

Brief Summary of Grid West RRG Meeting June 10-11, 2004

Introduction

This summary is intended to briefly describe the major topics of discussion during the June 10 and 11, 2004 meeting of the Grid 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 June 10-11 Meeting

- An RRG meeting was held at the Sheraton Portland Airport Hotel in Portland, Oregon on Thursday, June 10, from 8:30 a.m. to 4:10 p.m. PDT and Friday, June 11, from 8:30 a.m. to 12:10 p.m. PDT.
- Approximately 50 people attended the two-day RRG meeting, including 27 designated RRG representatives. Three state representatives attended the meeting in person, and two state representatives participated by phone.
- The first topic was an RRG discussion in response to BPA's plans for vetting the proposed bylaws and RRG proposals in the region and with outside parties.
- Acknowledging that BPA would be unable to make a decision on the Operational Bylaws by the previously scheduled June date for Decision Point #1, later in the meeting the filing utilities informed the RRG that they had decided to engage a consulting firm to move ahead with the technical work for several months during the time when BPA and RRG members are shopping the proposals and learning from the experience of others. Work will continue in June to stabilize the bylaws before they go out as part of the review process during the summer.
- The main purpose of the RRG meeting was for the Bylaws Work Group to present and take comments on the initial draft of the proposed Operational Bylaws.
- Follow up revisions to the proposed Developmental Bylaws were presented to the RRG. Class composition and voting provisions were corrected and modified and alternatives for "gauging" regional consensus for moving forward were proposed.
- A schedule of RRG meetings was set as follows:
 - June 16 – Comments on Operational Bylaws; TSLG Module 1 Follow-up Report
 - June 24 – Rewrites in Operational Bylaws; Issues in Developmental Bylaws
 - June 30 – Review further revisions; Results of RTO surveys and suggestions for improvement; Bylaws are "Good Enough Date"

Plans for Review of Operational Bylaws and Proposals

Allen Burns told the RRG that BPA wants to vet the Operational Bylaws to get an outside perspective. Additionally BPA will require, as part of its "due diligence," several months this summer to evaluate and shop proposals developed thus far both internally and with the region. BPA said it will not be in a position to make a decision on the bylaws as intended at Decision Point #1 until about three months of review has been completed.

BPA is considering having the National Academy of Public Administrators comment on the proposed Operational Bylaws and has asked a subset of RRG members to help shape the review.

Several RRG members registered disagreement with delaying Decision Point #1 while waiting for the review to occur this summer; some noted the timing of the review was troubling. Others supported using the review as an opportunity to gain insight about what is workable. While several RRG members were hesitant to move forward with any work while the Operational Bylaws are in question, a number of RRG members suggested that, rather than lose momentum, the technical work should continue with help from a technical consultant.

On the second morning of the RRG meeting, the filing utilities told the RRG that they had met and will go ahead with engaging and funding a consulting firm to continue technical work for the next several months.

Articles and Bylaws Work Group – Presentation and Initial Review of Proposed Operational Bylaws

An initial draft of the proposed Operational Bylaws was posted on the website. A redlined version with revisions, dated June 9, was distributed at the meeting and several additional corrections were noted. The June 9 redlined version contains editing notes where more work is needed, e.g., the definitions of “Major Transmitting Utility” and of “Transmission-Dependent Utility” are still being considered. The Bylaws Work Group started with a power point presentation highlighting the policy rationale behind the governance structure in the Operational Bylaws and noted key differences between the proposed Operational Bylaws and the Developmental Bylaws.

Comments on the Proposed Operational Bylaws - Following the presentation, the RRG offered comments on the proposed Operational Bylaws section-by-section and noted key issues that need further discussion and resolution. For example, one member class issue highlighted is whether end-use consumers with generation greater than end-use load should qualify to be Members of the “Others” subclass of the Generators, Power Marketers, and Others Class. A number of other issues were noted and RRG members were encouraged to send any questions and issue solutions to Chris Elliott at christowest@earthlink.net before June 16. Questions and issues will be posted and discussed at the June 16 RRG meeting.

Articles and Bylaws Work Group – Follow-up on Proposed Developmental Bylaws

The Bylaws Group referred to a “Summary of Substantive Changes” distributed at the meeting to explain the revisions made and alternatives offered in the proposed Developmental Bylaws.

New threshold provisions, some revised voting procedures, and subclass voting power allocations are proposed in redline in Section V. Alternatives for “gauging” regional consensus for moving forward are proposed in Section XII. In this section, any

proposed vote would be related to the Operational Bylaws. Alternatives in section 12.2 include no vote, an advisory vote, or a binding vote (in accordance with section 5.14). The timing of any vote would precede the regulatory processes, leaving the precise time of the vote to the Board, pursuant to prerequisites set out in section 12.2.2. Some thought the nature of any vote should be left open until the Operational Bylaws are stable.

In the discussion of the Developmental Bylaws, concerns were noted about the high degree of process in the bylaws. At some point both sets of bylaws may need to be looked at comprehensively with a view to streamlining and paring down the governance process.

Timeline and Tasks – RRG Meetings on June 16, June 24, and June 30

The RRG scheduled RRG tasks, Bylaws Work Group tasks, and meetings at the Sheraton Portland Airport Hotel as follows:

Before June 16

- Participants review proposed Operational Bylaws and identify questions and possible issue solutions; send comments and issue solutions to christowest@earthlink.net; post comments and issues solutions.

June 16 RRG Meeting from 8:30 a.m. to 4:00 p.m.

- Comments on Operational Bylaws; Review of cost control terms
- TSLG follow-up report from RRG Module 1 conference call

June 24 RRG Meeting from 8:30 a.m. to 4:00 p.m.

- Review rewrites of Operational Bylaws
- Developmental Bylaws issues, including customer / generation class issue and voting alternatives in section 12.2

June 30 RRG Meeting from 8:30 a.m. to 4:00 p.m.

- Review further revisions in bylaws
- Report on survey of RTOs/ISOs from Bylaws Work Group and any suggestions for improvement
- Deadline for resolution or identification of outstanding issues
- June 30 – Both sets of bylaws are GOOD ENOUGH and sufficiently stable for the summer review process by BPA and RRG participants.

After June 30

- Review of proposed bylaws and other internal and external review of Grid West proposals around the region.