

## **Brief Summary of Grid West RRG Meeting September 23-24, 2004**

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### **Introduction**

This summary is intended to briefly describe the major topics of discussion during the September 23-24, 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 September 23-24 Meeting**

- An RRG meeting was held at the Sheraton Portland Airport Hotel in Portland, Oregon on Thursday, September 23, from 8:40 a.m. to 4:30 p.m., and Friday, September 24, from 8:30 a.m. to 12:30 p.m. PDT.
- Approximately 65 people attended the RRG meeting, including 25 designated RRG representatives. Three state representatives attended the meeting in person and three state representatives participated by phone.
- Allen Burns presented for clarification a list of "Bylaws Issues for Discussion at RRG."
- The RRG reviewed and discussed the bylaws issues listed by BPA and developed an approach for addressing them. Recommendations for addressing some of the issues will be brought back to the RRG at the next meeting. A small group will facilitate working through matters deemed to be "major" issues, actively engaging with parties from the RRG.
- On October 14 the Transmission Services Liaison Group (TSLG) is holding a seminar open to interested RRG participants. TSLG members and consultants will provide an overview of the technical work underway on the market and operational design for Grid West's Beginning State.
- On October 12 and 13, the RRG will meet in Portland. During part of the day on October 12, the National Academy of Public Administration (NAPA) will present its preliminary findings to the RRG regarding the proposed governance structure. During the remainder of the 12<sup>th</sup> and on the 13<sup>th</sup>, the Bylaws Work Group and others will bring to the RRG proposed recommendations on some of the specific issues.

### **Presentation of BPA's Suggested Bylaws Issues for RRG Clarification**

Bud Krogh acknowledged the tremendous amount of quality work that occurred during the summer outreach effort.

Allen Burns said BPA appreciated the numerous comments and letters received, noting much was learned that will contribute to better bylaws for Grid West. Over fifty entities submitted comments, including more than seventy suggestions.

The suggestions submitted generally fell into four themes:

- (1) the proposed bylaws are “good enough”;
- (2) BPA should go ahead if there is some significant improvement, short of reducing the independence of the Board;
- (3) BPA should move forward, and include more Member Representative Committee (MRC) and member votes that can block the Board and restrict Board independence;
- (4) it’s premature to go forward with bylaws for the independent entity.

A list, “Bylaws Issues for Discussion at RRG,” was distributed to the RRG, and posted at <http://www.bpa.gov/corporate/business/restructuring/>. BPA compiled the list of about forty issues from comments received, the draft NAPA report, contacts with ISOs and RTOs, and from internal executive input. Mr. Burns emphasized that BPA was not in a “take it or leave it” position with respect to the issues listed; notwithstanding, BPA raised a number of issues that need to be addressed further. Overall, the list is consistent with BPA’s position of moving forward while preserving independence of the Board (theme 2). Some matters listed are known open issues; BPA suggested other issues need to be revisited or are new issues.

### **Discussion of Issues and Approaches for Addressing Them**

BPA listed issues in six categories. Many of the issues (I.A. through I.E.) are raised to consider improvements in accountability, cost control management, and workability. Three issues (II. 1-3) relate to a perceived bias towards SMD or an advanced state.

#### RRG Work Plan Approach (as noted at the RRG meeting)

##### A. Issues – Voting Structure of MRC

- A.1. MTUs will work out allocation of voting power in the MTU class among themselves, and will bring a proposal to the October 12 RRG meeting.
- A.2. No further work at this time (suspended).
- A.3. TDUs will work out the allocation of voting power in the TDU class among themselves and bring a proposal to the October 12 RRG meeting.

The Industrial Customers representative and representatives for the IPPs will work out the issue related to co-generator class membership and bring a proposal to the October 12 RRG meeting.

##### Issues Listed in B, C, and E.2-E.7. – Electing Board Members, Board Organization and Operation, and Issues Related to Member Rights and Approvals

Bylaws Work Group will meet and discuss the issues and input given by the RRG during the September 23 and 24 meetings and develop recommendations for these issues. For the October 12-13, 2004 RRG meeting, the Bylaws Work Group will propose recommendations (suggest bylaws language if possible) and also bring recommendations related to the ISO/RTO contacts and other work the Bylaws Work Group has been doing.

Issue E.8. – Suggestion to Expand Time Between Decision Point #2 and #3

Filers will discuss the funding issues associated with increasing the time between Decision Point #2 and #3 (now 12 months in the Developmental Bylaws backed up with “sunset” provisions); they will bring their proposal back to the RRG for further discussion on October 12 and 13.

Major Issues – D.1-7, E.1., E.8., and II.1, 2, and 3

Major issues are, for the most part, related to:

- Appropriate balance in the Special Issues List to resolve tension concerning whether Grid West can/should/will evolve from the Beginning State;
- Move to financial rights;
- Major changes in Grid West’s role/functions and cost impacts, avoiding “scope creep,” and ensuring cost containment;
- Ability of regional stakeholders to influence Grid West decisions (“regional accountability versus independence”).

The RRG accepted the idea of a small group to facilitate/ mediate issues D.1-7, E.1., E.8, and II.1,2, and 3. It was noted that:

- Any proposal must be acceptable to a critical mass of RRG members and to filers (including BPA);
- BPA will require some re-balancing in the direction of greater regional accountability;
- The small group must actively engage with the RRG parties;
- Proposal must work for the Grid West region, not just the “Pacific Northwest.”

If recommendations are brought to the RRG, then the group should explain what alternatives were considered and how the group arrived at its recommendation.

**RRG Meetings and TSLG Seminar**

- RRG Meeting at the Lloyd Center Double Tree Hotel  
Tuesday, October 12, from 8:30 a.m. to 5:00 p.m. PDT  
Wednesday, October 13, from 8:30 a.m. to 3:00 p.m. PDT  
– NAPA report; reports and recommendations for addressing issues
- TSLG Seminar at the BPA CR122 Room – Portland  
Thursday, October 14, from 8:30 a.m. to 3:30 p.m. PDT
- RRG Meeting at the Holiday Inn Portland Airport  
Tuesday, October 26, from 8:30 a.m. to 5:00 p.m. PDT  
Wednesday, October 27, from 8:30 a.m. to 3:00 p.m. PDT  
– Recommendations on issues; proposed revisions to the bylaws; plan for bylaws in “final” form for Decision Point #1
- RRG Meeting at the Portland Airport Sheraton Hotel  
Wednesday, November 3, from 10:00 a.m. to 5:30 p.m. PDT  
Thursday, November 4, from 8:30 a.m. to 4:00 p.m. PDT  
– RRG assessment of bylaws; consensus whether to “endorse” and recommend for adoption ---- Decision Point #1