

Regional Regulatory Relationships



NARUC Energy Regulatory Partnership Program

*The Energy Regulatory Commission of the Republic of Macedonia
and*

The Vermont Public Service Board

by

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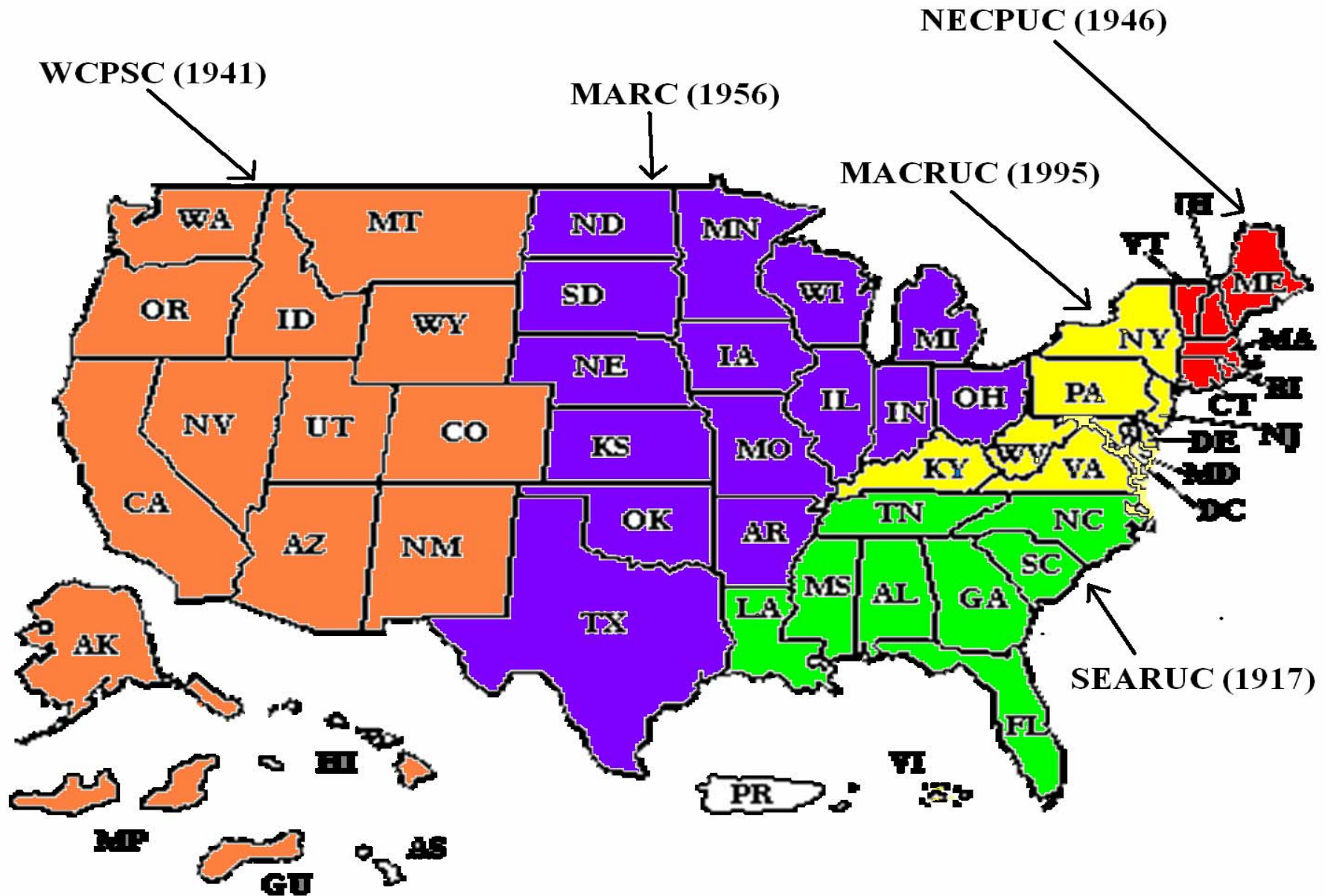
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Overview of presentation

- ❖ Relations among commissions
 - NARUC (National Assoc. of Regulatory Utility Commissions)
 - NECPUC (New England Assoc. of Regulatory Utility Commissioners)
 - Other regional regulatory entities
- ❖ Relations with the New England ISO/RTO
 - Market Development
 - Market Rules
 - Market Monitoring
- ❖ Relations with other regional entities
 - NEPOOL (New England Power Pool)
- ❖ Relations with federal agencies
 - FERC (Federal Energy Regulatory Commission)
- ❖ New institutions
 - RSC (Regional State Committees)

NARUC – Regional Organizations (2003)





NARUC – National

❖ Activities:

- ✓ Legal advocacy before FERC and the courts
- ✓ Congressional Testimony
- ✓ Education for Commissioners and staff, including meetings and seminars

❖ Programs:

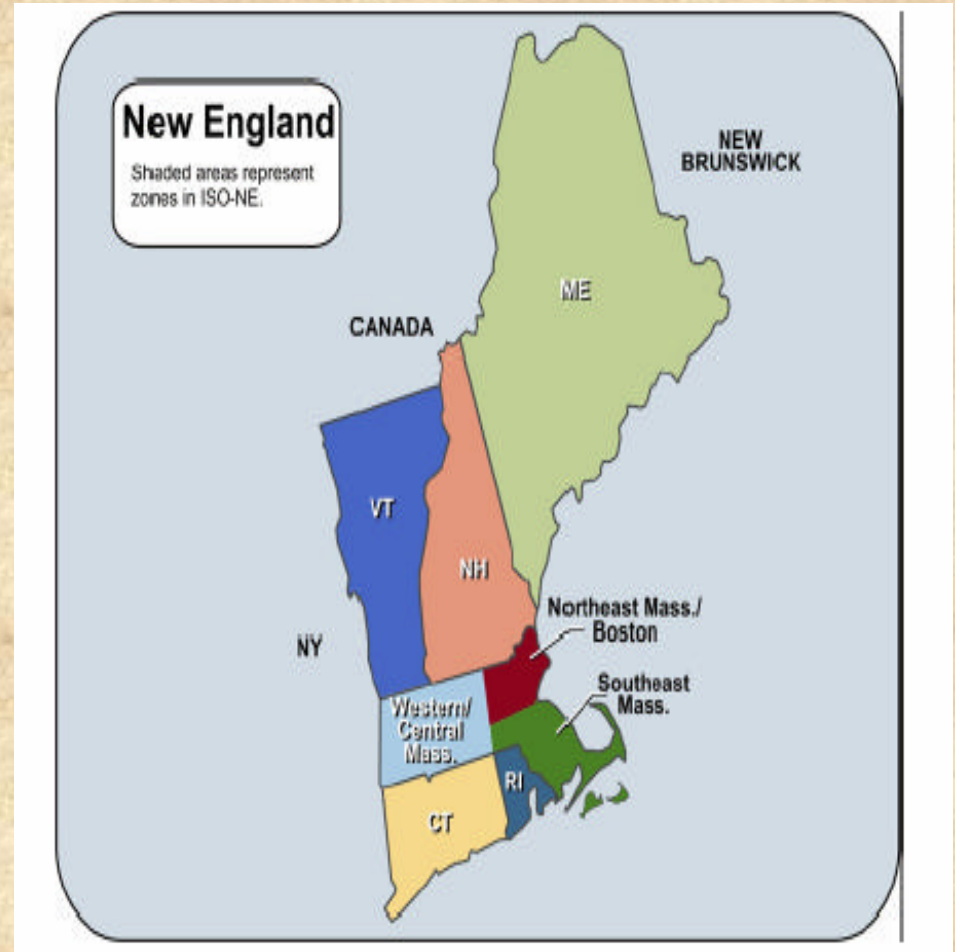
- ✓ International
- ✓ Critical Infrastructure
- ✓ Global climate change
- ✓ Renewables
- ✓ Natural Gas and LNG
- ✓ Market monitoring
- ✓ Other



NECPUC – Regional

❖ Six Member States

- Maine (ME)
- New Hampshire (NH)
- Vermont (VT)
- Massachusetts (MA)
- Connecticut (CT)
- Rhode Island (RI)





NECPUC

❖ Organization:

- Funded by a contribution from each of the six state commissions
- Budget is determined annually by the members
- Only employee is an Executive Director
- Other work is contributed by the staff of each of the six member commissions

❖ Activities:

- Advocacy before FERC and FCC
- Advise Congressional delegations
- Ongoing interaction with ISO/RTO
- Annual Symposium
- Quarterly meetings
- Conference calls as needed



NECPUC

❖ Voting structure

- Each state has one vote
- Four states necessary for an affirmative position before FERC; two states required for defeat
- Each state may join a NECPUC filing on areas for which there is consensus plus make its own supplemental filing
- Consensus is the goal but is not always achievable



NECPUC

❖ Key issues followed by NECPUC

- ISO/RTO Governance
- Market functions
- Market structure
- Market rules
- Market monitoring
- System planning



NECPUC

❖ Relations with ISO/RTO

- NECPUC works closely with the ISO
- NECPUC staff has regular briefings from the ISO
 - ◆ Market monitoring discussions
 - ◆ Issue briefings
 - ◆ Policy discussions
- NECPUC Commissioners have regular meetings with ISO executives and the ISO Board
- NECPUC is one of many groups consulted prior to the ISO making a filing at FERC
- When its recommendation is not accepted by the ISO, NECPUC may file its position with FERC



NECPUC

❖ Relations with other regional entities

- NEPOOL is a regional stakeholder group of market participants; generators, marketers, transmission owners, end users, and others
- Its views are also very important to development of the markets
- NEPOOL members meet regularly with the ISO to work on issues related to market rules
- NECPUC monitors these meetings and sometimes engages as an active participant



NECPUC

❖ Relations with FERC

- FERC often consults the states on regional matters
- FERC is now briefing NECPUC staff monthly on the state of the U.S. and regional markets
- NECPUC Commissioners and staff interact with FERC on policy matters
- FERC has been giving the state commissions considerable, but not total, deference
- Federal/ state jurisdiction tensions remain high



Emerging RSCs: Regional State Committees

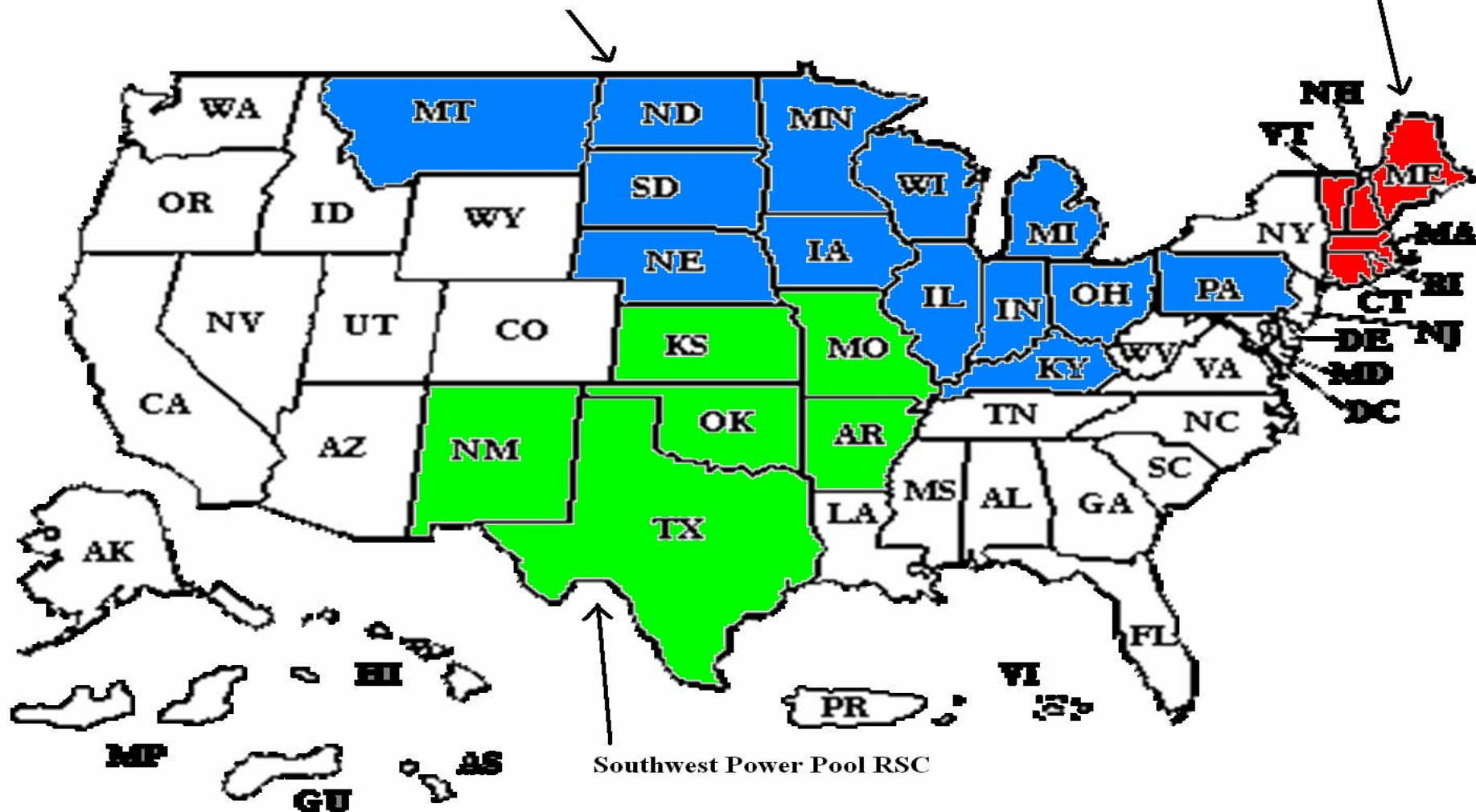
- ❖ In Order 2000, FERC recognized the need for a formal role for the states in regional matters
- ❖ FERC suggested forming regional state committees
- ❖ Issues of interest to an RSC include:
 - Resource Adequacy
 - System Planning
 - Cost Allocation
 - Cost Shifting (as transmission tariffs change)
 - FTR allocation
- ❖ These are issues that are essentially political; the role of the states is thus critical

Changing Regional Regulatory Institutions

THREE NEW REGIONAL STATE COMMITTEES

Organization of MISO States -
OMS RSC

New England RSC





New RSCs are being formed

- ❖ There is now an RSC in the mid-west, one in the southwest, and one soon to be formed in NE
 - Appointments are made by the Governors
 - Appointees are not necessarily from commissions; can be selected from executive branch agencies
- ❖ The RSCs are still trying to find their way
 - Funding via the transmission tariff
 - Hiring essential staff
 - Determining scope of authority
- ❖ Relations with Commissions not yet clear