

March 17, 2021

The Honorable Joe Manchin
Chairman
U.S. Senate Committee on Energy and
Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Barrasso
Ranking Member
U.S. Senate Committee on Energy and
Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Frank Pallone
Chairman
House Committee on Energy and
Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Committee on Energy and
Commerce
2322 Rayburn House Office Building
Washington, DC 20515

The Honorable Dianne Feinstein
Chairwoman
Subcommittee on Energy and Water
Development
U.S. Senate Committee on Appropriations
188 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Kennedy
Ranking Member
Subcommittee on Energy and Water
Development
U.S. Senate Committee on Appropriations
188 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Marcy Kaptur
Chairwoman
Subcommittee on Energy and Water
Development, and Related Agencies
House Committee on Appropriations
2362-B Rayburn House Office Building
Washington, DC 20515

The Honorable Mike Simpson
Ranking Member
Subcommittee on Energy and Water
Development, and Related Agencies
House Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members:

The recent extreme winter weather conditions and its devastating impacts upon the electricity grid and consumers starkly demonstrate the need for increased investment in a diverse set of technologies and infrastructure tools to ensure reliability and protect the public in the future. Under the new reality, electricity customers should be enabled to take a more active role when responding to electricity challenges during extreme weather events and organized wholesale electricity markets give them important options to do so cost-effectively.¹ In addition, these markets have generally proven effective in attracting new private investment in needed resources. Further, organized electricity markets, if designed properly, can incentivize uptake in

¹ Today, seven Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) operate organized regional electricity markets in over two-thirds of the country, helping to ensure reliable electricity supply and keeping costs low for consumers. See [FERC RTOs and ISOs](#).

additional demand-side management technologies and distributed energy resources, which helped during recent storms.²

As associations representing commercial, industrial, and residential consumers and public interest groups, we stand ready to work with Congress, the Federal Energy Regulatory Commission (FERC), the Administration, and the states to provide our expertise on why well-designed organized wholesale electricity markets provide a better platform to deliver on the grid modernization and resiliency needed to address severe weather events and its related impacts. As you consider policy solutions to address this most recent energy reliability crisis - while simultaneously working to jumpstart our economic recovery - we urge you to utilize all available levers to promote economic growth, grid reliability, job creation, climate solutions, and innovations that can lower electricity costs for the nation's consumers. One solution is to improve and expand the benefits of the nation's organized wholesale electricity markets. Evidence of the benefits of wholesale electricity markets can be seen in new efforts emerging to establish Regional Transmission Organizations (RTOs) in the Southeast and the West, while efforts to improve upon the decision-making processes and accountability from existing RTOs to customers, states, and advanced technologies are growing.³

With extreme weather events causing more frequent outages, now is the time for Congress to help ensure that the benefits of interconnected regional grids, as well as organized wholesale markets, can be realized in all parts of the country while ensuring that the independent governance of RTOs are more accountable to local customers and states.

We urge you to support the following:

- Ensure any new authorizations and funding for grid modernization and/or energy infrastructure can also be used to support RTO formation, expansion, and improvement, where appropriate.
- Provide expanded funding for the U.S. State Energy Program which states may use for energy system planning, or direct the U.S. Department of Energy to ensure interested states and regions, as well as nonprofit organizations, are able to access Office of Electricity and National Laboratory resources to address the technical, governance, planning, and public policy considerations presented by the formation, expansion, or further development of RTOs. This effort should include studying the benefits of interstate sharing of resources to provide reliable and affordable service, planning for significant additions of new variable electric resources, and considering system and fuel interdependencies that create emergency conditions during extreme weather events.

² RTOs have also played a critical role in incentivizing new infrastructure investments in lower carbon and demand side management resources. See FERC Orders enabling distributed energy resources (Order [2222](#)), energy storage (Order [841](#)), and demand response (Orders [719](#) & [745](#)) to participate in wholesale markets. See also [2018 Renewable Energy Grid Integration Data Book](#).

³ See, e.g., [SPP's potential expansion into the Western Interconnection](#). See also [H.B. 958, Electric Utilities/Allow and Study RTE](#), April 25, 2019. See also [H.B. 4940, South Carolina General Assembly 123rd Session](#), Feb. 12, 2020. See also [S.B. 998, South Carolina General Assembly 123rd Session](#), Jan. 14, 2020. See also [Study: Western RTO Could Yield \\$1.2B in Yearly Savings](#), Nov. 1, 2020. See also [Duke, Southern file SEEM proposal with FERC as North Carolina regulators mull authority](#). FERC is initiating a [Technical Conference regarding Resource Adequacy in the Evolving Electricity Sector](#) to address in part the controversy between capacity markets and state policies. Separately, FERC has scheduled a [Workshop Regarding the Creation of the Office of Public Participation](#) to take input on its function and scope. [FERC and NERC are opening a joint inquiry into 2021 Cold Weather Grid Operations](#) and [FERC will open another proceeding to examine Electric Reliability in the Face of Climate Change](#).

- Ensure that state authorities and local customers are protected in the decision-making processes of existing and emerging wholesale electricity markets while providing a level playing field for clean energy generation.
- Provide enhanced Congressional oversight and direction to the U.S. Energy Information Administration (EIA), as directed by the Further Consolidated Appropriations Act of 2020, to make increased data regarding the electricity consumption and emissions for retail electricity suppliers readily available.⁴ Additional data is needed to facilitate the development of timely forecasts that customers, states, and regions can use to prepare for emergencies and provide reliable services through technologies, such as demand response, storage, and microgrids.
- Provide Congressional oversight and direction to FERC to evaluate how RTOs can better improve and publish data and forecasts customers need to manage energy usage during scarcity and to provide flexibility services to balance variable renewable generation. This data should be adequately harmonized across sources and formatted for easy use to support the enabling technologies that will aid customers to control their energy usage during times of high prices and emergency while also facilitating the achievement of their sustainability goals.

Organized wholesale electricity markets play a pivotal role, enabling grid reliability, promoting energy efficiency, and increasing savings for consumers as well as decarbonization. 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 (AEE)
 Alliance for Affordable Energy
 American Forest & Paper Association (AF&PA)
 Carolina Utility Customers Association (CUCA)
 Carolinas Clean Energy Business
 Association (CCEBA)
 Community Energy Labs
 Electric Power Supply Association (EPSA)
 Energy Choice Coalition (ECC)
 Industrial Energy Consumers of America
 (IECA)
 Interwest Energy Alliance

National Association of State Energy Officials
 (NASEO)
 National Retail Federation (NRF)
 R Street Institute
 Renew Missouri
 Renewable Energy Buyers Alliance (REBA)
 Renewable Northwest (RNW)
 Retail Industry Leaders Association (RILA)
 Southern Renewable Energy Association
 (SREA)
 Union of Concerned Scientists (UCS)
 Western Grid Group (WGG)

CC: The Honorable Jennifer M. Granholm, Secretary of the U.S. Department of Energy
 The Honorable Richard Glick, Chairman of the Federal Energy Regulatory Commission
 The Honorable Gina McCarthy, National Climate Advisor, White House Office of
 Domestic Climate Policy

⁴ See [Division D – Energy and Water Development and Related Agencies Appropriations Act, 2021](#), 93-94.