



Federal Energy Regulatory Commission Conference on Competition in Wholesale Power Markets

AD07-7-000

May 8, 2007

AGENDA

9:00 Welcoming Remarks by Chairman and Commissioners

9:20 Panel 1: Demand Response in Organized Markets

Questions for panelists:

- Do the RTOs and ISOs provide demand response with adequate opportunity to participate in their markets? What are the barriers to demand response participation in these markets? What are the barriers that the Commission could address?
- Which features of existing RTO and ISO markets are particularly beneficial features, or “best practices,” for demand response participation?
- At peak times, can demand curves for operating reserves or increased pricing flexibility enhance reliability and elicit additional demand response?
- How are demand response providers compensated in organized markets? Is compensation appropriate and adequate? If not, what should the compensation be? Should the type of compensation depend on the type of demand response program?
- Who pays for demand response programs?
- What actions should the Commission take, within its jurisdiction, to enhance the use of demand response in organized markets? What complementary actions, if any, would others have to undertake?

Panelists:

- The Honorable Robert Lieberman, Chairman, Illinois Commerce Commission
- Gordon van Welie, President and CEO, ISO New England
- Richard Doying, Vice President of Market Operations, Midwest Independent Transmission System Operator, Inc.
- William Hogan, Raymond Plank Professor of Global Energy Policy, Harvard University
- David Meade, Manager, Structured Power, Praxair, Inc. and Chairman, Technical Committee, ELCON
- Dan Sharplin, Chairman and CEO, Site Controls
- John Rossi, Vice President of Business Development, Enterprise Group, Comverge, Inc.

11:20 Lunch

12:30 Panel 2: Improving Opportunities for Long-Term Power Contracting in Organized Markets

Questions for panelists:

- Are forward markets that support bilateral contracting better developed in some organized markets than in others? If so, why?
- What are the significant impediments, if any, to the ability of entities to engage in long-term contracts (*e.g.*, the ability to hedge fuel prices, state restrictions on procurement, Commission policies)?
- Is the perception of inadequate long-term contracting opportunities a matter of different expectations? That is, do buyers, who are not traditional requirements customers of the seller, expect a traditional “slice of the system” at depreciated embedded-cost-based rates, while sellers expect to sell power from generators – new or old – at market-based rates based on the long run marginal cost of new generation?
- What specific actions, if any, should the Commission take, within its jurisdiction, to remove barriers to long-term contracting? What complementary actions, if any, would others have to undertake?

Panelists:

- Andrew Ott, Vice President, Markets, PJM Interconnection, Inc.
- Leslie Biddle, Managing Director, Goldman Sachs
- Duane Dahlquist, General Manager, Blue Ridge Power Agency
- Daniel Allegretti, Vice President and Director of Wholesale Energy Policy, Constellation Energy Group
- Walter Brockway, Operations Manager, Alcoa, Inc.
- Pedro J. Pizarro, Senior Vice President-Power Procurement, Southern California Edison

2:30 Break

2:40 Panel 3: Enhancing the Responsiveness of RTOs and ISOs

Questions for panelists:

- Are RTOs and ISOs – and their decision-making mechanisms – designed to address adequately the interests of their customers and other stakeholders? Does the representational voting structure of the RTO and ISO stakeholder bodies help to achieve balanced decisions? Is it too cumbersome? Does it lead to inaction? Are customers and other entities adequately represented?
- Can the RTO decision-making process be improved, especially to overcome deadlocks among stakeholders on important issues?
- Should RTOs and ISOs consider having hybrid boards that include both independent directors and stakeholder directors?
- Should RTOs and ISOs consider reforming executive compensation to provide better incentives for management?
- Are RTO processes for planning shared expenditures and obtaining customer feedback conducted far enough in advance for stakeholders to provide meaningful input? If not, what should change? What should be the role of market participants in the development of the RTO budget?
- What actions should the Commission take, within its jurisdiction, to address the issues? What actions, if any, should others undertake?

Panelists:

- The Honorable Mark Christie, President, Organization of PJM States, Inc.
- Yakout Mansour, President and CEO, California Independent System Operator Corporation
- Audrey Zibelman, Executive Vice President and COO, PJM Interconnection, Inc.
- Marc S. Gerken, CEO, AMP-Ohio
- Lloyd B. Webb, Procurement Manager, Eastman Chemical Co.
- José Delgado, President and CEO, American Transmission Company

4:40 Concluding Remarks