

June 15, 2000

Dear Participants in the Northwest RTO Process:

Our staff was recently apprized of the status of your ongoing RTO work. Let me communicate my encouragement and support for the process you have created. They are not only the most ambitious but also, to date, the most well organized of these regional efforts. I believe your work is truly historic in terms of both electricity policy and regional compromise and coordination.

I am particularly pleased by the practicality and innovation you have brought to the process. Your decision to organize multiple stakeholder workgroups to address discrete issues intensively is a recognition of the complexity of this undertaking and the need for all parties in the region to participate fully in this process. While reaching back to the Indego process to retrieve usable work products and analyses must have been an emotional and difficult decision for many, it promises to reduce the burden of these negotiations substantially. Your decision to appoint a neutral note taker to attend and summarize separate meetings among transmission owners is an innovative solution to the concern of other stakeholders that important decisions not be made in backrooms without their knowledge or input. Your decision to devote substantial time up front to identify issues of all parties may prove to be the most important factor to success. Your decision to choose locations for workgroup meetings in a manner that helps to minimize the cost of interest groups representing consumers, environmental and other interests reflects an understanding of the benefits of a truly collaborative process. Finally, I am pleased to see that your collaboration effort has expanded to include adjacent regions. Future markets will certainly extend beyond the borders of the traditional Northwest. Areas that pursue RTO options based on more limited historical market definitions are unlikely to serve the needs of these future markets.

I understand the challenges faced by the economically diverse Northwest region in terms of its relationship with Canadian interests, the importance of hydro resources, the central role played by the Bonneville Power Administration in the region, and the variety of utility, consumer and environmental interests involved. It is clear that you have nevertheless seized the opportunity presented by Order No. 2000 to create a workable RTO that serves the special needs of the region.

Nationally, the overall RTO collaboration effort deserves a "solid B" on its report card. Clearly, the Pacific Northwest deserves to go to the head of the class with a grade much higher than that. I can only hope that other regions emulate your process and your ingenuity. As you continue your intensive efforts this summer, do not hesitate to ask the Commission for whatever assistance you believe may be necessary or helpful.

Kindest regards,

James J. Hoecker
Chairman

bcc: RTO Website
RTO File

