

RTO Car Talk – October 6, 2001 Edition

CONGESTION MANAGEMENT

The group has been discussing a new congestion management model based on injection and withdrawal rights (rather than on flow-path rights).

[Ed. note: I believe "injection" means "where the power is coming from", or "the resources going into the system". "Withdrawal" evidently means the point of delivery. Thus I guess Grand Coulee would be a point of injection, whereas the Heyburn substation would be a point of withdrawal. The impacts of injections and withdrawals on the grid depend upon their location on the grid. Using an injection and withdrawal approach is apparently mid-way between a flow-path approach and a contract-path approach.]

Attached is a description of the main principles of the proposed model, along with a list of outstanding issues. This model seems to be less cumbersome, and more commercially simple, than the "physical model" that's been worked on for the past year. [Ed. note: The physical model is, I think, the flow-path one which has the 50 or 17 or whatever zones or "bubbles" in it.] Some argue that this model creates a "heavy" RTO by giving it more responsibility to make the system work.

PLANNING

TransConnect postponed its planned September filing (for at least a month) in order to develop its planning and expansion protocol so it will dove-tail with RTO West's Planning proposal. A recent version of the TransConnect protocol can be viewed at

http://208.55.67.64/Doc/TransConnect_PlanningProtocol_10_3_01.PDF

PRICING

The group refined and updated a list of unresolved issues with respect to the pricing model. Examples of issues: linkage between changes in the Company Rate and long-and short-term payments; the handling of losses; what happens to those utilities that could, but don't, join RTO West. The group intends to begin solving issues rather than merely increasing the size of the list of unresolved issues.

[Ed. note: At FERC's Camp RTO jamboree in D.C. on 10/15, we may find out whether any of the RTO West pricing solutions are acceptable, or whether FERC Chairman Pat Wood's desire for a uniform market structure will result in the imposition of a FERC one-size-fits-all pricing structure.]

Desert STAR, AND A *WARNING*

As you know, Desert STAR is now Dead STAR (thus four years of effort were flushed down the toilet). Arising from the ashes is a for-profit RTO called WestConnect. [Ed. note: How about WeCon for short?] According to a recent newspaper article, WeCon will be governed by a for-profit board and is "designed to serve the WESTERN UNITED STATES." Emphasis added.

[Ed. note: The article says that Dead Star "was a[n] RTO originally intended to coordinate wholesale generation and transmission transactions among SOUTHWESTERN UTILITIES." Emphasis added. WeCon intends a take-over of RTO West, and would not be happy with the mere "marriage" FERC proposed between RTO West and Dead STAR.]

The article continues, "The utilities are developing a governance structure that will embrace new entrants . . . and allow formation of a single western RTO, as envisioned by FERC. Toward that end, [WeCon] is working with members of other regional RTOs in the West and Pacific Northwest" to expand the WeCon territory.

WeCon consists of mostly IOUs: Arizona Public Service, Salt River Project (a public power entity of sorts), El Paso Electric Company, Public Service Company of New Mexico, Tucson Electric Power Company and Texas-New Mexico Power Company. [Ed. note: Dead STAR had 135 participants, including publics, IOUs, irrigation districts, large and small retail customers, PUCs, power marketers, tribes, etc.]

[Ed. note: Beware! A for-profit RTO is lurking on the horizon, poised to swallow those, especially including BPA, that insist a non-profit RTO is the only RTO they could or will join.]

BPA -PUBLICS MEETING

BPA announced that it plans to stay the course and continue work on RTO West development at the current pace pending 1) BPA and others talking to FERC staff in D.C. this week; and 2) the outcome of FERC's Camp RTO jamboree in D.C. the week of 10/15.

MORE MEETINGS, REPORTS ON MEETINGS, ETC.

FERC will hold a conference on Energy Infrastructure on November 2 in Seattle. Both Pat Wood and Nora Brownell plan to attend.

The RRG (Regional Representatives Group) will meet on October 12.

BPA reports that at the NW delegation's energy caucus hearing on RTO West last week in D.C., BPA reps were pleased that PNGC showed support for RTO West if done right and if the RTO has a strong planning role.



[9.29 Option 8 Alternative to Congestion Management Model.doc](#)