RTO West
Filing Utilities Meeting
August 29, 2000
Notes

IMPORTANT NOTICE TO READERS: These meeting notes were prepared by Kristi Wallis. The filing utilities agreed to Kristi's attendance as a neutral note taker at filing utility meetings to enable interested parties to be aware of the general scope and progress of filing utility discussions. These notes were never intended to represent a verbatim report of the filing utilities' discussions, but rather to provide a summary. Although meeting participants were given an opportunity to review notes in draft form, workloads of all concerned (particularly as the deadline for filing with the Federal Energy Regulatory Commission approached) were such that notes often could not be circulated quickly after meetings or reviewed thoroughly. In some cases there was a period of several months between the date a meeting was held and the time the meetings notes were available for review. In addition, a number of meeting participants may not have reviewed these notes at all. There may, therefore, be some inaccuracies in these notes.

Attendees:

Bill Pascoe, Montana Power	Peggy Olds, Bonneville
Cindy Crane, PacifiCorp	Marcus Wood, PacifiCorp
Richard Goddard, PGE	Jim Collingwood, Idaho Power
Preston Michie, Bonneville	Kimberly Harris, Puget
John Boucher, KEMA	Barney Speckman, KEMA
Bud Krogh, K&L	Sarah Dennison-Leonard, K&L
Kristi Wallis, Neutral Notetaker	

Agenda

Facilities Inclusion
Project Plan
Canada/US Adjunct Committee
GIA/LIA Standards – Timing
CREPC – 9/7 Meeting
RRG Agenda – 8/30-9/1
Financing Report

Agenda Item No. 1 – Facilities Inclusion

Bill Pascoe distributed and discussed a matrix regarding Facilities Inclusion (Attachment A[1]). Bill noted that if the approach embodied in the matrix were adopted, there would be separate distribution tariffs for access on lower-voltage facilities that are used to support wholesale transactions.

Marcus Wood noted that, in general, the matrix is compatible with the current draft of the TOA. One difference is that the TOA provides that a party can schedule access over local distribution facilities with the RTO. Bill Pascoe responded that that is generally acceptable, however, if a customer requests new delivery points it should coordinate/negotiate this with the local distribution company (or have the RTO act as their agent). Bill stated that access over such facilities should not be part of the RTO tariff. Marcus noted that under the TOA, interconnections are a matter between the customer and a transmission owner, with expedited RTO dispute resolution if requested. As to scheduling, a customer would only schedule access over local facilities if it wants to use RTO transmission facilities (but still would be responsible for paying for such access under a distribution tariff), if not, the RTO would not be involved.

Jim Collingwood raised a concern about the need for an information flow for safety purposes between local distribution companies and the RTO if the RTO is scheduling. For example, the local distribution company needs to be aware when local generation is off in order to determine capacity. It was noted that this would be reflected in the interconnection/integration agreements.

Marcus Wood also noted that the TOA's treatment of pricing might not be consistent with the matrix, namely that A/B facilities go into the RTO tariff and that C/D facilities do not.

When Bill Pascoe described the planning section of the matrix, Randy Cloward stated that the decision made by the RRG regarding "RTO Performs/RTO Coordinates" was not acceptable. Randy apologized for having missed the last meeting due to an emergency medical situation, but RTO Performs is inconsistent with the ITC position regarding ITC independence and its ability to perform RTO functions. Randy stated that he will ask the RRG to reconsider its prior decision.

Bill Pascoe clarified that he was not taking a position for vertically integrated transmission owners (who could decide to stay with RTO Performs), but that it should be RTO Coordinates for ITC company facilities.

[1] An electronic copy of the attachment was not available to the notetaker; however, a hard copy is available upon request (kristiwallis@sprintmail.com).

Peggy Olds asked whether that would result in special preference for ITC companies, and Jim Collingwood asked how that would be reconciled with liability issues (specifically, if the RTO is performing it is responsible, if the ITC is responsible, they need to be liable).

Some parties expressed concern about reopening a RRG decision, but others noted that this was a critical issue for the ITC companies and they want to reopen the decision while the RRG had an opportunity to reevaluate it, rather than raise it after September 1st. Randy Cloward and Bill Pascoe will discuss it with the RRG.

Agenda Item No. 2 – Project Plan

The parties identified which issues are open, including facilities inclusion, congestion management, pricing, etc. There is an increasing awareness that the congestion management issues are difficult and more information would help. John Boucher suggested that the Filing Utilities might want to define a direction, rather than try to have everything in place in Year One. There was some discussion as to whether leaving things open would be acceptable, especially as that would leave development of certain pieces to the RTO. The Filing Utilities congestion management representatives are still working on the issues, and the policy representatives determined that they should hear from the work group before deciding whether to focus on a transition plan.

Marcus Wood indicated, at a minimum, that the parties would need to know the effect of the congestion management scheme's effect on firm rights at the time of the filing, and have the assurance that they will get comparable rights when the new system goes into effect. Jim Collingwood emphasized that protection of native load will need to be part of the RTO West proposal.

Bud Krogh discussed how to handle the RRG meeting, including starting with the current agenda and, ideally, identifying package deals by Thursday and Friday. Everyone agreed that if would make sense to go forward with the current agenda, including the Facilities Inclusion Small Group Meeting tomorrow night, and try to use caucuses liberally to advance decision-making.

The Filing Utilities confirmed that there was basic consensus on a load-based company rate (Option 6), however, transfer payments, the length of the company rate period, and the treatment of exports still need to be resolved. (Marcus Wood expressed concern about the lack of Filing Utilities' consensus regarding exports as it is a critical piece of Option 6.)

John Boucher stated that some of the work groups appear to be going forward (legal subgroups) while others (technical groups) are winding down. John put forward the option of going ahead with an implementation work group.

Preston Michie stated that only the Governance Subgroup is scheduled to meet next week, and Marcus added that that there was a 9/15 TOA subgroup meeting. Preston also indicated that

Eric Freedman should continue to be involved with bylaws and articles. Sarah Dennison-Leonard indicated that there will still be a significant amount of work remaining on the GIA/LIA by the third week of September.

Agenda Item No. 3 – Canada/US Adjunct Committee

Jim Collingwood stated that he participated in the Canadian/US dinner and that it is not clear to him what the Canadians are asking for, as some of their requests are contradictory.

Barney Speckman mentioned the work group meeting tonight as a good opportunity to get clarity. Some of the Canadian positions are driven by legal and political issues (and Alberta and BC have different political issues), others are driven by operational considerations.

Concern was raised that to the extent the Canadian's positions are driven by operational considerations, if the Filing Utilities agree to them for Canada, they will also need to agree to them for the ITC.

Bud Krogh stated that the group is focusing in on sovereignty and other legal requirements with respect to what functions need to remain in Canada. (It was also noted that the Canadians agreed to the security coordinator which transferred a lot of control to a US entity.)

Bud emphasized that the Canadians are really interested in joining RTO West, and they plan to join the Filing Utilities on the filing date.

Agenda Item No. 4 – CREPC Meeting

The group discussed the CREPC meeting on September 7, which is a "Dialogue Between CREPC and the RTO West RRG." Kristi Wallis reported that CREPC was interested in an educational presentation regarding the RTO West proposal, and would then like to have a focused discussion regarding congestion management and facilities inclusion.