



EDISON ELECTRIC
INSTITUTE

Standardization in Wholesale Electricity

U.S. Department of Energy

Washington

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Good morning

- n Introduction and map for the day
- n How did we get here?
- n Where are we going, why, and how?
- n March 15
- n What are we going to do today?
- n Ground rules and housekeeping reminders

How did we get here?

n FERC

- Seams collaboratives / OASIS Phase II
- Chairman Wood / “Dear Colleagues” letter
- RTO Week
- November 7 / December 19 orders
- Standard market; standards setting

n NAESB (formerly GISB)

- Expanded charter; new name
- Publicly voiced support from Wood, Massey, Brownell

How? (2)

n NERC

- Organization Standards Process Manual
- Planning standards
- NERC WESM / business and reliability standards

n December 7 workshop @ DOE

- Lots of questions
 - Promise to provide answers
 - Demand for commitments, decisions, date specific
 - “Collaborative fatigue”
-

How? (3)

- n December 19 FERC order
- n EEI CEO meetings / January 10-11
- n Industry meetings at FERC / January 24-25

Where are we going?

n Bottom line goals

- Agree to single, broadly supported, industry consensus proposal at FERC on March 15 to implement NAESB electric wholesale quadrant
- Protect grid stability
- Ensure careful management and coordination of grid and business issues

Why?

- n Support broad public policy goal to provide market discipline to capture efficiency gains in wholesale electricity
- n Establish stable market design structures to encourage efficient investment and use decisions
- n Provide price discovery/transparency
- n Reduce barriers to entry
- n Reduce transactions costs

What are the filing criteria?

- n December 19 order RM01-12
 - n FERC repeats intention to establish policy guidance on standard wholesale market design
 - n Implementation through industry-backed business standardization process
 - Single industry-wide standards setting organization
 - Consensus-based standards and process
 - GISB process model endorsed
 - FERC will initiate process to choose organization if no consensus proposal by March 15
-

December 19 order (2)

- n Standards development process criteria
 - Open to all industry
 - Ensure due process
 - Ensure appeal process
 - Achieve consensus through balanced representation
 - Coordinate business standards with standards that impact North American grid

Where are we?

- n Locked in a room at DOE
- n Pushing toward March 15 deadline

What's the process for getting to consensus by March 15?

- n The spreadsheet
- n The first draft
- n The meetings

The spreadsheet

- n Begun at industry meeting at FERC January 25
- n Rows = issues
- n Columns = "views," "positions," "proposals"
- n A good spreadsheet will map specific elements of standards setting scope and governance
 - Areas of clear agreement
 - Areas of clear disagreement
 - Areas for debate, negotiation
- n A good spreadsheet will lead to ...

The first draft

- n EEI makes commitment to provide first draft FERC filing at close of business, Friday, February 15
- n Actively seeking cooperation with and support from other groups and organizations

Today ...

- n We are going through the spreadsheet
 - n We will record your company, organization views on the issues, and provide opportunity for clarification
 - n We have three big time chunks for this exercise
 - 11 a.m. – 1215 p.m.
 - 1 p.m. – 3 p.m.
 - 3:15 p.m. – 430 p.m.
 - n At 430 p.m., we will save and close the spreadsheet
 - n In NYC, February 1, 8 a.m., we will open the spreadsheet and continue
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The meetings

- n January 31 / FERC / NYC
 - n February 1 / NYC
 - n February 4-6 / FERC / Washington
 - n February 10 / NARUC / Washington / staff subcommittee
 - n February 11 / NARUC / Washington / Electricity Committee
 - n February 12 / Atlanta
 - n February 14 / FERC / Washington
 - n February 15 / first draft FERC filing
 - n February 19-20 / NERC / Scottsdale
 - n February 21 / Houston
 - n March 1 / Washington
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Ground rules today

- n Reminder: This meeting is being transcribed.
- n Wait for and use a microphone.
- n State your name, affiliation each time you speak.
- n Then, **briefly** state ---
- n Your view on the issue on the screen, or
- n Your clarifying question or clarifying statement
- n No basic education today
- n No debate today

At 4:30 p.m.

- n A 30-minute reservation for general comments, questions, statements, discussion, debate

Education, Resources, Background

n NERC

- www.nerc.com
- Two buttons on homepage to WESM proposal

n NAESB

- www.naesb.org
- Click on “NAESB and related meetings”

n EEI

- www.eei.org/edg/trans
 - Click on “whats new”
 - Click on “wholesale standardization”
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At 5 p.m.

- n Everyone should **better** understand the scope and governance issues
- n Everyone should **better** understand how the various models, frameworks, and proposals address these issues, and their implications on companies and organizations
- n Everyone should **clearly** understand the process for getting to March 15
- n Everyone should understand that consensus will be formed by those who actively participate

Goal: NAESB Electric Wholesale Scope and Governance Proposal

