

Brief Summary of RRG Update Conference Call Held on August 31, 2004

This summary is intended to briefly describe the updates given to the Grid West Regional Representatives Group (RRG) on the August 31, 2004 conference call. 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 on the RRG call agreed with or endorsed the remarks described in this summary.

August 31, 2004 Update Conference Call

- A two-hour conference call was held on Tuesday, August 31, 2004, to update the RRG on some of the work activities underway during the summer. Update reports:
 - Transmission Services Liaison Group Activities – Modules 2-4;
 - Bylaws Work Group Contacts with ISO/RTOs;
 - BPA Process.
- About 48 people participated on the update conference call.

Activities of the Transmission Services Liaison Group

- Steve Walton reported the Transmission Services Liaison Group (TSLG) is working with The Structure Group on market design. They are building a conceptual framework, which serves as a guide to fit design modules together:
 - Module 2 – Transmissions Rights Administration was the major focus of the past month. Includes: Injection-Withdrawal Rights and Transmission Reconfiguration Service. Work on Day-Ahead Redispatch Service has uncovered some of the most challenging problems. At the most recent meeting the TSLG came up with a stepped approach to Beginning State implementation which is briefly described below.
 - Module 3 – Scheduling, Operations and Settlement initial discussions are underway. To be addressed further in September.
 - Module 4 – Ancillary Services related to services to be provided by Grid West to consolidated control area: reserves market and energy balancing market.
 - Module 5 – Cost Estimates will not be prepared until the next round of more detailed work. A report on cost components and cost ranges, high or low, will be provided at the end of September.
- Steve briefly described the challenges posed by Redispatch Service and said the TSLG decided to pursue addressing redispatch issues through an approach that stages implementation of features of the Beginning State model. Five steps:
 - Create Grid West
 - Grid West initiates centralized scheduling and transmission rights administration for the Grid West Footprint (GWF)
 - Grid West offers Reconfiguration Services for GWF
 - Grid West initiates real-time markets for consolidated control area (CCA)
 - Grid West offers day-ahead redispatch (energy) market

- The TSLG report posted with this summary includes more details of the proposal.
- The TSLG will continue to hold two-day meetings twice a month. It was requested that TSLG consider holding some open, seminar-type meetings.

Bylaws Work Group Contacts with ISOs/RTOs

- Steve Larson said a small group of attorneys is contacting other ISOs/RTOs to obtain information and learn from the experience of others. The group has talked to MISO and PJM and plans to contact RTO-NE, and SPP.
- Steve gave some examples of information compiled from the contacts, thus far, in the areas of general suggestions, accountability, and cost control. For instance, one general suggestion is that the initial Board members need to be “hands on.”
- Information to be shared with RRG. The small group compiling the suggestions intends to pull together, by the next RRG meeting, the information gained from the interviews into a report that will be shared with the RRG.

BPA Process

- Allen Burns reported that an initial draft staff report from the National Academy of Public Administration (NAPA) was sent out last week. The report takes into account comments and issues raised during the interviews NAPA held with regional parties. Allen said the report will go through several iterations. NAPA is aiming to present results to the RRG in mid-October.
- The close of the BPA public comment period on the Developmental and Operational Bylaws is Friday, September 3. Allen said he expects these processes to result in teeing up a number of issues.
- In September, the BPA executive team will be meeting internally to discuss the issues.
- Allen stated that BPA still intends to list issues for regional discussion by the September 23-24 RRG meeting. BPA also needs to talk to the Northwest congressional delegation and staff in October.
- To provide enough time to work through the processes of getting all the issues on the table and discussed, Allen suggested that “final” Developmental Bylaws be ready for Decision Point #1 by early November.
- Acknowledging the need to allow enough time to initiate discussion and address issues, the RRG set out a schedule of RRG meetings through November 4.

RRG Meeting on September 23 and 24, 2004 in Portland

- **The RRG will meet in-person on Thursday, September 23, from 8:30 a.m. to 5:00 p.m. PDT and on Friday, September 24, from 8:30 a.m. to 12:30 p.m. at the Portland Airport Sheraton Hotel.**
- BPA will prepare a preliminary list of issues for initial reaction from the RRG. RRG will scope and prioritize the issues and develop an approach for assessing issues that must be addressed before Decision Point #1.
- TSLG and Bylaws Work Group will report progress.

RRG Meetings in October and November 3-4

- **The RRG will meet Tuesday, October 12, from 8:30 a.m. to 5:00 p.m. PDT and on Wednesday, October 13, from 8:30 a.m. to 3:00 p.m. in Portland.**
- NAPA will report to the RRG on October 12.

- **The RRG will meet Tuesday, October 26, from 8:30 a.m. to 5:00 p.m. PDT and on Wednesday, October 27, from 8:30 a.m. to 3:00 p.m. in Portland.**

- **The RRG will meet Wednesday, November 3, from 10:00 a.m. to 5:30 p.m. PDT and on Thursday, November 4, from 8:30 a.m. to 4:00 p.m. in Portland.**
- “Final” Developmental Bylaws in form for RRG assessment; and
- Decision Point #1 – RRG “endorsement” of Developmental Bylaws for adoption by the interim Board.