gov/energy/Data-and-Reports/Documents/2021-Regional-Transmission-Organization-Study.pdf>

ratepayers⁵ and anticipates releasing a study detailing their findings early next year. Additionally, this fall, South Carolina's Speaker of the House Murrell Smith announced the formation of a new House Ad Hoc Committee, the [State Economic Development and Utility Modernization Committee](#), which will focus on utility modernization, workforce development, and infrastructure investment.

As the DOE implements both the IIJA and the IRA, states across the country have a unique opportunity to maximize these investments by utilizing newly available resources to work with their utilities and other stakeholders to develop and improve organized wholesale electricity markets, specifically markets that enable cost-effective, clean energy deployment while maintaining reliability to the benefit of the customer.

In the IRA, Congress provided funding for the DOE to "conduct planning, modeling, and analysis regarding interregional electricity transmission and transmission of electricity that is generated by offshore wind, taking into account the local, regional, and national economic, reliability, resilience, security, public policy, and environmental benefits".⁶ Congress included a broad and non-exhaustive list of issues for analysis and convening, including benefits of increased grid interconnection and a networked transmission system, economic development opportunities, and clean energy integration, among others. As part of this planning, modeling, and analysis, in regions where it makes sense - particularly in the Southeast and Pacific Coastal Region - the DOE should utilize this funding to help interested states advance organized wholesale electricity market formation and improvement, that can facilitate new offshore wind development.

Similarly, in the IIJA, Congress directed increased funding for the U.S. 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. As part of this increase, states must also consider transmission and distribution system planning efforts as part of their SEP activities, which can support states looking to explore, develop, and improve organized wholesale electricity markets.

As the DOE implements the IRA and IIJA, we want to ensure that state energy and regulatory officials and consumers have the necessary tools, including assistance understanding issues like market governance, planning and policy, and regulatory development; technical capacity to address challenges relating to the coordination and alignment of existing organized wholesale markets with state energy and climate priorities and interoperability; and assistance studying the costs and benefits to consumers and the financial and operations impacts of joining an organized wholesale electricity market, including regional and multi-state-level economic modeling of the benefits of interstate sharing of electric resources to provide reliable and affordable service from the DOE to support their efforts for studying, planning, or executing these critical decisions to better integrate their electricity systems.

In conclusion, the DOE should explore every opportunity to join states to develop and

⁵ See, H.B. 4940, South Carolina General Assembly 123rd Session (2020). https://www.scstatehouse.gov/sess123_2019-2020/bills/4940.htm

⁶ Inflation Reduction Act, Pub. L. No. 117-169, § 50153 (2022). <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>

improve wholesale electricity markets as they reduce electricity costs for energy consumers. 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,

Advanced Energy Economy
Alliance for Affordable Energy
Carolinas Clean Energy Business
Association
Carolina Utility Customers Association
Ceres
Clean Energy Buyers Association
Coastal Conservation League
ConservAmerica
Conservative Energy Network
Electric Power Supply Association
Energy Alabama
Energy Choice Coalition
Iowa Economic Alliance
National Association of State Energy
Officials
National Audubon Society
National Retail Federation

Natural Resources Defense Council
New Energy Economics
North Carolina Sustainable Energy
Association
Northwest & Intermountain Power
Producers Coalition
R Street Institute
Renew Missouri
Renewable Northwest
Retail Industry Leaders Association
Sierra Club
Southern Alliance for Clean Energy
Southern Environmental Law Center
Southern Renewable Energy Association
Southface Institute
Sunnova Energy Corporation
TechNet