

Brief Summary of RTO West RRG Meeting January 28, 2004

Introduction

This summary is intended to briefly describe the major topics of discussion during the January 28, 2004 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 January 28 Meeting

- An RTO West RRG meeting was held at the Shilo Inn Suites Hotel in Portland, Oregon on Wednesday, January 28, from 8:30 a.m. to 3:00 p.m. PST.
- Approximately 75 people attended the RRG meeting, including approximately 28 designated RRG representatives. Four state representatives attended the meeting and two state representatives listened by phone.
- Following up on direction from the RRG at the December 10th meeting, the narrative description of the regional proposal was finalized and posted on the RRG webpage on December 24, 2003. An "educational briefing" about the regional proposal was posted on January 8 and a "message" document was posted on January 14, 2004.
- The briefing and message documents were discussed and a plan was formulated to consider modifications to these materials to clarify the regional consensus on using the regional proposal as the basis for further development.
- The Process Group presented ideas it developed for possible work efforts for building on the regional proposal in 2004, including a proposal for seating an "interim" independent board, with a limited mission and reduced number of members, to act as a counter-party during development activities.
- The RRG discussed and posed a number of questions to the Process Group about the proposal for tasks and work streams. It was decided that everyone needed time think about and to confer with interest groups about the process proposal.
- The RRG also heard a brief summary about discussions on consolidation of control areas.
- The RRG decided to meet again for a half day, on Thursday, February 5, 2004, from 8:30 a.m. to 12:00 p.m. to bring feedback and determine whether there is a consensus for moving forward with the overall basic process proposal.

Changes to Posted Briefing and Message Documents

While agreeing that the briefing and message documents can be useful, a group of RRG members suggested changes to these documents because they feel that the posted materials "overstate the consensus regarding the platform proposal." Changes submitted addressed 1) how to best describe the nature of the consensus 2) tone and tenor of what on-going efforts are trying to achieve, and 3) additional facts and clarity. Several RRG members expressed that an accurate portrayal of the consensus is extremely important.

Develop revised briefing and message documents. A subset of the platform group, with help from the RRG representative who submitted changes, will revise the briefing and message documents with a goal of having refined documents prepared by next week.

Dick Byers, of the WUTC staff, made available to the RRG a copy of an internal memorandum related to the RRG platform proposal.

Presentation and Discussion of Proposal from Process Group

The Process Group, made up of selected RRG members, presented ideas for possible work efforts during 2004. Referring to both a narrative “RRG Proposal Group Ideas for Possible Regional Proposal Work Efforts During 2004” and a table of “Proposed Process Tasks”, the Process Group explained seven proposed tasks. The Process Group focused its explanation on possible work streams for two proposed tasks (1) general technical work and (3) early board creation.

The Process Group explained some ideas for a general technical work stream aimed at developing a good description of the beginning state transmission services process. A diagram illustrated how an RRG Liaison Group may oversee and provide guidance to a “core staff” of qualified technical individuals. This core staff would perform much of the technical work necessary on the beginning state so it can be demonstrated as workable and ready to hand off to those who would continue the detailed development needed in preparation for implementation. An alternative was suggested – instead of constituting the core staff with individual experts from the filing utilities and RRG as the Process Group proposed, consider engaging an outside consulting team with sufficient expertise to serve as the core staff.

The Process Group explained why it believed proposing changes from past approaches would be helpful. One idea for a better process is to incorporate an effective, independent counter-party in further development activities. Tasks related to creating a counter-party could include revising articles and bylaws and crafting “transitional” provisions to cover the Independent Entity’s development activities in preparation for creating an early independent board with a narrow mission and a reduced number of trustees. This new idea was discussed and many questions were raised including the role of the RRG and stakeholders in future development activities. Some said setting up an early independent board as a negotiating counter-party was an interesting and important idea that warrants careful consideration.

The Process Group noted that increased funding would need to be addressed early in the future development process, although the group did not offer a specific recommendation. One RRG member recommended including as a key guiding principle for future work that activities must be both cost-effective and timely.

Status of Discussions on Consolidated Control Areas

The RRG heard a briefing on the discussions on consolidation of control areas. A chart was explained outlining the possible functional roles of the proposed independent entity. The chart presented the work group’s understanding of functions the independent entity would undertake for all users of its transmission grid and those functions it might undertake for transmission owners voluntarily consolidating their control areas. Materials describing the consolidated control area work will be posted.

Invitation from FERC for Briefing from RTO West RRG

Bud Krogh told the RRG that FERC representatives have asked RTO West to give them an informal briefing on the regional proposal and work efforts for moving forward in 2004. This briefing with FERC is scheduled for February 17. Bud suggested that it would be helpful for both filing utilities and some RRG members who were involved with development of the proposals to participate in the briefing.

Next Steps for RRG Meeting on February 5, 2004

The general response from the RRG was that everyone needed more time to think about and consider the process proposal. RRG members were asked to focus on two fundamental questions about the process proposal – 1) is the overall package of process task components a proposal that the RRG supports for moving forward with development, and 2) as part of the package, is the idea of expeditiously creating an “interim” independent board an activity that the RRG supports.

The RRG agreed to meet a week later after further reviewing the process proposal and determine at that time whether there was a consensus for moving forward with the overall basic package of process proposal work efforts.

The next RRG meeting is scheduled for Thursday, February 5, 2004, from 8:30 a.m. to 12:00 p.m. PST at the Sheraton Portland Airport Hotel.

In anticipation of a consensus to move forward with adding more detailed definition to specific tasks and assignments, the RRG set February 12 as a tentative date for another RRG meeting (to be confirmed at the February 5th meeting).