

**Brief Summary of RTO West RRG Meeting
July 31, 2003**

Introduction

This summary is intended to describe some of the major topics of discussion during the July 31, 2003 meeting of the RTO West Regional Representatives Group (RRG). It is not intended to be a verbatim transcript of anyone's remarks, and it is not intended to suggest that any particular representative or entity at the RRG meeting agreed with or endorsed the views described in this summary.

Overview of Meeting

- The July 31, 2003 RRG meeting was held at the Portland Airport Sheraton from 10:30 a.m. to 5:00 p.m.
- Approximately 65 parties attended, including approximately 27 designated RRG representatives. Five states had representatives in attendance at the RRG meeting.
- The July 21st RRG meeting was summarized. Discussion at that meeting resulted in a "Regional Transmission Problems and Opportunities List Organized by General Categories" and a straw proposal from the filing utilities for a "General Work Plan and Meeting Schedule to Complete Initial Steps Related to Regional Transmission Issues".
- The RRG spent the majority of the July 31st meeting working through the problems and opportunities list, determining whether there was a consensus that problems on the list warranted action.
- The RRG decided on a meeting schedule to work through the Initial Steps.

Regional Transmission Problems and Opportunities List

The transmission providers requested inclusion of a disclaimer in the written notes of these discussions that any statement of a consensus that a regional problem or opportunity exists is not an indication that a particular transmission provider agrees that the problem exists on its own system or has a duty or responsibility under tariff, law, or regulation to correct the problem. There was no objection to the disclaimer.

- The RRG worked through the list of problems and opportunities by category discussing whether there was a consensus that a problem or opportunity warranted action (but not what that action might be, if any, and not what entity would be responsible for implementing the action or how the action may be taken).
- After discussion of a category of problems, the Coordinating Team summarized the outcome and whether the RRG had reached an acknowledgment of consensus. The Coordinating Team will develop written highlights of the discussion and a summary of the consensus reached in each category.
- The first category discussed at length was the problem or, in the view of some, the opportunity of "Underutilized Capacity".
 - There was consensus that "Underutilized Capacity" is a problem (opportunity) that warrants action, although there is a need for those who understand the magnitude of the problem to educate those who do not.

- The next category was “Market Power Issues” where there was general agreement that market power issues related to market design, market structure and rules should be separated from concerns related to market power mitigation.
 - There was a consensus that market design and market structure and rules are areas that warrant action and that the market power mitigation issues need further definition.
- “Access” was the next category.
 - There was agreement that problems in this category should be reorganized before the RRG reevaluates whether they warrant action.
- The next category was “Lack of Efficient Prices”. There was general agreement to separate the issues in this category. A couple of options were discussed as to how to do this. One suggestion was to reorganize the category into “Lack of price signals” and “Problems with dealing with multiple transmission systems/providers.”
 - While parties agreed that these issues warranted further consideration for possible solutions, there was no generally acknowledged consensus on which problems in these categories warrant action.
- The RRG continued to work through and clarify problems in the categories of “Ancillary Services”, “Losses”, and “Obstacles or Uncertainties Associated with Long-Term Investment”.
- Several categories were not covered and the RRG will continue working through the list of problems and opportunities at the next RRG meeting on August 6th.

RRG Meeting Schedule to Work Through Initial Steps

- The RRG reviewed the straw proposal for RRG meetings to work through the Initial Steps. The proposed schedule was modified, based on parties’ feedback that it was less burdensome to meet every other week for two days (instead of a one-day meeting once a week).
- The next meeting of the RRG was set for Wednesday, August 6, 2003, from 10:00 a.m. to 4:30 p.m. at the Sheraton Portland Airport Hotel. The proposed focuses of the meeting are:
 - Continue from previous meeting discussions to determine if there is consensus on which problems and opportunities warrant action.
 - Begin discussions on next initial step question: Is an independent regional transmission entity the vehicle to solve the problems and capitalize on the opportunities?
 - Develop work plan for future scheduled meetings to complete the Initial Steps.
- Future two-day meetings of the RRG were set in Portland for:
 - Wednesday, August 20, from 10:00 a.m. to 5:30 p.m. and Thursday, August 21, from 8:00 a.m. to 1:30 p.m. PDT
 - Wednesday, September 3, from 10:00 a.m. to 5:30 p.m. and Thursday, September 4, from 8:00 a.m. to 1:30 p.m. PDT
 - Wednesday, September 10, from 10:00 a.m. to 5:30 p.m. and Thursday, September 11, from 8:00 a.m. to 1:30 p.m. PDT