

# A Pathway to a West-Wide Energy Market

Montana Energy & Technology Interim Committee  
March 26, 2026

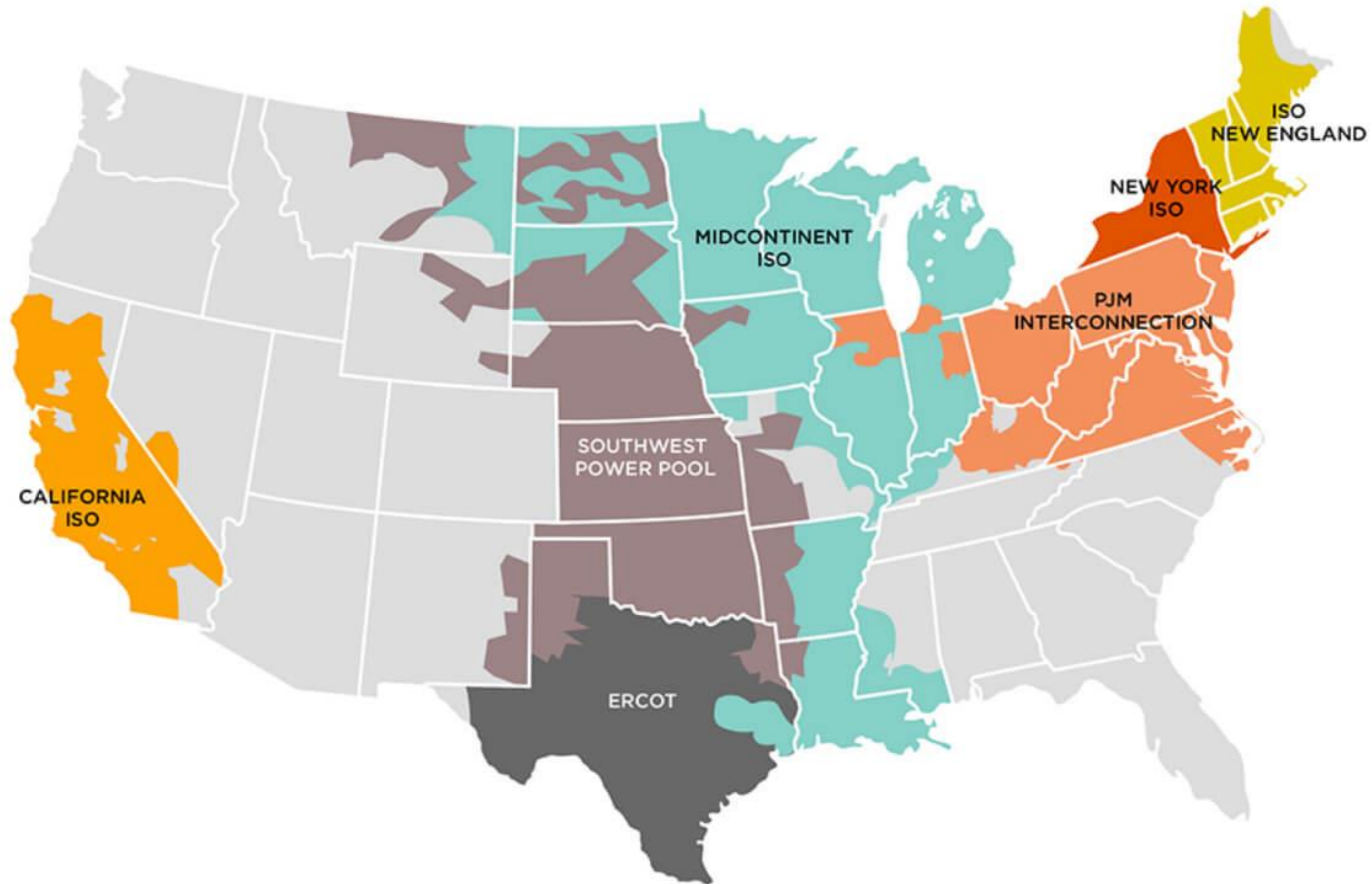


# What is a regional energy market?

- A way for multiple utilities to share energy more efficiently
- Can include different types of services

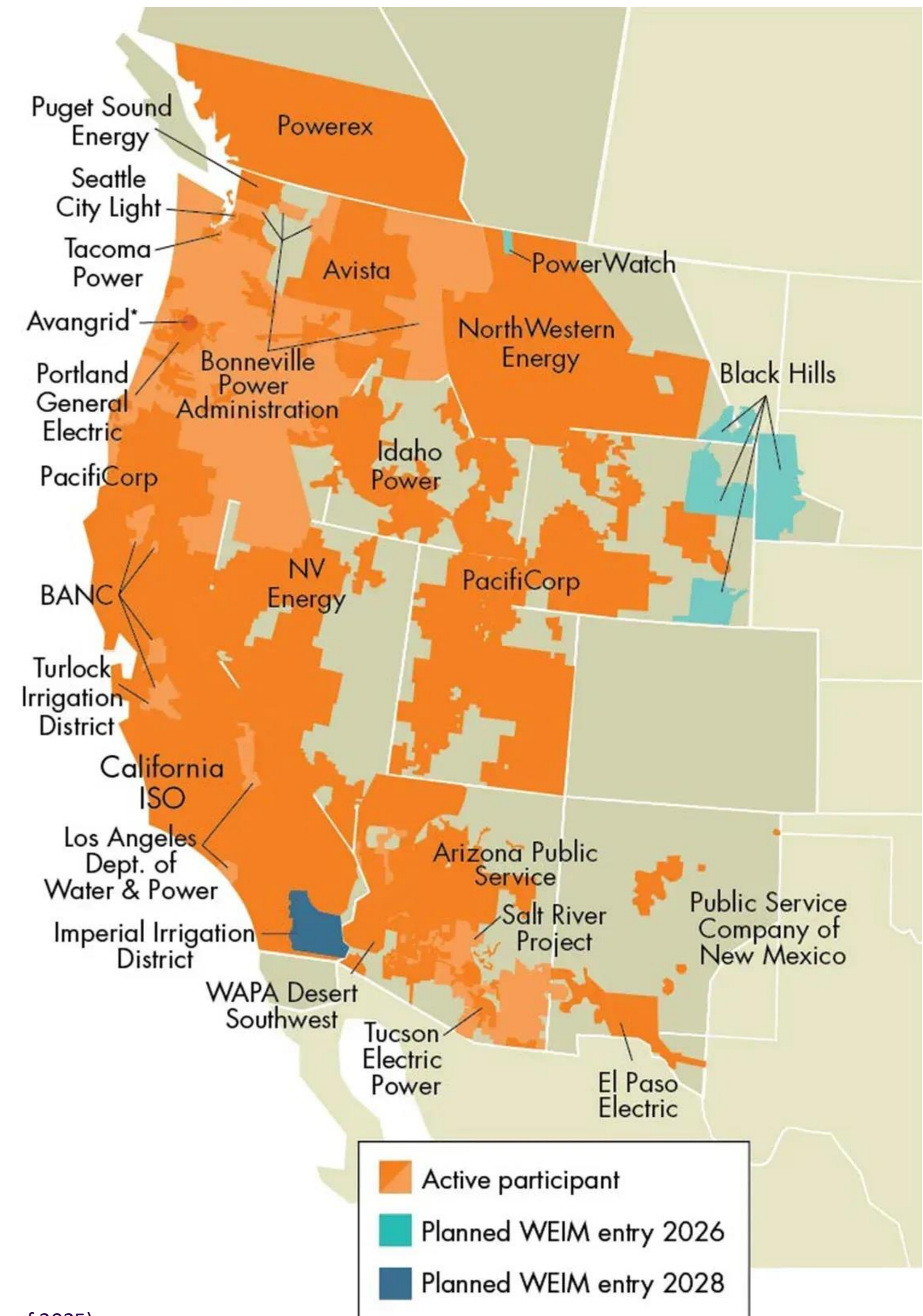


# What is a Regional Transmission Organization (RTO)?



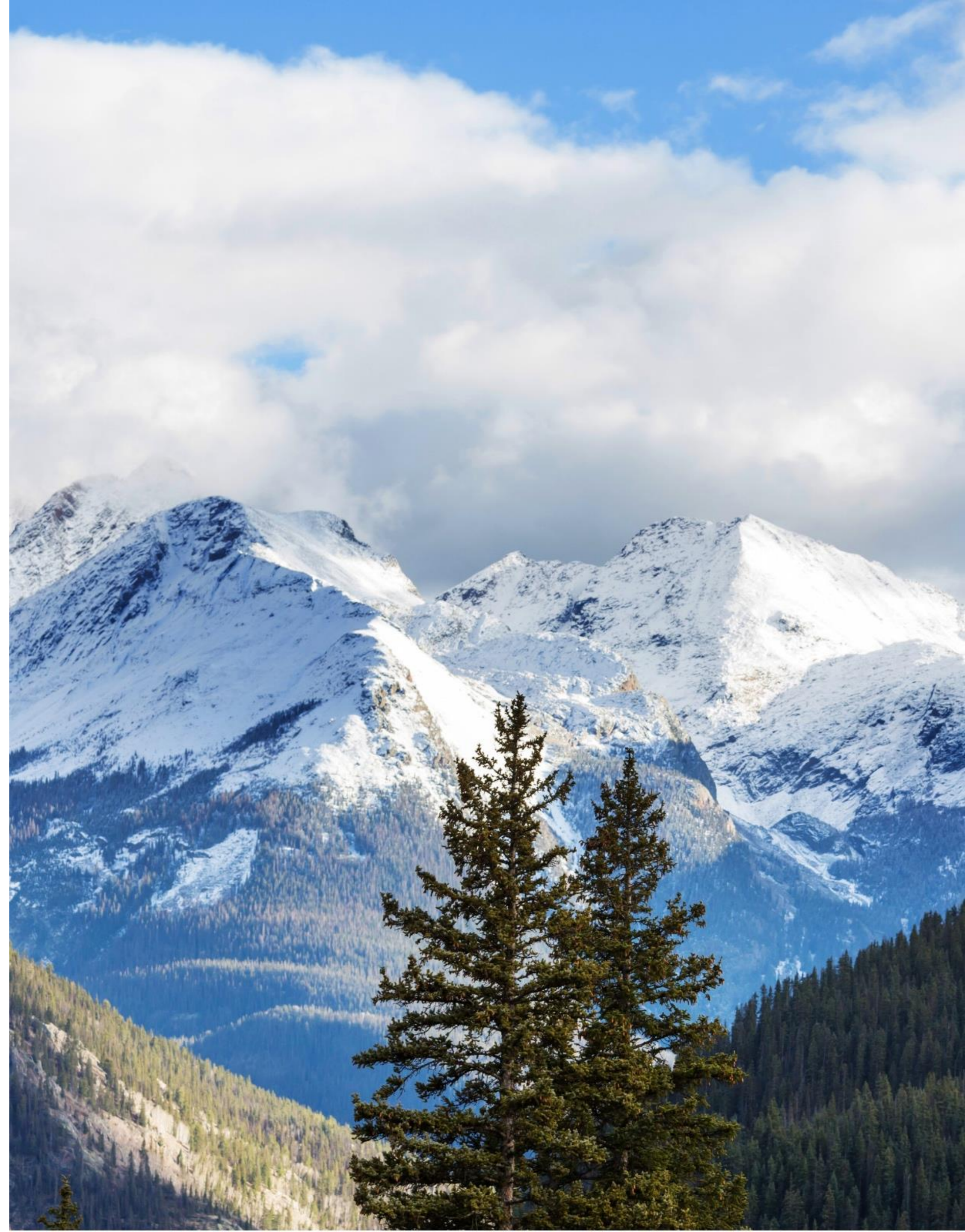
# The West has a history of sharing energy regionally

- Western Energy Imbalance Market, a real-time market operated by CAISO, has delivered over \$8 billion in benefits since 2014
  - This includes over \$200 million in benefits across NorthWestern Energy's footprint
- The Southwest Power Pool (SPP), an eastern RTO, has also operated a real-time market in the eastern part of the region since 2021
- Both entities (CAISO and SPP) have developed day-ahead markets that are launching soon



# Recent years have brought additional Western energy market developments

- Utah [State-Led Market Study](#) in 2021
- [Colorado](#) and [Nevada](#) passed bills in 2021 requiring their states' utilities to join a market by 2030
- Day-ahead market development: [Extended Day-Ahead Market](#) launching 2026, [Markets+](#) launching 2027
- West-Wide Governance Pathways Initiative has led to the new [Regional Organization for Western Energy \(ROWE\)](#)



# What is the Regional Organization for Western Energy (ROWE)?

- A **single market platform** designed to provide **independent governance for Western energy markets**
- Will launch with voluntary **real-time and day-ahead markets** to facilitate energy trading across the region, and offer additional services over time
- Respects **state authority** and provides **public accountability**
- Robust, diverse **stakeholder** representation



# The pathway for ROWE as a West-wide market

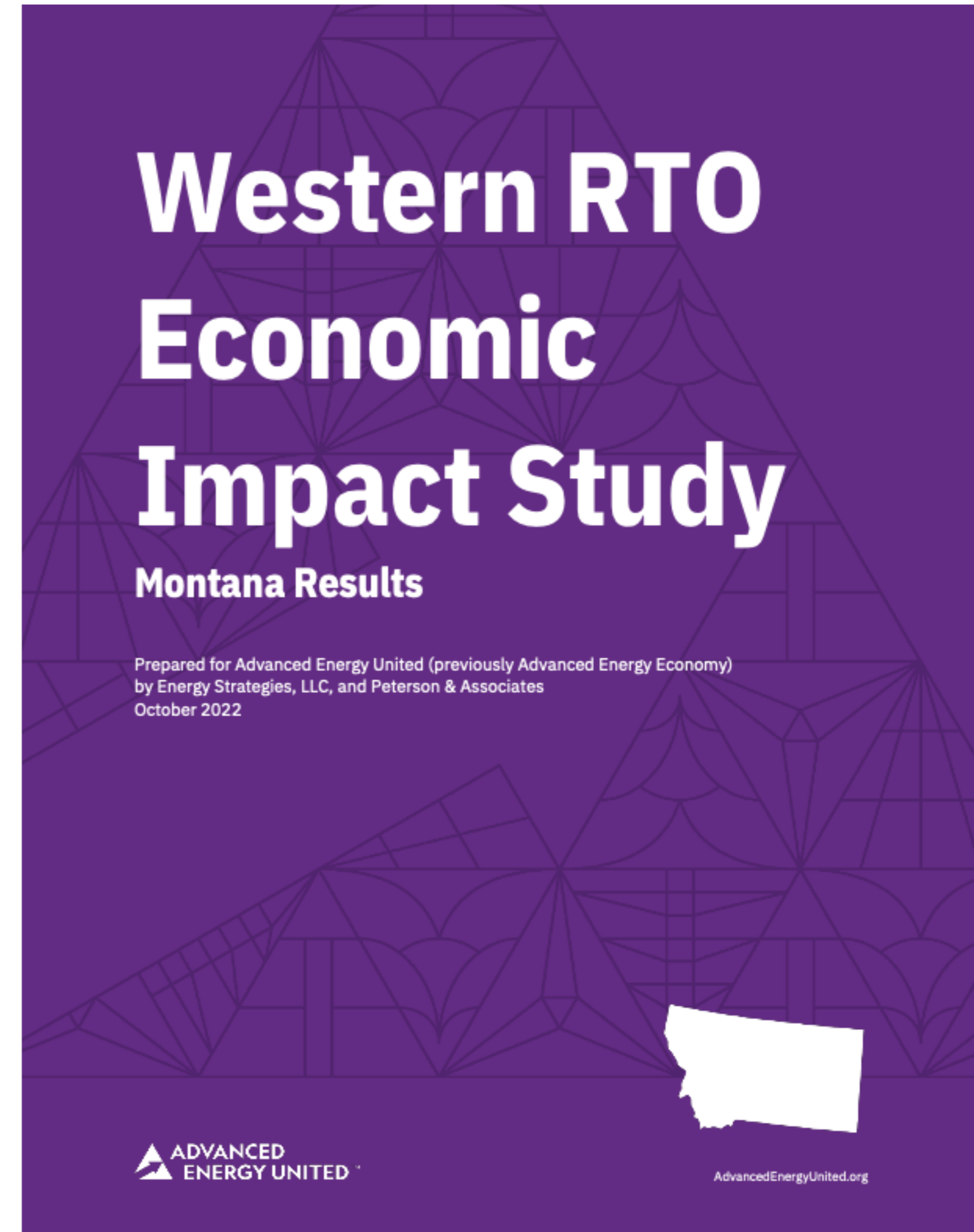
- The ROWE is a **unique opportunity for the West** – a new paradigm offering market services “à la carte”
- Developed by the Pathways Initiative, a group of Western stakeholders that came together to develop a proposal for **independent governance** with the **largest market footprint possible**
- **Distinct from Eastern RTOs** and some of the challenges that have been seen there
- Continues Western tradition of **incremental, voluntary cooperation**



# Sharing energy regionally brings economic benefits

A 2022 study conducted by Energy Strategies for Advanced Energy United found that a West-wide RTO could:

- Save Montanans **\$42 million** per year in electricity costs
- Provide up to **7,700 permanent jobs** across the state
- Generate up to **\$642 million** in additional GSP per year
- Produce up to **\$19 million** in additional tax revenue



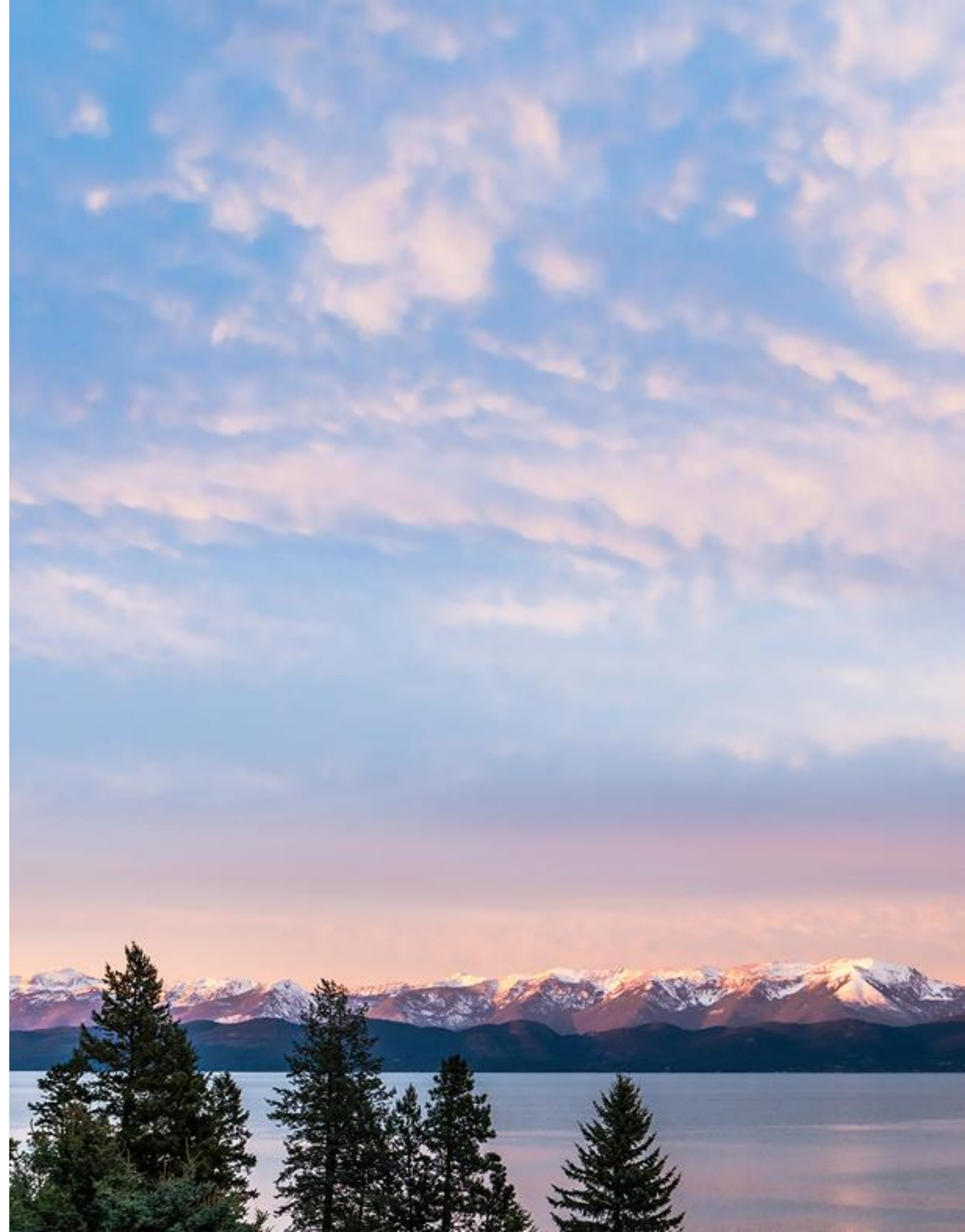
# Why one market matters

- Two or more markets threaten permanent **market seams** across the West
- Seams create barriers and friction to trading, **increasing costs and reducing benefits**
- **Seams are forever** – they can be marginally mitigated, but never eliminated
- The ROWE is the West's **last best chance** to avoid permanent seams



# What's next?

- Standing up the ROWE – inaugural Board, HQ, and executive staff in 2026
- Tariff development and approval through mid-2027
- ROWE assumes governance of real-time and day-ahead markets in January 2028
- Additional voluntary market services developed as market participants and stakeholders desire
- ROWE markets and other services remain available for any Western participant to join when ready



# Thank you.

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