

RTO Car Talk – August 18, 2000 Edition

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THE RRG (Regional Representatives Group) cancelled its meetings this week in order for workgroups to finalize recommendations. The RRG will meet again 8/23-8/24, and possibly 8/25. Two BPA public meetings scheduled: Spokane on 8/22 and Portland on 8/25.

ANCILLARY SERVICES: The workgroup is discussing Remedial Action Schemes (RAS). The recommendation is that providers of RAS responses, such as generation dropping and load dropping, should be compensated and that RAS services should be acquired by the RTO by a competitive bid process.

CONGESTION MANAGEMENT: No report (Kevin was busy with the BPA -needs-more-\$-crisis.)

COST-BENEFIT: The next meeting will be in Spokane next week just before the BPA public meeting at the Ramada Inn, Spokane Airport.

GOVERNANCE/LEGAL: Issues identified for discussion include whether tribal regulators (? don't know yet what that term means) should have their own class; whether DSIs and retail customers should be included in the same class; whether the DSIs should have more votes than other retail customers within that group; and whether there should be a Code of Conduct for former RTO employees.

The workgroup is close to deciding that there would not be a STAKEHOLDER advisory committee to the RTO board, but rather an advisory committee made up of anyone who wanted to attend an advisory committee mtg. The Filing Utilities think it is too difficult to figure out the representation and votes to make a STAKEHOLDER committee work.

Each of the five classes voting for the RTO's board of trustees would have 6 votes. This seemed to solve the DSIs' problems (they divided the 6 as they thought would work for them - 4 votes to customers of more than 5aMW (1 of those 4 votes would be reserved for end users who are also scheduling coordinators), and 2 votes for customers of under 5aMW (1 of these 2 votes would be reserved for residential customers).

The Enron representative proposed to assign extraregional publics (SMUD, LADWP, SDG&E), now assigned to the "unaligned class", into the regional publics group. This might develop into a huge, ugly issue.

The workgroup set up a process for electing, and re-electing, the RTO's 9-member board of trustees. A search firm would find 15 candidates, and then the 5 classes, each having 6 votes, would vote for 9 candidates. A candidate would have to get 23 votes to be elected. A year after the initial board is set up, 3 of the trustees would be up for re-election. A search firm would find 3 more candidates so there would be a total of six people to choose from to fill the vacancies (3 new candidates + 3 incumbents).

RTO TARIFF: The workgroup has been looking at tariffs from Desert Star, Mountain West, California ISO, and IndeGo to form RTO West's tariff. The group is pinpointing what information needs to be incorporated into the tariff and where in the tariff the information should be included (i.e., body of agreement v. appendices). Consideration to these issues is designed to give the tariff flexibility while at the same time complying with the requirements of FERC Order 888.

TRANSMISSION CONTROL AGREEMENT: Did not meet this week, will meet next week.

MARKET MONITORING: Did not meet this week, will meet next week.

PLANNING: Met with the Congestion Management and Pricing subgroups to develop a "backstop" for assuring necessary facilities are constructed in the event of market failure (i.e., there is no incentive for a transmission owner to build needed transmission facilities). This is particularly important for more rural areas. A proposal will be presented to the RRG next week.

SEAMS has nothing new to report.

A new group of folks are meeting on a semi-regular basis. The group consists of BPA (Mark Maher, Chuck Meyer, Ruth Bennett, Brian Silverstein) and publics. The idea of these mtgs is to find out where BPA is on certain issues and to get support from BPA on our position on issues that affect us. Two mtgs have occurred so far. The second one, held today, was quite unsatisfactory (in comparison to the first one), because BPA had done nothing since the first mtg to respond to publics' questions and comments (e.g., on antitrust; painted loads (don't ask); FTRs (firm transmission rights)).

If any of you have read this far, then you will now be treated to my "McLaughlin Group prediction": BPA's Front Office will announce that BPA's recent need-for-\$ will be solved by holding yet another 7(i) hearing in the next couple of months. BPA will attempt to limit the scope of the rate hearing to increase the CRAC.