

## **Brief Summary of Grid West RRG Meeting June 16, 2004**

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### **Introduction**

This summary is intended to briefly describe the major topics of discussion during the June 16, 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 16 Meeting**

- An RRG meeting was held at the Sheraton Portland Airport Hotel in Portland, Oregon on Wednesday, June 16, from 8:40 a.m. to 2:00 p.m. PDT.
- Approximately 36 people attended the RRG meeting, including 22 designated RRG representatives. One state representative attended the meeting in person and one state representative participated by phone.
- Ted Williams told the RRG that representatives of the filing utilities concluded that they would go ahead and execute a contract with The Structure Group to do technical design work during the time a "due diligence" review is occurring.
- Follow-up was presented on the June 3 RRG conference call held to clarify the Transmission Services Liaison Group's Module 1 Report. Several diagrams illustrating a proposed structure of transmission services and the relationship among beginning state tariffs and pre-existing arrangements were explained.
- The Risk Reward Study Group reported on its recent June 11 meeting and plans to get work underway.
- The main purpose of the RRG meeting was for the Bylaws Work Group to take comments and questions on the June 9 redlined version of the proposed Operational Bylaws. Several RRG participants sent written comments and each commenter noted issues of particular importance.
- A schedule of RRG meetings was set as follows:
  - June 24 – Rewrites in Operational Bylaws; Issues in Developmental Bylaws; Proposed plan of activities and milestones for the next 3-6 months.
  - June 30 – Review further revisions; Identify outstanding issues; Bylaws are "Good Enough Date"

### **Contract for Technical Design Work**

Ted Williams reported that representatives of the filing utilities have decided to go ahead and execute a contract to engage The Structure Group to do technical design work during the time BPA is doing "due diligence" and review of the Grid West proposals is occurring around the region.

## **TSLG Module 1 Report – June 3 RRG Conference Call Follow-up**

An RRG conference call was held on June 3 to answer questions and clarify the Transmission Services Liaison Group's (TSLG) Module 1 Report on transmission service. Written questions and questions raised on the conference call were addressed. The questions and answers and three illustrative diagrams are posted on the TSLG page of the RTO West website.

Using the diagrams, Steve Walton explained an option for how the tariffs would be structured and the relationship between beginning state tariffs and pre-existing arrangements. He also showed illustrative alternatives for how a party, whether a generator, marketer, or load, may use injection and withdrawal rights. Steve pointed out the structure is an incremental first step in the beginning state and does not address real-time operations. One of the work efforts of the technical consultant will be to flesh out the details between day-ahead and real-time scheduling, settlements, etc. TSLG members plan to meet with the technical consultant for the first time on June 23. It's expected the consultant will begin work on July 12.

Steve asked the RRG about handing off the high-level Module 1 work to the consultant as a basis for further work on technical design details. There was general support for this approach.

## **Plan of Activities for Next 3-6 Months**

Discussion of upcoming detailed technical work evoked the need for a schedule and/or check list addressing all of the activities and milestones of the Grid West RRG that are planned to take place over the next 3-6 months. A proposed plan will be brought to the RRG on June 24.

## **Report on June 11 Risk Reward Study Group Meeting**

Carol Opatrny and Janelle Schmidt reported that the Risk Reward Study Group met on Friday afternoon, June 11. A suggestion to expand the group into a steering role, with smaller work groups, was confirmed with those present at the meeting.

The group also agreed with the approach identified at the initial May 4 meeting for conducting a risk/reward analysis, for the short-term, focused on regional impacts and assessing benefits by quantifying existing problems and opportunities identified by the RRG (September, 2003 reference document).

The Risk Reward Study Group formed three working groups to work on: 1) quantifying identified problems, 2) reviewing and evaluating the TCA and other relevant studies, and 3) surveying and researching operating costs of other RTOs and ISOs.

The expanded Risk Reward Study Group plans to meet again on June 29 and July 23.

## **Comments and Questions on Proposed Operational Bylaws**

The Bylaws Work Group worked through the June 9 redlined proposed Operational Bylaws with the RRG section-by-section taking questions and noting areas where issues still need resolution. Steve Larson led a discussion of proposed cost control provisions. These provisions also related to accountability of the Board and officers. The Bylaws Group will do some further investigation in these areas and come back with proposed provisions at the next meeting.

Another issue that was discussed at some length was related to the “Special Issues” vote authorizing the Corporation to move to “financial rights” (Section 7.16.1 (iii)). RRG members questioned at what point did the platform group intend for this authorization to come up for a vote. Members expressed a range of expectations as to what this vote authorized. The Bylaws Group will take into account the comments heard and propose a resolution at the next meeting. The RRG asked that this re-write be flagged.

### Written Questions Submitted

RRG participants were requested to send written comments and solutions to the proposed Operational Bylaws. Those who sent comments explained to the RRG those issues of particular importance. Submitted comments will be posted and addressed during the next rewrite of the Operational Bylaws.

The Bylaws Work Group plans to meet several times before the next RRG meeting to address all the comments and resolve the issues raised by the RRG. Another revised version of the Operational Bylaws will be prepared for the June 24 RRG meeting and key rewrites and recommended revisions will be highlighted in the document.

## **Timeline and Tasks – RRG Meetings on June 24 and June 30**

The RRG scheduled tasks and meetings at the Sheraton Portland Airport Hotel as follows:

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

- Review rewrites of Operational Bylaws
- Developmental Bylaws issues, including customer / generator class issue and voting alternatives in section 12.2
- Proposed plan of activities and milestones for the next 3-6 months

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

- Review further revisions in bylaws
- 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; RRG meeting schedule.