

Brief Summary of Grid West RRG Meeting February 24-25, 2005

Introduction

This summary is intended to briefly describe the discussion during the February 24-25, 2005 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 February 24-25, 2005 Meeting

- The RRG met at the Portland Airport Sheraton Hotel in Portland, Oregon on Thursday, February 24, from 1:00 p.m. to 5:05 p.m. and Friday, February 25, 2005, from 8:30 a.m. to 11:00 a.m. PST.
- Approximately 66 people attended the RRG meeting, including twenty-four designated RRG representatives. One state representative attended the meeting in person and four state representatives participated by phone.
- Representatives of the Transmission Issues Group (TIG) attended the first afternoon of the RRG meeting and discussed potential ways for TIG and the RRG to interact. The RRG expressed a willingness to serve as a regional stakeholder sounding board for discussion of any issues that the TIG would want to bring forward to get regional feedback.
- The RRG heard presentations from the Transmission Service Liaisons Group (TSLG), the Pricing Work Group, and the Risk Reward Group about current activities.
- The RRG also heard about the work underway of the SSG-WI Market Monitoring Group (MMWG) and the SSG-WI Planning Work Group.
- The RRG provided feedback on the SSG-WI MMWG proposed pilot study and will continue to get briefings and give input at future meetings. A proposal will be developed for the next RRG meeting addressing how Grid West work on transmission planning will be accomplished and coordinated with SSG-WI planning work.
- On behalf of the Interim Board and the Membership Admissions Committee (MAC), the Secretary of Grid West gave the RRG a brief update about the Board's efforts on funding and engagement of a search firm for Board candidates, and reported that the MAC is approving membership applications and posting admission notices.
- The next RRG meeting will be Thursday, March 24, beginning at 1:00 p.m. PST, and on Friday, March 25, beginning at 8:30 a.m. at the Sheraton Portland Airport Hotel.

Discussion with Transmission Issues Group (TIG)

Tim Culbertson, TIG co-chair, told the RRG that the TIG has held several recent meetings at which there was a consensus that TIG participants were willing to put up resources to support efforts in four charter areas plus additional development on combined control areas. The four areas that TIG is currently addressing are: common OASIS; planning and expansion; market monitoring; and reliability and security. The TIG is interested in producing results in the next 5-6 months.

Mr. Culbertson talked with the RRG about possible ways for RRG and TIG to interact. RRG members responded with questions about TIG's efforts and expressed some concern about expending limited resources in multiple regional forums. However, overall the RRG expressed a willingness to interact with the TIG and have the RRG serve as a regional stakeholder sounding board for discussion of any issues that the TIG would want to bring forward and get regional feedback. Bud Krogh said TIG participants should feel free to request that topics be placed on future RRG agendas and continue to discuss with RRG ways to serve the needs of regional stakeholders.

Report from Transmission Service Liaison Group (TSLG)

Steve Walton explained the TSLG's "layered" approach. Currently in layer 2, about twenty-two white papers are being prepared by the TSLG with the consultants. The papers cover the entire conceptual framework and identify design features in more detail. There are also reference papers covering topics that are relevant to multiple white papers and a continuously updated glossary of terms. An overview paper is being drafted to provide background and explain the design context of moving to a flow-based model. The overview paper provides guidance, introduces white papers, and explains the TSLG's systematic approach to operational and market design. A diagram shows the complete list of white papers and reference papers the TSLG is aiming to prepare by the end of April for an RRG seminar at the end of May.

Steve reported that control area consolidation activities are underway (CCA). The filing utility funders have expanded their participation and are getting more help from The Structure Group. The intent is to develop control area consolidation elements that function compatibly with the operational and market design developed by the TSLG.

The TSLG Update Report is posted at http://www.gridwest.org/Doc/TLSG_UpdateReportRRG_24Feb2005.pdf .

Report from Pricing Work Group

Sarah Dennison-Leonard reported that the Pricing Work Group met recently and developed proposed principles and assumptions for its work and deliverables. Proposed deliverables are: a written description of the pricing proposal that answers key questions; a "questions and answers" document for easy reference to specific topics; and illustrative materials such as the diagrams, charts, and an example calculation spreadsheet. Sarah reviewed principles, assumptions, and deliverables with the RRG and asked for feedback. The expectation is to hold an RRG seminar in June on the pricing proposal.

Several RRG members stressed that the disposition of certain provisions related to pricing is very important to them, e.g., roll-over rights, an export fee. It will be important to get broad input and policy feedback from the RRG as proposals are developed.

Sarah continued by reviewing a number of possible questions the Pricing Work Group should answer. RRG members raised additional questions, and Sarah encouraged RRG members to communicate key issues to the Pricing Work Group.

The Initial Pricing Work Group Report is posted at http://www.gridwest.org/Doc/RRG_PWGReport_Feb242005.pdf.

Report from the Risk Reward Group (RnR Group)

Kurt Conger began by explaining the three areas of work going forward of the Risk Reward Group: follow up on survey responses; begin work on analytical framework white papers; and coordinate efforts with the TSLG and CCA assessment activities. Kurt said the RnR would not perform new production cost simulations before Decision Point 2. The assessment will focus on expected risks and rewards to the region as a whole. The RnR will identify, but not analyze, "risk factors." There were no objections voiced by the RRG to this approach.

Carol Opatrny explained the survey process and method. The survey was sent to thirty potential respondents. Twenty-four surveys have been returned. Carol reported at least twenty-eight responses are expected. All questions were answered by at least some respondents, and in each category of the survey at least one response identified problems.

From the 537 response entries received so far, Carol reviewed sample responses with the RRG showing the range of viewpoints. The example responses were grouped by the question categories, by respondent type (MTU, TDU, generator, marketer), and illustrated that while some respondents indicated a problem existed others were not aware of a problem. A more comprehensive compilation of selected survey responses also was provided to the RRG.

The RnR Group intends to follow up on the survey and present findings at a future RRG meeting. In addition, the risk reward assessment work will be the focus of an RRG seminar in July.

The Risk Reward Group's Report on Preliminary Survey Responses, Analytical Framework, and Work Plan is at http://www.gridwest.org/Doc/RRG_RnRReport_Feb242005.pdf. The compilation of selected survey responses also is posted.

Proposed Nomenclature to Grid West "Basic Features" and "Extended Features"

Steve Walton distributed and presented a proposal to change the nomenclature in developmental documents being prepared. The proposal is to rename the Grid West Beginning State to "Grid West Basic Features" and rename the Grid West Advanced Target State to "Grid West Extended Features," based on the idea that a set of basic features will be part of Grid West formation and additionally recognizing that some parties envision features that are "extensions" of the basic design.

Included with the nomenclature proposal is a list of basic features currently envisioned, keeping in mind that the list is not exclusive and that basic features will be phased in as Grid West evolves. Extended features listed are from the Special Issues found in the Grid West Operational Bylaws.

All RRG members who commented said they liked the idea of changing the nomenclature. One member said the basic feature list seems static and emphasized that Grid West has the ability to evolve through a phased-in approach. The list of basic features envisioned is not meant to be prescriptive.

Briefing on SSG-WI Market Monitoring Activities

Kristi Wallis reported the SSG-WI Market Monitoring Work Group (MMWG) held a conference call recently about the west-wide market monitoring pilot study proposal. Feedback includes: the project must demonstrate that west-wide market monitoring is doable and beneficial; cost and benefits need to be clearly identified; west-wide market monitoring should not undermine local monitoring; and west-wide market monitoring should result in greater transparency in the Western Interconnection.

The proposed two-year pilot study is intended to answer these questions and give people assurances about feasibility, benefits, and costs. On the recent MMWG conference call all parties, with some qualification, were supportive of going forward with the pilot study. Kristi distributed a paper of "brainstorming ideas," and asked the RRG for feedback, which she will take to the MMWG.

The RRG generally expressed support for the pilot study; there is a lot of synergy between the west-wide market monitoring work and the Grid West work. Some ideas, including limiting the scope of the project, were put forth. The study is an opportunity that could reveal possible improvements to market design. RRG feedback is a helpful way to get ideas to the SSG-WI MMWG.

A summary of SSG-WI Market Monitoring Pilot Study Brainstorming Ideas as presented to the RRG is at http://www.gridwest.org/Doc/RRG_MktMonPilot_Feb252005.pdf .

Briefing on SSG-WI Transmission Planning Work Group Activities

Dean Perry told the RRG about three activities the SSG-WI Planning Work Group has underway: updates to the regional production cost database for 2008 and 2015; the 2005 study program identifying transmission congestion in 2008 and 2015; and an update of the west-wide historical path congestion analysis.

The database update is a major activity. Dean showed how a number of groups feed information into to the database, which is used by the modeling team running the studies. He also showed an illustration of results from the study scenarios; results are possible transmission options based on assumptions in the scenarios.

Dean said there is significant regional support for updating the historical path congestion study this year, plus CREPC and FERC are interested in having this study produce additional information about ATC.

Dean encouraged everyone who is interested to become involved in the transmission planning activities. Currently there is strong involvement of the sub-regions. All database and study information is posted on the SSG-WI website.

The SSG-WI Planning Work Group Report is posted at http://www.gridwest.org/Doc/SSGWI_PlanningPresRRG_Feb252005.pdf .

Discussion of RRG Involvement in SSG-WI Activities

There were varying views on how RRG could most effectively be involved in the work that is progressing under the auspices of SSG-WI, such as transmission planning and market monitoring. Some supported effective coordination and feedback loops between SSG-WI and what Grid West is doing in these two areas. Another suggestion was to take into consideration what TIG is doing on these matters and try to reach a joint statement of commonality. Based on discussion about the substantial amount of work that needs to be done and where resources can best be used, the RRG supported providing feedback to the SSG-WI MMWG through the RRG forum and will consider proposals for accomplishing work associated with Grid West planning at the next RRG meeting.

Kristi Wallis will summarize feedback she heard from the RRG on market monitoring, send it to the RRG, and ask for additional comments that she will take to the next conference call of MMWG.

A proposal for accomplishing work related to Grid West transmission planning will be brought to the RRG's next meeting.

Report about Interim Board and Membership Activities

Sharon Helms, Grid West corporate Secretary, reported that the Grid West Interim Board is addressing potential funding between now and Decision Point 2 and is hoping to have a funding arrangement in place soon. The Board has initiated efforts to identify and hire a firm to search for a slate of candidates to put before the Members Representative Committee later this year.

Sharon also reported on behalf of the Membership Admissions Committee (MAC), which meets as needed weekly. The MAC is approving membership applications and posting admission notices as the applications are submitted. Members (and Members in the challenge period) are posted on the "Grid West Membership Information" page of the Grid West website (www.gridwest.org/GWMemberInfo.htm).

Schedule of RRG Meetings – March and April

The next RRG meeting is Thursday, March 24, from 1:00 p.m. to 5:00 p.m. PST and Friday, March 25, 2005, from 8:30 a.m. to 12:00 noon PST at the Sheraton Portland Airport Hotel.

An RRG meeting is also scheduled for April 28-29, 2005, starting Thursday afternoon, ending Friday morning.