

Brief Summary of Grid West RRG Meeting June 30, 2004

Introduction

This summary is intended to briefly describe the major topics of discussion during the June 30, 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 30 Meeting

- An RRG meeting was held at the Sheraton Portland Airport Hotel in Portland, Oregon on Wednesday, June 30, from 8:40 a.m. to 2:20 p.m. PDT.
- Approximately 40 people attended the RRG meeting, including 23 designated RRG representatives. One state representative attended the meeting in person and one state representative participated by phone.
- Syd Berwager, from BPA, explained the purpose and schedule of the BPA's review of the Grid West Bylaws. To support a decision by BPA on whether it can support adoption of the bylaws, BPA is obtaining customer/stakeholder feedback and expert opinion on the proposed Grid West Developmental and Operational Bylaws. The focus is on whether key governance issues and concerns have been heard and whether the bylaws have addressed the issues. BPA will start meeting informally with interested parties in July with the goal of concluding meetings and written comments by early September.
- The main purpose of the RRG meeting was for the Bylaws Work Group to review substantive rewrites to the proposed Developmental Bylaws and proposed Operational Bylaws, and for the RRG to agree it was comfortable with putting the bylaws out for review.
- Based on an RRG-developed concept of "good enough," there was a consensus that the proposed Developmental Bylaws and proposed Operational Bylaws were good enough for review this summer.
- A summary of the consensus and next steps will be posted on the Grid West website. This includes an overview, the RRG's concept of "good enough", open issues, a list of continuing work, and a schedule.
- The RRG planned two teleconferences for updates this summer -- August 3 from 10:00 a.m. to 12:00 p.m. PDT and August 31 from 10:00 a.m. to 12:00 p.m. PDT.
- An RRG meeting is planned for the afternoon of September 23 and the morning of September 24 in Portland for a report from BPA and progress reports on work underway. RRG meetings also are planned on October 1 and October 14, 2004. October 14 is scheduled for RRG assessment and whether to support adoption of the Developmental Bylaws – Decision Point #1.

BPA Review of Grid West Bylaws

Referring to a handout, BPA's Syd Berwager explained that the purpose of BPA's bylaws review process is to get customer and other stakeholder input and an expert review of the draft Grid West Bylaws – both Developmental and Operational.

Information from the review is intended to aid BPA in deciding whether to support adoption of the bylaws (Decision Point #1). Questions will focus on 1) what are the key Grid West governance issues/concerns, 2) did the draft bylaws address and balance those issues and concerns appropriately, and 3) are there other matters BPA should consider in making its decision? Mr. Berwager highlighted:

- BPA is not planning large public meetings;
- Emphasis will be on BPA meeting informally with interested parties;
- A kick-off letter from Allen Burns will be sent on or about July 8;
- The plan is to conclude these meetings and take written comments by September 3;
- A trip to Washington DC to meet with the Congressional delegation and staff is planned for July;
- The National Academy of Public Administration (NAPA) has been engaged; NAPA will interview some RRG participants and draft a report by early September.

In response to requests, Mr. Berwager agreed to send the statement of work for the NAPA study to the RRG. BPA will present a preview of its conclusions to the RRG at the September 23-24 RRG meeting.

Bylaws “Good Enough” Criteria

The RRG agreed that the bylaws would be “good enough” for BPA's review if the bylaws are not inconsistent with the Regional Proposal and are sufficiently complete and stable.

Continuing Work and Open Issues

Activity will continue during the summer review on:

- Transmission Services Liaison Group and technical consultant work;
- Risk and Reward Study Group information gathering;
- ADR issue (issues not related to bylaws) identification and recommendations;
- Bylaws Work Group completion of identified tasks.

Open bylaws issues that will be deferred:

Within the bylaws (late September or early October):

- determine the nature of any vote on adoption of the Operational Bylaws;
- decide on MTU and TDU class thresholds and voting issues;
- review bylaws for “excessive process.”

Within the bylaws (early summer):

- consider potential clarifications to when a Member Representative Committee vote is triggered related to the Special Issues List.

Related issues that may affect bylaws (early summer):

- evaluate cost control approaches;
- review “lessons learned” from other organizations.

Review of Substantive Changes in Proposed Developmental Bylaws and Proposed Operational Bylaws

The Bylaws Work Group explained substantive changes in the June 28 version of proposed Developmental Bylaws.

The Bylaws Work Group sought RRG feedback on two provisions. In section 5.2.3., the RRG agreed to leave the provision as proposed. Entities with separate legal affiliates should be left with a choice as to which entity within the corporation applies for membership in Grid West. In section 7.1.1., the RRG agreed that if the Developmental Board has not been seated within eight months, or BPA decides not to execute the Funding Agreement, the Interim Board “may” (has the discretion to) reorganize the corporation.

The Bylaws Work Group explained substantive changes reflected in the June 28 version of proposed Operational Bylaws, noting that Article III, regarding purposes and limitations of the corporation, was modified based on RRG discussion. Other changes were made to conform to the Developmental Bylaws. A drafting note will be inserted at Article VII indicating the Bylaws Work Group is evaluating how mechanisms in governance provisions of an organization, such as Grid West, can be used to control costs.

Consensus Reached that Bylaws are “Good Enough” for Summer Review

After hearing the most recent substantive changes made in both sets of bylaws, listing the open issues and on-going work, and based on the RRG-developed concept of “good enough,” each RRG member voiced that the bylaws were “good enough” for summer review. One RRG member stated that the bylaws are not good enough for Snohomish PUD, because the effort should focus on identifying and solving transmission problems first, instead of working on bylaws.

Final “Good Enough” Versions of Bylaws to be Posted

Cleanup and error corrections will be made to both the proposed Developmental Bylaws and the proposed Operational Bylaws. The “good enough” versions will be posted on the Grid West website by July 7.

Several RRG members commended the Bylaws Work Group for their exceptional efforts in drafting the proposed bylaws. The Bylaws Work Group was thanked with a round of applause.

Schedule of Activities

The RRG confirmed an activity plan for the summer and up to October 14, which is now the date planned for RRG assessment and Decision Point #1. This schedule is posted along with the summary of the “good enough” consensus, continuing work, and open issues on the Grid West website.

- August: RRG teleconferences for updates
(proposed 8/3 - 10:00 a.m. - 12:00 p.m.; 8/31 - 10:00 a.m. - 12:00 p.m.)
 - TSLG and Risk Reward activities
 - Reports on continuing work
- Sept. 23 & 24: RRG Meeting, BPA report, and progress reports on work
- Oct. 1: RRG Meeting, review open issues, any response to BPA feedback
- Oct. 14: RRG Meeting, RRG assessment, Decision Point #1 –
Adopt bylaws
- After Decision Point #1: If positive, arrange funding for next stage of development process, RTO West Board formally adopts Developmental Bylaws, proceed with search firm for Board candidates, membership enrollment process, outline of tariff, TA(s) contours, better beginning state definition, etc.
- Early 2005: Work completed
- Then 4-6 weeks BPA review
- Spring 2005: RRG assessment, anticipated Decision Point #2 –
If positive, hold elections to seat Developmental Board