
FERC ISSUES ORDER REGARDING RTO WEST

Last Thursday (July 12th), FERC issued an order granting partial rehearing and partial clarification of the Commission's April 26th order directed at RTO West. The order can be found at: <http://www.ferc.gov/Electric/RTO/rto/issuance/rt01-35-001-7-12.pdf> FERC did not call for a single westwide RTO as it did in the Northeast and Southeast. Commissioner Massey concurred with the order, but was disappointed that the order does not call for a single westwide RTO. He said, "RTO West provides a suburb start towards a single RTO for the West . . . The events of the past year have dramatically shown that the West is truly a single regional market that needs single grid management . . . That's why I believe formal mediation and a timetable for resolution is essential now for the West aimed at a single RTO, and I am disappointed we do not take such a step today. "

Attached is a matrix summarizing the issues and FERC's responses. [Ed. note: therein you will see what an arrogant bunch the FERC commissioners are.]

The recent buzz is that FERC commissioners continue to fight bitterly about all aspects of RTOs. The only subject on which they've been able to get their ducks in a row is that they want RTOs developed now and they want them to be big.

PLANNING AND EXPANSION

The group is working on developing planning principles to address the following areas:

- * The need for a least-cost planning structure;
- * The split between RTO West and Transconnect planning; and
- * The role/authority of RTO West with respect to expansion-related congestion relief.

Although there was consensus that the RTO should take an active role in planning, most wanted to limit the power of RTO to allocate planning costs (increasing uplift or directly assigning costs to certain users when they benefit from expansions). Although planning is not supposed to be limited to wires projects, there was considerable nervousness in allowing the RTO to implement demand side programs. The group is working to develop a limited list of scenarios were (for financial reasons) the RTO may need to have the power to allocate costs.



[FERC ORDER Summary Matrix 7.12.01.doc](#)