

Risk Reward Study Group
Meeting #9 – Facilitator’s Notes
March 3, 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		
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 (NWPPCC)	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		

Guests/Replacements:

Rich Bayless (PacifiCorp)
Kurt Granat (PacifiCorp)

Handouts:

- Problem Identification and Quantification Survey – preliminary results [draft_030305]
- Whitepapers
 - Reliability Improvements due to Consolidation of Control Areas
 - CCA Cost Benefit Analysis – Pancaking
 - Unused Transmission Capacity Not Made Available
 - New Transmission Construction
 - Regulation Reserves

Topics of Discussion

1. Review Agenda

The proposed agenda was adopted.

2. Review of RRG Presentation

The workgroup shared reactions to the presentation at the February 24-25 RRG meeting. The survey results were well received; many thought the survey was helpful, however, there will be value to “drill down” into the comments. Some suggested that the range of results was not surprising as many entities connected directly to BPA simply don’t see the problems that others do.

3. Review of Preliminary Survey Results

The group discussed the posting of these preliminary results. It was decided that BPA, who is often referenced, should be directly contacted to ensure that all sensitivities about comments have been adequately addressed. Thereafter, the spreadsheet, without the column dedicated to follow-on questions, could be posted on the Grid West website along with a brief explanation of the purpose of the survey, the format and an explanation of the abbreviations.

The workgroup spent time reviewing the results and prioritizing the elements:

- Which categories of responses are most interesting/important
- Which responses need most attention in follow-on
 - Either by conferring with the respondent or,

- Accessing additional analysis/studies/evaluations.
- Which problems can be improved upon by Grid West or another entity

By way of example, the workgroup agreed that working on the over/under-utilization issue would benefit from follow-on consultation with Dean Perry.

Workgroup members will develop their own ranking of these results so that at the next RR workgroup meeting, a summary of the results will be presented in this format. To the extent possible, results from follow-on conferences or additional analyses will also be presented.

4. Analytical Framework

There was a brief discussion about the need to balance between the elements in the Analytical Framework that have been and can be modeled and those elements that are prominent in the survey results that don't lend themselves to quantitative analysis due to conflicting opinions (differently situated market participants), lack of information, difficulty with collecting such information or, confidentiality concerns. In short, it was agreed that the Analytical Framework should be structured to accept qualitative conclusions as well as quantified results.

5. Whitepapers

The workgroup briefly reviewed the various whitepapers and the outlines that had been developed to support whitepapers. The authors of these papers will be further developing them for review at the next workgroup meeting. The whitepapers/outlines that were reviewed included:

- Reliability Improvements due to Consolidation of Control Areas
- CCA Cost Benefit Analysis – Pancaking¹
- Unused Transmission Capacity Not Made Available
- New Transmission Construction

6. RR Workgroup Materials – Postings

The workgroup discussed what materials associated with the Risk Reward workgroup should be posted. The group agreed that in addition to meeting notes, it would make sense to post the Survey Questionnaire, the RRG Problem/Opportunity Statements; the Preliminary Results of the Survey (with a

¹ Note that the next version of this whitepaper will be consider pancaking more broadly, i.e., the discussion will not be limited to the CCA.

brief explanation); RRG presentations and links to relevant studies/evaluations. Kurt Conger indicated that he would take on this responsibility.

7. Next Steps

- Workgroup will prioritize the survey results.
- The Whitepapers will be further developed.
- The Analytical Framework will be expanded, as necessary, to include elements on the survey that have not been included.
- Some workgroup members were interested in rescheduling the next meeting to the 15th – an e-mail to that effect will be sent out.

Meeting Adjourned at 3:45 pm.

8. Next Meetings (all to be held from 10 – 4 pm at Grid West):

- March 17th (confirmed – workgroup wanted to keep the original date)
- March 31st
- April 7th
- April 21st
- May 5th
- May 19th
- June 2nd
- June 16th
- June 30th

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