
I jumped the gun a bit last week, and didn't wait for Sue Furst's RTO info. So here's Part II of what happened last week:

The FUs met; they plan to file a protest with FERC to the California Parties' January 16 filing. Although the FUs don't object to most of the California materials, there is one area they are troubled by a demand that (and this is a direct quote from the San Diego filing) "the Commission must insist that any other RTO formed in the western region under Order No. 2000 be constructed with the same blueprints, so that the stage will be set for efficient coordination between the new consolidated grid operators to facilitate one, seamless regional wholesale market. The CAISO, of course, is much farther down this road than any other individual or set of grid operators in the west, so the importance of reforming the CAISO now for this purpose cannot be overstated." In effect, they want the California ISO to be at the center of a west-wide RTO, and RTO West should mimic CAISO, and ultimately be absorbed. On Tuesday, BPA suggested that public power folks might be interested in protesting. PPC is preparing comments. [Ed. note: The three California IOUs, and CAISO, want CAISO to take over any RTO formed in the west. The adjectives that come to mind are not printable in this family publication.]

The FUs will brief NW delegation staffs next Thursday, 2/22. Some staff may stick around for the RRG meeting on 2/23. Mike Coleman (senior FERC guy who participated in stage 1) is also expected to attend.

As mentioned last RTO Car Talk, there is an ongoing debate regarding the RTO planning function (strong vs. weak). BPA is pushing for a strong RTO planning function whereas others, particularly some TransConnect folks (Avista, PGE/Sierra/Nevada) want RTO West to have little planning responsibility. Recall that TransConnect intends to have planning as a profit center. Rumor has it that Steve Wright, after being briefed on some RTO West issues, was concerned that a weak RTO West planning function could result in poor service to rural areas, chronic congestion, and diminished reliability. Hence the BPA pushback on planning. It appears Puget, and possibly Idaho Power, are more amenable to letting RTO West have a stronger planning role/function.

Content group meetings this week included Congestion Management, Seams, and Billing/Settlement.

1. Congestion Management has been reported.
2. Nothing to report on Seams due to conflict with another RTO meeting. This group is important for non-participating transmission-owning utilities with their own control areas.
3. Billing/Settlement was not addressed much in stage 1 and so the first meeting was just a "get acquainted and make assignments" meeting. One big issue that arose was the question of who gets stiffed if someone doesn't pay its bill. For example, if a transmission user doesn't pay its bill to a scheduling coordinator, and that scheduling coordinator doesn't pay its

bill to RTO West, how are those losses handled? Does the RTO West take the hit and adjust the uplift charge? Does the owner of the transmission facilities used, but not paid for, take the hit? Do all owners share the pain? Attorneys who were on both the Transmission Operating Agreement (TOA) Team and the Tariff Team got the assignment of addressing this one. A search of the paying agent agreement and TOA by those attorneys and facilitator Bud Krogh suggested there was a real hole here.