

## Regional Transmission Organizations (RTOs)

Regional Transmission Organizations or RTOs are third-party organizations approved by the Federal Energy Regulatory Commission (FERC) to control and manage the transportation and flow of electricity over large regional areas. In simple terms, they can be thought of as the “air traffic controller” in their respective region for how electricity flows on the grid.

### When/Why Were RTOs Developed?

RTOs were first developed in the late 1990s in response to FERC issuing its landmark Order 888, which promoted wholesale electric competition through open access non-discriminatory transmission services.

### RTOs in the U.S.

There are seven primary RTOs or Independent System Operators (ISO) in the U.S.:

- ISO New England
- New York ISO
- PJM Interconnection (Pennsylvania, New Jersey, Maryland)
- MidContinent ISO (MISO)
- Southwest Power Pool (SPP)
- Electric Reliability Council of Texas (ERCOT)
- California ISO (CAISO)

### Where Does the Municipal Energy Agency of Nebraska Operate?

The Municipal Energy Agency of Nebraska’s (MEAN) regional footprint stretches from Central Iowa across Nebraska and into Colorado and Wyoming. Due to this footprint, MEAN is required to operate in two RTOs (MidContinent ISO and Southwest Power Pool) since it serves wholesale electricity in those areas. MEAN also operates in the Western U.S. through the Western Electricity Coordinating Council which covers roughly the Western third of the country.

### How has the RTO Environment Impacted MEAN?

#### Energy Sales

Before the RTO market environment MEAN could better capitalize on its large operational footprint by capturing revenue opportunities from selling lower cost electric supply in the East to higher cost markets out West or vice versa. In the RTO market environment, those revenue opportunities are more limited.

#### Added Costs, Complexity and Regulations

Operating in three different wholesale electric markets comes with significantly more complexity and regulatory requirements. MEAN developed a risk management and compliance department to handle the complexity and regulatory compliance requirements.

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### About MEAN

MEAN is a member-owned, public power wholesale electric supplier that serves 69 participating communities in Iowa, Colorado, Nebraska and Wyoming. It provides cost-based long-term, reliable power supply to its participant-owners.



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