

Committees and Project Priorities

In response to recent discussion and a request that the BIC address these issues, the following is an explanation of how the BIC got to where it is in terms of its activities, its working groups and how it determines priorities for the multitude of projects and issues it is trying to deal with.

Working Groups

Currently there are five working groups:

Scheduling & Pricing - to address issues with the DA, HA and RT energy and ancillary markets,

Installed Capacity - to address ICAP markets, requirements and unit availability issues,

Billing and Accounting - to address all aspects of ISO billing and accounting issues to include metering,

Market Structure - to address structural issues and changes including results from transmission expansions, TCC auction development, interconnection cost allocation etc.

Reserve - to address issues related to the FERC order in response to the NYISO 3/27 filing.

All of these were set up upon the beginning of the BIC last fall except the Reserve WG which splintered off the S&P WG to address the specific reserve issues raised this last spring. The document that proposed the various groups will be attached to the sending email for your reference; the names have changed a bit but in essence represent the structure under BIC.

As to a need for subcommittees, task forces and working groups, these are the venues for addressing compartmentalized issues for Participant discussion. To proceed without use of such groups would be cumbersome and ineffective: the BIC has very specific rules for operating as a committee. Imposing that rule set over all the items we need to address would be nearly unworkable and require that the BIC meet weekly (or more often) - this in turn would raise issues of making Quorum requirements (which has been an issue in PJM). None of these groups has any decision making authority. Any proposal or prospective change **MUST** be brought to the BIC for vote; if it affects the Tariff then it must additionally be approved by the Management Committee.

Is the WG approach operating perfectly? No. But this is like democracy - its imperfect but better than anything else we have.

Projects and Priorities

The ISO first made a Project list available early this year. The make up of that list is primarily from (1) FERC orders and (2) “Day 2” issues that came out of the Transition Team effort that was in-place in 1999. Various other projects have been added out of the ISO committee process and those driven by internal ISO needs.

On April 5th, the Management Committee had a full day meeting to review and discuss projects and related priorities. All sectors and Participants had opportunity to comment and otherwise raise their concerns. The list as it exists now reflects those decisions at that time. It is believed that the BIC has added two projects since then.

BIC and WG Interaction on Projects

Most of the key (i.e., high priority) projects have been assigned to one or another of the working groups. Initially, this was done by a group of us sitting around a table and making those decisions - this was reported out to the BIC. It has been the job of the BIC Chair, the WG Chairs, and Staff liaison to determine what is getting addressed and what has higher priority over something else - even if they both have a “high” priority; this is also not done in a vacuum - we get considerable input as to what Participants desire AND what staff can accomplish. It should be noted that the resultant changes from the 4/5 MC meeting actually resulted in few changes to the priorities previously assigned.

The last point - what staff can accomplish - drives what we talk about, when we talk about it and likely when an item will go to the BIC for its consideration. Participants - particularly if they are dissatisfied with the priority or attention an issue has been receiving - are free to voice those concerns at the BIC or MC to get redress and they do.

While there may be many issues under discussion at a given meeting each is a result of (1) priority, (2) timing (issue is ripe to discuss in some fashion), (3) staff’s ability to respond to Participant concerns and Participant input. The suggestion that a working group address only single issues simply would result in there being a dozen or more groups all requiring coordination and frequently having meetings that would not be cost effective for the attendees.