



Office of Consumer Advocate

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Department of Energy Quadrennial Energy Review (Second Installment) Electricity: Generation to End-Use Stakeholder Meeting #1

RE: Statement of Bryce Freeman, Administrator of the Wyoming Office of Consumer Advocate

The Wyoming Office of Consumer Advocate (WOCA or OCA) is an independent, statutorily chartered office whose obligation is to represent the interests of all classes of customers in utility matters before the Wyoming Public Service Commission. In discharging its statutory duties the OCA is required to consider the interest of utility customers and Wyoming citizens in the provision of safe, adequate, reliable and affordable public utility service. The WOCA appreciates the opportunity to appear here today and provide its unique perspective on the issues outlined in the Quadrennial Energy Review (Second Installment) regarding the planning, building and operation of the future bulk interstate electric generation and transmission system.

The WOCA has long been involved in the planning and development of the bulk electric system in the western interconnection. Our involvement dates to the Federal Energy Regulatory Commission's (FERC) issuance of its open access and standard market design rules, and includes involvement in various past regional market initiatives including INDEGO, GridWest and RTO West. More recently, the WOCA has been deeply involved in the interconnection-wide planning initiatives undertaken by the Western Electric Coordinating Council (WECC) and the regional planning being conducted by Northern Tier Transmission Group (NTTG). We have also been closely involved in the development of the Energy Imbalance Market (EIM) between PacifiCorp and the California Independent System Operator (CAISO) and are currently heavily involved in the stakeholder process surrounding the PacifiCorp and CAISO's initiative to fully integrate PacifiCorp's system into the CAISO market. Our experiences over the last fifteen years inform the OCA's statement today.

We believe that the issues and questions raised in the Second Installment serve to accentuate the growing complexity and uncertainty at the intersection of policy, planning and operation of the bulk electric system in the west. Fifteen years ago the simple question was: is there adequate capacity in the bulk electric system to reliably serve expected future loads, and if not, what generation and/or transmission investments need to be made to ensure reliable service. Of course, these questions were premised on the assumption that all new loads would continue to be served by traditional large central station generation resources.

Fast forward to 2016. The question(s) are far more complicated. Now we must decide not only how much new generation capacity is needed, but what type of generation should be developed, where it should be located and the ancillary investments that must be made, including transmission system upgrades and flexible generation capacity, to ensure that the system remains reliable. We must make these decisions in an environment in which disparate state energy and regulatory policies are often in conflict and occasionally overlap and conflict with federal energy policies. This uncertainty is only heightened by federal regulations related to green-house gas reductions, criteria pollutants, ash disposal and clean water standards.

In the current highly uncertain operational and policy environment, the OCA believes that it would be all but impossible to rationally plan, build and operate a no regrets bulk electric system in the west. The best that can be achieved at this point, at least until the broader policy issues are addressed, is an honest evaluation of alternative futures based on how broader policies might affect those futures under differing assumptions. A stochastic analysis of various plausible futures, although not planning in a definitive sense, at least give us the ability to identify common elements and themes across all plausible future scenarios.

WECC has undertaken much such analysis over the last five or so years beginning with grant funds awarded under the American Recovery and Reinvestment Act (ARRA). But, there is much work left to do, particularly as it relates to our ability to assess the short and long term reliability implications of the various futures. The WOCA would strongly urge DOE and its sister agencies at the federal level, through grants and in-kind contributions, to continue to support WECC's ability to fully analyze various futures as energy and regulatory policies evolve at the state and federal level.

The highest priority for the WOCA is to ensure that Wyoming customers continue to receive safe, adequate, reliable and affordable utility services. We believe that the only way to do that is to build the capacity of western stakeholders to develop robust analytical tools and data sets that will inform policymakers regarding the economic and reliability implications of the various policy choices. This will require time, effort and adequate funding, all of which seem to be in short supply. However, we are concerned that without a concerted and sustained effort over an adequate period of time, access to affordable and reliable electric service for Wyoming citizens will be in jeopardy.