



Other Stakeholder Issues

March 5, 2002



Summary of Comments

Benefit/Cost Analysis

- RTO West must provide a credible demonstration that the RTO will produce substantial net benefits to consumers in each state in the Pacific Northwest (in the alternative, to Northwest Electric Customers) (**Snohomish County PUD, PGP, WPAG, NRU, PNGC, ICNU**)
- Benefits are not sufficient to offset costs imposed by RTO West and market structures (**PPC**)



Summary of Comments

Transmission Operating Agreement

- The TOA should focus on the relationship between the RTO and the PTO, not the RTO's relationship with the rest of the market; many items currently in the TOA should be in the tariff (**C-FACTS**)
- A number of stakeholders want third-party beneficiary status, especially with respect to Catalogued Transmission Rights (**NRU, PNGC, WPAG, PPC**)



Summary of Comments

Transmission Operating Agreement (Cont'd.)

- February 6 draft of TOA does not provide sufficient protection for pre-existing contracts (**PPC**)
- Initial signers of TOA should not have a veto power over new PTOs (**WPAG**)
- Arbitrator should not be required to rule in favor of PTO when certain conditions are met in dispute resolution regarding interconnections (**WPAG**)



Summary of Comments

Transmission Operating Agreement (Cont'd.)

- TOA should allow RTO West to make modifications to achieve societal goals (**RR**)
- BPA should include a retail access provision in its TOA (**WPAG**)
- Concern re stranded cost provision
- Section 24 should be called something other than “Open Architecture”



Summary of Comments

Transmission Operating Agreement (Cont'd.)

- TOA should have a mechanism that does not result in termination of service to end-use customer when scheduling coordinator defaults (default service for reasonable period of time)(**Alberta, WPAG**)
- Clarify whether RTO's termination or suspension of an SC is staying pending completion of dispute resolution



Summary of Comments

G9 Projects

- Currently planned upgrades to address major congestion points, especially the BPA G-9 projects, must be completed prior to RTO start-up
(Snohomish County PUD, WPAG,)



Summary of Comments

Paying Agent Agreement

- Should remove impediment to entities with payment obligation under net billing agreement to become a PTO (**WPAG**)
- Canadian model will need to address concerns regarding volume of money crossing the border (**Alberta**)



Summary of Comments

Implementation

- Time has come to seat an independent board
(Dynergy)



Summary of Comments

Timing of Filing

- Filing utilities should allow two additional weeks for further review of package before filing (**PGP**); should ask FERC for an extended comment period after filing (**WPAG**)
- Major components of filing are missing, in particular a complete description of the costs and proposed operations of RTO West; proposal is insufficient for declaratory action (**PGP**); not everything in the package should be submitted for final approval (**WPAG, Alberta, PNCG, NRU**)



Responses

Benefit/Cost Analysis

- To be addressed in the Benefit Cost Study Report and in discussions at future BCWG meeting
- Filing Utilities expect to develop a “lessons learned” summary of the Report



Responses

Transmission Operating Agreement

- Placement of subjects in tariff versus TOA
 - Filing utilities have limited the TOA to matters the PTOs require in order to participate in RTO West
 - These provisions may well be included in the tariff



Responses

Transmission Operating Agreement (Cont'd.)

- Third Party Beneficiary Status
 - The TOA does not provide third party beneficiary status to transmission customers
- The TOA has been drafted to provide protection to pre-existing rights and obligations



Responses

Transmission Operating Agreement (Cont'd.)

- The ability of an initial PTO to “veto” a new PTO is very limited
- The expedited dispute resolution provisions relating to interconnections have not been modified
- RTO West will not be given authority to unilaterally modify the TOA



Responses

Transmission Operating Agreement (Cont'd.)

- The filing utilities are still considering retail access issue
 - TOA still states that if a state implements retail access, the PTO will make suitable arrangements with the RTO
- The stranded cost provision has not been modified
- The header to Section 24 no longer reads “Open Architecture”
- Scheduling Coordinator provision now provides flexibility to RTO West to establish a mechanism to protect end-use customers upon a Scheduling Coordinator default



Responses

Paying Agent Agreement/Implementation

- The filing utilities have not yet finalized the paying agent agreement, but recognize the need to work through identified issues
- The filing utilities are working on implementation details and have not yet determined how they will be represented in the filing



Responses

Timing and Nature of Filing

- Both of these topics were addressed at the beginning of the meeting
- The filing utilities appreciate the commitment of the stakeholders to this process, the significant resources that it has required, the excellent work of their representatives, and all of the input regarding the RTO West proposal