

RTO Car Talk – September 26, 2001 Edition

1. The Wall Street Journal (via the Dow Jones Newswires) reports that FERC chairman Pat Wood today outlined plans for further consolidation of RTOs. Wood wants to begin a rulemaking to develop a standard market design for four RTOs (one each in the Northeast; Southeast; Midwest; and West). Workshops are being planned for the week of October 15 to plan the rulemaking process.

Wood said that an incentive for utilities to join a FERC-blessed RTO would be withholding of merger approval or revocation of the authority to sell power at market-based rates. Newswires quotes Wood thusly: "It's a new world. If you want to stay in the old world, the new-world benefits don't accrue."

2. Two days ago, the Dow Jones Newswires reported that generators in California have complained to FERC that the California ISO is operating the market in a manner to keep low-cost electricity off the grid in order to lessen the need for the the California Dep't of Water Resources sell its power supplies at a loss.

[Ed. note: Yessir, FERC, just as you did in California, keep those new-world benefits coming!]