

Resolution Concerning Federal Energy Regulatory Commission
Policies for the Formation and Operation of Regional Transmission
Organizations

WHEREAS, By the adoption of its Order No. 2000, the Federal Energy Regulatory Commission (FERC) began a process for the voluntary formation of regional transmission organizations (RTOs) through which the owners of transmission facilities would transfer ownership or control of these facilities to an independent entity that would operate regional transmission networks on a non-discriminatory, open-access basis; and

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) supported the approach taken in Order No. 2000; and

WHEREAS, In July 2001, FERC issued a series of orders that required transmission owners to enter into mediation to form large RTOs; and

WHEREAS, In response to these orders, the NARUC Board of Directors adopted a resolution at its July 2001 meeting requesting that FERC "conduct an appropriate proceeding including the collection of evidence and the opportunity for comment and participation by all stakeholders including the States, on the appropriate size and geographic scope of RTOs"; and

WHEREAS, In October 2001, FERC conducted a week-long series of workshops known as RTO Week to provide stakeholders the opportunity to address issues raised in the formation and operation of RTOs; and

WHEREAS, Over 25 State commissioners participated in the RTO Week proceedings; and

WHEREAS, On November 7, 2001, FERC adopted procedures to improve its efforts to coordinate with the States, including the creation of a new liaison office, establishment of FERC/State RTO panels structured on a regional basis, and reform of its ex parte rules to allow greater access by State commissions to FERC; now therefore be it

RESOLVED,, That the National Association of Regulatory Utility Commissioners (NARUC) convened in its November 2001 113th Annual Convention in Philadelphia, Pennsylvania, commends FERC for the steps it has announced to better coordinate with State commissions; and be it further

RESOLVED,, That NARUC commends FERC for announcing that it intends to conduct cost/benefit analyses concerning the formation of RTOs and states its willingness to provide its assistance in this effort; and be it further

RESOLVED,, That NARUC urges FERC to ensure that individual RTOs are the product of these FERC/State coordination processes, are structured to reflect unique conditions within regions, and serve to improve the operation of bulk power markets that advance the interests of consumers of electricity.

Sponsored by the Committees on Electricity and Finance and Technology. Recommended by the NARUC Board of Directors November 13, 2001. Adopted in Convention November 14,

2001.