

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Remedying Undue Discrimination
through Open Access Transmission Service
and Standard Electricity Market Design

Docket No. RM01-12-000

NOTICE OF TECHNICAL CONFERENCE AGENDA

(November 4, 2002)

1. As announced in the Notice of Technical Conferences issued on October 22, 2002, Commission staff will convene a technical conference on November 6, 2002 to discuss pricing proposals for network upgrades and expansions. This notice provides further organizational details and the conference agenda.
2. The conference will begin at 9:30 a.m. and will adjourn at about 5:15 p.m. It is scheduled to take place at the Commission's offices, 888 First Street, N.E., Washington, D.C., in the Commission Meeting Room on the second floor. The agenda is appended to this notice as Attachment A. As specified in the October 22, 2002 Notice, the discussions will attempt to clarify and seek consensus on specific issues. For convenience, a copy of these questions is appended as Attachment B. Participants are also encouraged to submit proposals for pricing specific types of investment. A matrix, intended to provide a starting point for such proposals and to aid in focusing conference discussions, is appended to this Notice as Attachment C.
3. The conference is open for the public to attend, and registration is not required; however, in-person attendees are asked to notify the Commission of their intent to attend by sending an e-mail message to customer@ferc.gov. Members of the Commission may attend the conference and participate in the discussions.
4. Transcripts of the conference will be immediately available from Ace Reporting Company (202-347-3700 or 1-800-336-6646), for a fee. They will be available for the public on the Commission's FERRIS system two weeks after the conference. Additionally, Capitol Connection offers the opportunity for remote listening and viewing of the conference. It is available for a fee, live over the Internet, via C-Band Satellite. Persons interested in receiving the broadcast, or who need information on making arrangements should contact David Reininger or Julia Morelli at the Capitol Connection (703-993-3100) as soon as possible or visit the Capitol Connection website at <http://www.capitolconnection.gmu.edu> and click on "FERC."

5. Questions about the conference program should be directed to:

Sarah McKinley
Director of State Outreach
Office of External Affairs
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426
(202) 502-8368
sarah.mckinley@ferc.gov

Magalie R. Salas
Secretary

ATTACHMENT A

Schedule

- 9:30 - 9:35 AM **Introductions**
- 9:35 - 9:45 AM **Opening Remarks**
Mark Hegerle, Commission Staff
- 9:45 - 11:15 AM **Session I**

Panelists:

Cynthia S. Bogorad, Attorney, Spiegel & McDiarmid, on behalf of the
Transmission Access Policy Study Group
Dale Landgren, Vice President and Chief Strategic Officer,
American Transmission Company
Laura J. Manz, Director, Interregional Transmission,
Public Service Electric and Gas Company
Pradeep “Pete” Mehra, President, Mehra Energy Consulting, L.L.C.
Michael M. Schnitzer, Director, The NorthBridge Group, on behalf of Entergy
Ron Walter, Senior Vice President, Calpine Corporation
Nick Winsler, Senior Vice President, Transmission Strategy and Development,
National Grid

- 11:15 – 11:30 AM **Break**
- 11:30 – 1:00 PM **Session II**

Panelists:

David H. Boguslawski, Vice President, Transmission Business,
Northeast Utilities Service Company
Bruce Edelston, Director, Policy & Planning, Southern Company
Robert M. Gross, Jr., President, GDS Associates, Inc., on behalf of
East Texas Electric Cooperative, Inc.
John B. Howe, Vice President, Electric Industry Affairs,
American Superconductor Corporation
José A. Rotger, Director, Regulatory Policy, TransÉnergie U.S. Ltd.
Frank Schiller, Vice President, Legal, Progress Energy
Jacob Williams, Vice President, Generation Development, Peabody Energy

1:00 – 2:00 PM **Lunch**

2:00 – 3:30 PM **Session III**

Panelists:

Richard S. “Rich” Bayless, Director, Interconnected Systems, PacifiCorp
Beth Bradley, Director Market Affairs, South Region, Mirant Corporation
Scott Helyer, Director of Transmission, Tenaska, Inc.

Chuck Meyer, Vice President for Marketing and Sales, Bonneville
Power Administration

William P. Scharfenberg, Attorney, Paul, Hastings, Janofsky & Walker LLP,
on behalf of the National Rural Electric Cooperative Association

Leslie E. Starck, Director of Federal Regulatory and Legislative Affairs,
Southern California Edison Company

Audrey A. Zibelman, Chief Executive Officer, TRANSLink Development
Company LLC

3:30 – 3:45 PM **Break**

3:45 – 5:15 PM **Session IV**

Panelists:

Michael Dworkin, Chairman, Vermont Public Service Board

Paul Vasington, Chairman, Massachusetts Department of Telecommunications
and Energy

Gary W. Gillis, Vice Chairman, Kentucky Public Service Commission

Braulio L. Baez, Commissioner, Florida Public Service Commission

Joseph P. Mettner, Commissioner, Wisconsin Public Service Commission

Sam I. Bratton, Jr., General Counsel and Commissioner Emeritus,
Arkansas Public Service Commission

Note: Other state commissioners may also join this session

ATTACHMENT B

Discussion Questions

Each conference panel will discuss the following questions:

- a. Definitions of pricing policies including types of participant funding.
 - (1) "Beneficiaries pay" – the beneficiary, whether a single customer, a rate zone, the entire RTO, or a neighboring region as determined by the Independent Transmission Provider, pays for the upgrades.
 - (2) "Market-based participant funding" – projects voluntarily proposed by individual market participants are voluntarily paid for by those participants, in order to use the expanded capacity and receive the Congestion Revenue Rights created.
 - (3) "Rolled in pricing" – projects are paid by all users of the regional grid.
 - (4) "Local License plate pricing" – Projects in a given service territory are paid for by those who pay the access charge in that territory.
- b. Definitions of categories of investments that must be addressed:
 - (1) Region-wide reliability;
 - (2) Local reliability;
 - (3) Congestion relief.
- c. Which of the types of investments in (b) should be treated under each of the pricing policies in (a)?
- d. What barriers might remain under the proposed planning process to getting needed transmission built, and how can they be addressed better?
- e. How much regional variation should be allowed in determining the appropriate pricing treatment for each category of investment?

- f. Under market-based participant funding, should a market participant who funds an upgrade and receives the associated congestion revenue rights also pay an access charge to receive transmission service?
- g. In a region that moves to rely substantially on market-based participant funding, how should customers transition from transmission credits for network upgrades associated with generator interconnections to congestion revenue rights?
- h. In regions that propose to rely substantially on market-based participant funding, how can current wholesale network customers ensure that their load growth continues to be planned-for on a non-discriminatory basis?
- i. What accommodations should be made, if any, to account for the recovery of the costs of transmission expansion with state retail rate freezes.

ATTACHMENT C

Transmission Facilities and Cost Recovery Mechanisms

Type of Facility	Participant Funding: Who is the beneficiary? (incremental pricing)	License Plate (Zonal) Rolled-in Rates	Postage Stamp (Regional) Rolled-in Rates
RTO's or ITP's <u>existing facilities</u> (license plate or postage stamp)			
Generator direct interconnection facilities			
All or a portion of new looped switchgear for generator interconnection			
Upgrades out of a subregion			
Upgrades needed for exports out of an RTO or ITP			
Upgrades needed for interregional trade, e.g., generator requiring upgrades to enable access to new supply by load in neighboring RTO			
Voluntary requests for upgrades in return for CRRs			
Merchant transmission and other bilateral agreements			
Radials to load connection points			
Lower voltage network facilities (what is the appropriate voltage level?)			
Higher voltage transmission that benefits only one zone			
Higher voltage transmission that benefit multiple zones or the region			
Other facilities			

Definitions of participant funding from the October 22, 2002 notice: "**Beneficiaries pay**" – the beneficiary, whether a single customer, a rate zone, the entire RTO, or a neighboring region as determined by the Independent Transmission Provider, pays for the upgrades. "**Market-based participant funding**" – projects voluntarily proposed by individual

market participants are voluntarily paid for by those participants, in order to use the expanded capacity and receive the CRRs created.