
CONGESTION MANAGEMENT

The group met for a day and a half. Issues were hotly debated. Issues remain unresolved. The facilitators want to recommend SOMETHING to the RRG in late May/early June, but may be stuck presenting two or more congestion management models with lists of pros and cons and who supports what model.

[Ed. note: Apparently the meeting was acrimonious, with participants hurling insults at each other. I've got fairly complete notes describing the various proposals championed by all sides. I won't lay them out here, even in condensed form, because the topics/proposals are complicated, involving such things as Liquidity, Potential for Inequity, path rating thresholds, high scheduling thresholds, etc. If you want me to forward you the notes, just ask.]

SCHEDULING COORDINATOR (SC) SERVICES

BPA's Power Business Line (PBL) met with the public power RTO groupies to get feedback on PBL's draft principles for offering SC services. Recall that RTO West will do business only with SCs. No objections were raised that suggested PBL should go back to the drawing board. PBL's Syd Berwager, manager for this effort, will incorporate comments and refine the proposal before wheeling the it out to customers. A few key components are

1. PBL will be an SC to handle its own bulk power transactions.
2. PBL will provide SC-type services for its non-converted transmission contracts (details on how non-converted contracts will be handled aren't yet nailed down, so SC services for these contracts may be slightly different).
3. PBL will offer SC services for at least its full and simple partial power service customers who converted their transmission contracts to RTO West service.

PBL intends to have the service fully operational by RTO West startup. Costs will be minimized; PBL will use existing systems wherever possible. Charges for the service will be cost-based (i.e., not for profit), and a 7(i) proceeding may be required. In order to be an effective SC, PBL wants to attract a diverse set of customers to help manage cost and risks of providing the service. Customers will be able to choose BPA or another provider as their SC, helping to create a competitive market for this service. Right now, PBL has the lead for this, but it's not yet known where the responsibility for the service will reside. PBL intends to comply with standards of conduct requirements to the extent they are applicable. But it's possible that -- because almost all of TBL's functions will be transferred to the RTO -- TBL may vanish after RTO West startup so standards of conduct may become moot. [Ed. note: Does everybody out there understand: BPA's transmission side may disappear. Does anyone have a problem with that?]

(PRIVATE) FU MEETING

Publics no longer have an "independent recorder" taking notes at the private FU meetings (publics are deciding whether to hire one for the stages 2a and 2b FU meetings). So BPA gave publics the following report on what transpired:

1. There appears to be consensus that the stage 2a FERC filing will occur on August 31, with a 2-3 week review period (for comments to FUs) before stage 2a is filed. Stage 1, by contrast, allowed a mere 72 hours to comment to the FUs before it was filed at FERC.
2. The stage 2a filing is expected to contain material on congestion management; pricing; liability; facilities inclusion; and planning principles. Inclusion of the latter two items may be the direct result of the April 26 FERC order on RTO West and TransConnect. FERC specifically requested clarification on how RTO West and TransConnect would "share" planning responsibilities given the requirement in Order 2000

that the RTO have ultimate responsibility for planning. FERC also urged that facilities required for wholesale transactions be included in an RTO regardless of voltage, and RTO West should identify what facilities will be included.

3. The stage 2b filing, which, together with the stages 1 and 2a filings, would constitute the complete compliance filing, would be submitted to FERC around December 1. It would contain the Tariff; finalized pricing with transfer payments; market monitoring plan; planning and expansion; seams/reciprocity agreements; and the status report on a west-wide RTO.

4. Although marketers at the last RRG meeting urged that RTO West's Board seats be filled, the FUs do not believe there is enough time or money to do so before December 1.

5. The FUs did not discuss the cost/benefit analysis. [Ed. note: this is curious, because I believe the IOUs must show their PUCs that consumers within their respective service territories will actually enjoy some benefit from RTO West. Moreover, Bud Krogh seemed to promise that a cost/benefit analysis would be undertaken. I plan to send out more info on this subject early next week in a Car Talk Update.]