

Risk Reward Study Group
Meeting #11 – Facilitator’s Notes
March 31, 2005

Notice

These facilitator’s meeting notes have been prepared for the personal use of the participants in the Risk Reward Study Group (Rn’R Group). These notes do not necessarily represent the position of any individual participant or the position of the group as a whole. Because different views and positions may be developed in subsequent discussions, these notes are provided solely for informational purposes and to communicate the general nature of the discussion.

Attendance

Member	On Site	By Phone	Absent
Ray Bliven (DSIs)	X		
Stefan Brown (OPUC)			X
Dick Byers (WUTC)			X
Kurt Conger (Grid West Coordinating Team)	X		
Pete Craven (PacifiCorp)			X
Tom DeBoer (PSE)			X
Chris Elliott (Grid West Coordinating Team)			X
Tom Foley (Renewable Resources Community)	X (afternoon)	X (morning)	
Jim Hicks (PacifiCorp)			X
Dave Hoff (PSE)			X
Bob Kahn (NIPPC)		X	
Bud Krogh (Grid West Coordinating Team)			X
Larry Nordell (MT)		X	
Mike McMahon (Snohomish PUD)		X	
Terry Morlan (NWPCC)	X		
Kevin O’Meara (PPC)			X
Carol Opatrny (BCTC) - <i>Co-Lead</i>	X		
Lon Peters (PGP)			X
Ken Petersen (Idaho Power Company)			X
Janelle Schmidt (BPA) - <i>Co-Lead</i>	X		
Marilynn Semro (SCL)			X
Vito Stagliano (Calpine)			X
Lou Ann Westerfield (IPUC)			X
Linc Wolverton (ICNU)	X (morning)		

Guests/Replacements:

Rich Bayless (PacifiCorp)
Kurt Granat (PacifiCorp)

Handouts:

- Risk and Reward Workgroup Charter (updated version e-mailed April 1st)
- Whitepaper outline (updated version e-mailed April 1st)
- Task Management Tool (updated version e-mailed April 1st)

Topics of Discussion

1. Review Agenda

2. RRG Presentation

The group briefly discussed the Q/A exchange from the last RRG meeting. In particular, the discussion focused on the timing of the distributional analysis that the RnR workgroup has not yet taken on but that BPA has committed to doing and contrasted that with the task at hand (for Decision Point #2) which is to attempt to determine the “social benefits” associated with Grid West. There is continuing agreement (dating back to the first risk reward meetings) to not making distributional effects the prime focus of the risk reward analysis for decision point 2. The study will focus on the low, medium, and high estimates of social benefits associated with implementing Grid West.

Janelle Schmidt reported that BPA will be taking a regional look at the question of distributional impacts prior to Decision Point 4.

3. Risk and Reward Workgroup Charter

Kurt Conger distributed the most recent version of the RnR “charter”. The group was asked to provide comment within a week, if edits or modifications were needed.

4. Tasks & Management Tool

The group discussed the need to revisit the operating costs of ISOs and RTOs, e.g., the PPC analysis, the FERC “Day-One” analysis, NERC functionality issues, etc. Carol Opatrny agreed to take this on.

Carol Opatrny also agreed to do another pass through the survey results in order to provide responses that could be used to aid efforts to quantify the problems and opportunities that were surveyed.

The group discussed the whitepapers and how to move ahead with the workload. A decision was made to cancel the April 7th meeting and take more time to get whitepapers drafted, reviewed by a second member and then circulated. Tentatively, the group agreed to the following deadlines:

- Whitepapers outlined by April 11
- Whitepapers vetted by April 18
- Deliberation of the papers during April and May
- Integrating other work in May and June
- Prepare final report in June

The Management Tool will be revised to distinguish between “problem/opportunity” elements and “risk” elements. It was suggested that one single whitepaper be used to capture the risk elements, rather than separate ones.

The Whitepaper outline was expanded to include a number of elements that may be used for quantification, including:

- Generation Operational Efficiency
- Generation Construction
- T&D Construction
- Transaction Costs
- Broader economy

In addition, there will be an entry added that will address how an evaluation could be done even if data are not readily available.

Specific opportunities for technical collaboration were discussed, using last meeting’s presentation by Dean Perry as a starting point. The group discussed various ways to determine the difference between path usage vs. commercial commitments. Rich Bayless updated the group on the OPF/Power World effort. The group also discussed various ways to quantify planning and expansion and the problems that will arise if payments for transmission capacity are capped at embedded costs.

Next Steps

- White Paper review
- Outline a Overview Paper for the Risk Reward effort
- Review “Survey” results to be incorporated into the Whitepapers
- Update on Consolidated Control Area efforts
- Review the costs analyses done by other RTOs and ISOs