

RTO Car Talk – February 9, 2001 Edition

Still no news from FERC on RTO West. Something was expected on 1/24/01, but RTO West did not appear on FERC's 2/7 agenda. On 1/24, FERC did issue its Order on Compliance Filing and Providing Further Guidance on the Alliance Companies. So FERC is making some progress on reviewing RTO filings that were made last fall.

Content group meetings are in progress, with meetings attended by many of the usual suspects and some new additions. So far, stage 1 accomplishments have been reviewed, old and new issues are being aired and some assignments made, but no significant progress or decision-making.

A recent version of the Congestion Management Zones suggests that the RTO West area will consist of nearly 40 zones. Although there is no specific information on loads and resources within the zones or the nature of the paths between zones (overallocated on an annual basis, seasonal problems, or something else), there are some real red flags here: it appears it will be extremely difficult for anyone without existing rights to move power anywhere without incurring congestion costs. RTO West could be starting off with a jammed up network that would limit those highly touted benefits of "facilitating a robust, competitive power market". Pancaked rates seem to be swapped for congestion costs. It has long been known that there are problems on the Northwest-Idaho, West-of-Hawaii, Cross-Cascades and other paths. No one has built major transmission in years. Sounds vaguely similar to the West Coast energy crisis problem of needing more generation, no? As a condition of BPA participation in RTO West, should key transmission bottlenecks that would put public power utilities at risk be fixed and costs rolled into the RTO West uplift charge for all to pay?