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November 19, 2020

The Honorable Steve Sisolak
Governor of the State of Nevada
101 North Carson Street, Suite 1
Carson City, Nevada 89701

David Bobzien, Director
Office of Energy
755 North Rook Street, Suite 202
Carson City, Nevada 89701

Hayley Williamson, Chair
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

Doug Cannon, President and Chief Executive Officer
NV Energy
6226 West Sahara Avenue
Las Vegas, Nevada 89146

Re: Integrated Western Energy Market

Dear Governor Sisolak, Mr. Bobzien, Ms. Williamson, and Mr. Cannon:

The Legislative Committee on Energy (*Nevada Revised Statutes* 218E.805) meets during the interim period to evaluate, review, and comment on matters related to energy policy in Nevada.

This interim, the Committee received testimony on the benefits of an integrated western energy market, which include lower emissions of greenhouse gases, lower energy prices, and improved grid efficiency. The Committee voted unanimously to send this letter urging the governor of Nevada, the Office of Energy, Office of the Governor, the Public Utilities Commission of Nevada, and NV Energy to support an integrated western energy market.

As you know, electricity planning and procurement in the West is spread across 38 separate balancing authorities with relatively minimal coordination, unlike other regions of the United States that have established regional energy markets. The only regional market operating in the Western Interconnection, the real-time Western Energy Imbalance Market (EIM), is operated by the California Independent System Operator. The EIM has increased

coordination but does not fully eliminate the challenges associated with retaining so many separate balancing authorities.

Committee members heard from presenters that broad regional competitive wholesale markets are effective at increasing system flexibility across the west. Coordination is also critical for enabling the cost-effective integration of high penetrations of renewable energy. Higher penetrations of renewables displace fossil fuel-fired resources, which reduce emissions. The West may meet its near-term clean energy policy targets with only the EIM. However, to achieve long-term clean energy targets, western states and utilities must move towards even more flexible options and coordinated operations.

Policymakers, utilities, and stakeholders throughout the West are considering various proposals to develop and expand broader regional wholesale markets. As you begin considering a broader, more coordinated regional wholesale market and transmission grid, the Committee noted it is imperative to maintain Nevada's authority to establish and implement its own energy policy priorities. The Committee also encourages you to consider the [Advanced Energy Economy's principles](#) for the creation of broader regional wholesale markets in the west, during your open and transparent discussions with policymakers, utilities, and stakeholders.

Thank you for your consideration of this letter. Please do not hesitate to contact me or Marjorie Paslov Thomas, Senior Principal Policy Analyst, at (775) 684-6825 or via email at mptomas@lcb.state.nv.us if you have any questions or need additional information.

Sincerely,

Assemblywoman Daniele Monroe-Moreno, Chair
Legislative Committee on Energy
2019–2020 Interim