



Technical Assistance between
ERERA, WAGPA, NARUC, and OPSI
Activity No. 2; Abuja, Nigeria
21-23 June 2011



Coordination among OPSI Members: Assuring Reliability and Security of Supply

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Overview of Presentation

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- Coordination among OPSI Members
 - OPSI's Voting Protocol
 - OPSI's Staff Committee
 - Steps in Coordination and Discussion
 - Formal Action and Recent Actions
- Regional Diversity
- Assuring Reliability
- Security of Supply
- Participation in Grid Operator's matters

OPSI's Voting Protocol

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- Each of the 14 Member Commissions has one equal vote
- A majority of the 14 Members (i.e., 8 “yes” votes) makes the issue being considered an official OPSI position
- Members have the option of being listed as “no” or “abstain” on the final document
- Any action approved as an OPSI position does not bind any individual Member Commission should it decide to separately take a different position on the same issue
- Positions can be conveyed in filings, letters, and resolutions

OPSI's Staff Committee

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- The Standing Staff Committee consists of two staff persons from each Member Commission
- Chair: OPSI President's staff person
Vice Chair: OPSI Vice President's staff person
- Usually senior staff members and active in OPSI matters
- Staff Committee has an average of 15 years regulatory experience of various backgrounds:
engineers, economists, lawyers, policy analysts
- Usually meets monthly via teleconference and in-person (as needed)

Steps in Coordination

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- Any commissioner or staff person can raise an issue for OPSI consideration
- The OPSI Board may decide to assign the Staff Committee to discuss and offer the Board some options on the issue for consideration
- Staff Committee discusses and prepares a draft position on the issue
- The draft is circulated to the 14 Member Commissions
- Edits and comments are sent to Executive Director for compilation

Steps in Discussion

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- Revised document circulated to all Member Commissions at least 10 working days prior to possible voting during a duly-noticed OPSI Board Meeting
- Ten days are needed because some Member Commissions have to decide on their individual votes in their own open meetings
- During those 10 days, no other edits or revisions are considered unless minor grammatical or spelling mistakes

Formal Action

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- At the OPSI Board Meeting, Board Members can make motions to revise the circulated document that is under consideration
- A formal action is taken by the OPSI voting protocol (described earlier)
- If less than eight “yes” votes, then those Member Commissions who indicated “yes” may file that position as a group but not as OPSI
- Usually in case of time constraints, the OPSI Bylaws allow for voting on a finalized document by email

Examples of Recent Action

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- In April 2011, the OPSI Board approved the four resolutions that are posted on the OPSI Web site (www.opsi.us):
 1. Support for the 2.5% Short Term Resource Procurement Target in PJM's Base Residual Auctions;
 2. A clarification of the federal-state jurisdiction pertaining to dynamic pricing, including price responsive demand;
 3. A recommendation to include a consumer benefit criterion that should be demonstrated by a transmission owner that proposes to join or change an RTO; and,
 4. A request to PJM to study all wind resources reflecting state RPS mandates in the region and consider its impacts and include a cost-benefit comparative analysis of wind resources in the Midwest as well as those resources that are off-shore.
- Two of the four resolutions were not unanimous and Members who abstained are listed on the documents.

Regional Diversity

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- The OPSI is a diverse region:
 - Some states have abundant coal and natural gas resources
 - Some states have nuclear power generation
 - Some states have renewable resources, such as wind and solar
 - Average cost varies from 7.5 cents/kWh to 10.5 cents/kWh
 - Different population/industrial centers and rural/farm areas
 - Some states are in two RTOs
- Cheaper power in the western side of the region and major load centers in the eastern side of the region
- Location of generation plants and capacity of transmission lines are important issues

Assuring Reliability

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- Each state has some form of the following phrases:
 - Safe and reliable service at just and reasonable rates or prices
 - Reliability standards and reporting requirements are needed to assure the continued reliability and quality of service being delivered to customers
- Each Commission may accept industry standards but cannot give away or assign powers given to it by its State Legislature or General Assembly
- Each Commission is responsible for service within its State even though that State is interconnected to one or two regional grids

Security of Supply

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- Periodic examination of industry trends
- Stakeholder meetings in open forum
- Adapt to technological changes
- Accept request for changes
- Examine need for changes from all sides: legal, technical, supply providers, customers
- Evaluation is an iterative process

Participation in Grid Operator's Matters

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- PJM holds regular committee meetings on various issues such as transmission planning, electricity market, etc.
- Meeting are held in various locations in-person and simultaneously via WebEx
- Staff of OPSI Member Commissions participate and give input in these meetings (although do not vote)
- PJM holds special meetings for states to inform states of urgent issues; example – Transmission Planning Symposium on June 20-21 in Ohio

Conclusions

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- Important to have regular communication –
 - Among OPSI and its Member Commissions
 - Between OPSI and PJM (grid operator)
 - Among OPSI and industry stakeholders
- Communication can be informal or formal
- Caution that communication is not misinterpreted; preferable to follow-up in writing
- Regulators and policy-makers should have working knowledge of the industry and vice-versa