

Proposed WPP Under the ICT

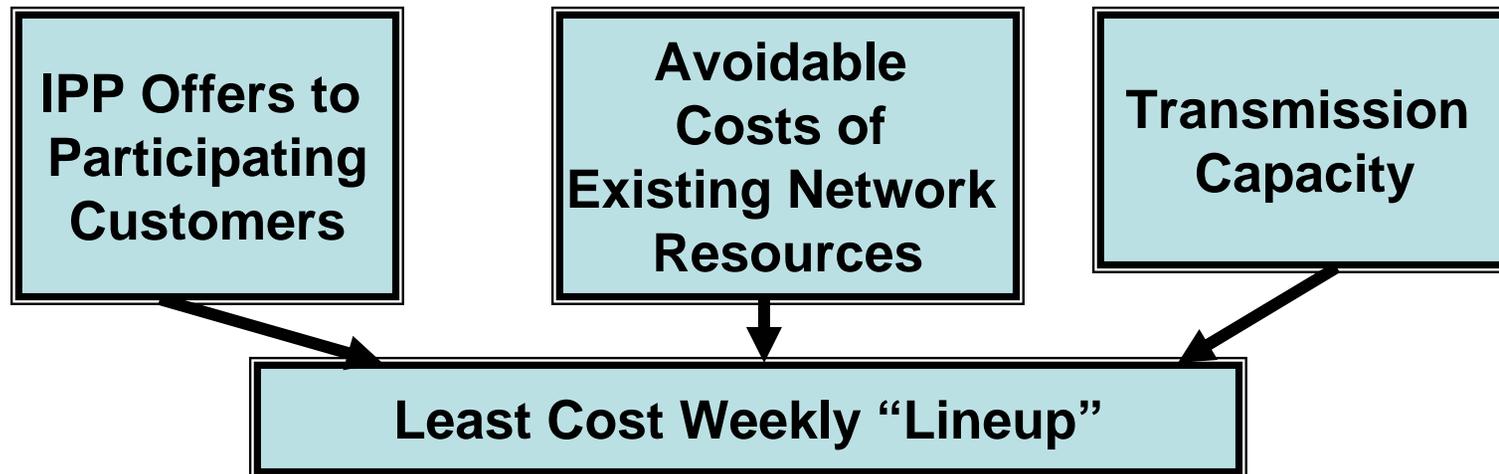
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Proposed WPP

- Current process evaluates offers one-at-a-time:
 - Granting of transmission service is separate from procurement
- Proposed process is simultaneous optimization



- Thus, new process offers the potential for additional substitution by IPPs
- However, degree of substitution will depend in part on level/nature of IPP offers

Benefits of Proposed WPP

- Potential for more substitution of IPPs for existing NRs
 - Reduces cost for ultimate customers of participants
 - Allows IPPs to sell more power on-system
- Potential for additional sale of PTP transmission service through redispatch
 - Additional transmission revenue benefits network customers, including native load
 - Allows IPPs to sell more power off-system
- Maximizes use of transmission system on a weekly basis
 - AFCs not needed to get weekly transmission service through the WPP (NR designation or PTP)
 - AFCs for the week are recalculated after the WPP – reflecting the service that was granted through the WPP and the NRs that were displaced for the week
- Independent oversight by ICT

Procurement versus Market

- WPP is a procurement, not a market
 - Markets would require all selected resources be paid market clearing prices
 - Markets would require complex settlement process
- WPP is not a pooling arrangement
 - Entergy generation is not for sale to other customers through WPP (i.e. at “cost”)
- All participating customers must serve their own load through their own NRs and/or IPP offers that they bring to the process