
1. RTO WEST STAGE 2 MEETING

A follow-up of the December 15 session outlining the RTO West stage 2 process was held this morning. Handouts for the meeting are on the RTO West website, www.rto west.org.

The stage 2 process will begin in earnest in early February when the "content groups" start meeting. Content groups (analogous to the workgroups of stage 1) are Congestion Management; Planning; Provisions and Requirements (such as load and generation integration); Operations; Billing and Settlement; Pricing; Market Monitoring; Tariff Integration; Scheduling; Western Market Interface (WMIC)/Seams; and some other contract areas. A tentative content group schedule, and possibly some content group straw proposals, should be posted on the RTO West website before the end of the month.

The first Regional Representatives Group (RRG) meeting is scheduled for February 23.

Content groups will meet on Tuesdays, Wednesdays and Thursdays, and the RRG on every other Friday. In the beginning, efforts will be made to minimize conflicting content group meetings. Toward the end of the stage 2 process, it is possible that some group meeting times will overlap. The RTO West facilitators will try to minimize conflicts, or at least to schedule conflicts on very different subject matters. (see "spread too thin" in the BPA section below.)

The proposed timeline for stage 2 has content groups and RRG meetings from February to June, with most products due by mid-June. Review of the completed filing package, by the region as a whole, would be done from June 19-July 3, with comments considered and the filing refined from July 3-17. The stage 2 materials are to be submitted to FERC on July 17. This is an ambitious schedule.

2. BPA/PUBLICS MEETING

BPA's TBL met with several representatives of public power in the 2001 kickoff meeting earlier this week.

--Public power voiced concern that there is a risk of being "spread too thin" given the ambitious timeline and huge workload.

--Rollover rights/conversion to RTO West: BPA confirmed that rights to use transmission for service to load are "eternal". Although BPA said it would prefer customers to select conversion, customers should not be forced into converting to RTO West. If a customer chooses not to convert, BPA will still have the right to modify its tariff and service and will need to change some things to align the tariff with the RTO World. In other words, a long-term deal with BPA for transmission does not mean that the service will remain exactly the same for the duration of the contract; BPA retains the right to modify its tariff as necessary. BPA interprets the TOA requirement to offer conversion as meaning that conversion is possible at any time during the entire term of the contract.

--Contract rights and flowpaths: All participating transmission owners need to have transmission rights for (a) their own use, and (b) for 3rd party use. To get there, a list of pre-existing contracts and associated rights must be prepared. BPA has already done a quick check of what rights it thinks it will need. BPA expects that it will be able to include this first "aggregate" number in the appropriate exhibit of the Transmission Operating Agreement (TOA). BPA will need to do more extensive work to determine what rights each of its individual customers has. Public power reps voiced their concern that the sum of the individual rights may, because of diversity, exceed the total "aggregate" value BPA will agree to for the TOA; BPA understands our concern.

--Cost-Benefit: BPA shared materials with NERC and EPRI some time ago and is waiting for feedback from them. Nothing is expected until early February.

--Export fees: These are not being actively modeled right now, although export fees/charges have been discussed given that PGE and Sierra/Nevada voiced their dissent on the no-export-charge pricing structure. Export fees will be addressed in the stage 2 Pricing content group.

--Scheduling Coordinator: BPA is conducting internal discussions. PBL will be the lead. BPA would like to have discussions with customers that will actually use the service, and agreed with public power reps that this is an essential service. PBL will be ready to talk more about this function later this month.

--Other: RTO West should be made "user friendly" and take precautions to avoid administrative complexity. (Any bets on this occurring?)