



Challenge – Regional Transmission Organization

A robust Regional Transmission Organization (RTO) in the Rocky Mountain Region would make it possible to efficiently and cost-effectively integrate more renewables into the grid while preserving electricity reliability and affordability.

The lack of an organized market for wholesale electricity and transmission service in the Rocky Mountain region hampers energy providers' ability to transition to a cleaner grid in a cost-effective and efficient manner, and will increasingly challenge reliability and affordability of the electricity supply. Incentives and regulatory reforms that encourage all regional utilities to join in or create an organized market in the region would address this challenge. Examples of these improvements include:

Expand Right of First Refusal

Require Broad Utility Coordination

Permit Cost-recovery

FERC-encouraged Adoption

Tri-State has always worked closely with neighboring transmission providers to plan and construct reliable transmission systems and has been exploring organized markets for years. In October 2015, Tri-State placed its Eastern Interconnection facilities in the Southwest Power Pool (SPP) RTO, which has resulted in a positive experience and cost savings. Tri-State was also one of several regional utilities that came together several years ago as the Mountain West Transmission Group (MWTG), which determined that an organized market would provide benefits to all participants. Unfortunately, Xcel unexpectedly abandoned the group in 2018 as the MWTG was exploring participation in the SPP RTO, resulting in the termination of the effort, given the significant footprint Xcel has in the region.

Despite the disbanding of the MWTG, Tri-State and several other utilities remain interested in securing the benefits of an RTO. Tri-State, Basin and WAPA continued to work with SPP throughout 2018 to expand SPP's Reliability Coordinator (RC) services in the West, which monitor and oversee regional transmission operations. The significant effort of establishing SPP as RC in the region was completed at the end of 2019.

As a next step, the same three energy providers joined SPP's Western Energy Imbalance Service (WEIS) market, which will launch in February 2021. This market will centrally dispatch energy from the participants throughout the region every five minutes, enhancing reliability and affordability of electricity delivery from utilities to consumers. It represents another step closer to a full RTO.

Tri-State has been consistently supportive in the transition to the SPP RC, establishing the WEIS market, in state regulatory processes to advocate for an effective transition into an RTO, and in discussions and studies to continue the conversation and evaluation of RTO options with other transmission owners that need more information to move forward.

With an RTO, Tri-State and other electricity providers can secure electricity reliability and affordability while transitioning to a clean grid in a cost-effective and efficient manner.