UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Remedying Undue Discrimination
through Open Access Transmission Service
and Standard Electricity Market Design — Docket No. RM01-12-000

NOTICE OF TECHNICAL CONFERENCE AGENDA

(November 14, 2002)

1. As announced in the Notice of Technical Conferences issued on October 22, 2002, Commission staff will convene a technical conference on November 19, 2002 to discuss aspects of the resource adequacy requirement proposed in the Notice of Proposed Rulemaking issued in this docket on July 31, 2002. This notice provides further organizational details and the conference agenda.

2. The conference will begin at 9:30 a.m. and will adjourn at about 5:15 p.m. It is scheduled to take place at the Commission's offices, 888 First Street, N.E., Washington, D.C., in the Commission Meeting Room on the second floor. The agenda is appended to this notice as Attachment A. As specified in the October 22, 2002 Notice, the discussions will attempt to clarify and seek consensus on specific issues. The discussion questions are appended to this notice as Attachment B.

3. The conference is open for the public to attend, and registration is not required; however, in-person attendees are asked to notify the Commission of their intent to attend by sending an e-mail message to customer@ferc.gov. Members of the Commission may attend the conference and participate in the discussions.

4. Transcripts of the conference will be immediately available from Ace Reporting Company (202-347-3700 or 1-800-336-6646), for a fee. They will be available for the public on the Commission's FERRIS system two weeks after the conference. Additionally, Capitol Connection offers the opportunity for remote listening and viewing of the conference. It is available for a fee, live over the Internet, via C-Band Satellite. Persons interested in receiving the broadcast, or who need information on making arrangements should contact David Reininger or Julia Morelli at the Capitol Connection (703-993-3100) as soon as possible or visit the Capitol Connection website at http://www.capitolconnection.gmu.edu and click on "FERC."

5. Questions about the conference program should be directed to:

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Linwood A. Watson, Jr.
Deputy Secretary

ATTACHMENT A

Schedule

9:30 – 9:35 AM **Introductions**

9:35 – 9:45 AM **Opening Remarks**
Kevin Kelly, Commission Staff

9:45 – 11:15 AM **Session I**

***Panelists**:*
Regina M. Carrado, Regulatory Specialist, Exelon Corporation, Exelon Generation, L.L.C.
David LaPlante, Vice President, Markets Development, ISO New England Inc.
Ronald G. Lukas, Senior Vice President, KeySpan Energy Supply, LLC
Marc Montalvo, Manager of Wholesale Market Analytics, Lacapra Associates, Inc., on behalf of the Pennsylvania Office of Consumer Advocates
Karen Krug O'Neill, Vice President, New Markets, Green Mountain Energy
Mark Reeder, Chief, Regulatory Economics, New York Public Service Commission

11:15-11:30 AM **Break**

11:30 – 1:00 PM **Session II**

Panelists:
Michael Alcantar, Attorney, Alcantar & Kahl LLP, on behalf of the Cogeneration Association of California (CAC) and the Energy Producers and Users Coalition (EPUC)
Kieran Connolly, Public Utilities Specialist, Bonneville Power Administration
Kellan L. Fluckiger, Senior Advisor to the Chair and CEO, California Consumer Power and Conservation Financing Authority
John Meyer, Vice President of Asset Commercialization, Reliant Resources
Charles Reinhold, WestConnect RTO Project Manager, Electric Resource Strategies
Gary Stern, Director of Market Monitoring and Analysis, Southern California Edison Company
To be determined, Silicon Valley Manufacturing Association

1:00 – 2:00 PM **Lunch**

2:00 – 3:30 PM **Session III**

Panelists:
James Caldwell, Policy Director, American Wind Energy Association
William F. Hall, III, Senior Vice President, Energy Policy & Strategy, Duke Energy Corporation
William J. Head, Chief Operating Officer, MAPPCOR, representing the Mid-Continent Area Power Pool
Stephen L. Huntoon, Senior Director & Regulatory Counsel, Dynegy Power Marketing, Inc.
Sam Randazzo, Partner, McNees, Wallace & Nurick, LLC, on behalf of Ohio Industrial Consumers
Rick Riley, Director, Transmission Policy, Entergy Services, Inc. on behalf of SeTrans Sponsors
Raymond J. Wahle, P.E., Director, Power Supply and Operations, Missouri River Energy Services

3:30 – 3:45 PM **Break**

3:45 – 5:15 PM **Session IV**

Panelists:
The Honorable Thomas Welch, Chairman, Maine Public Utilities Commission
The Honorable Robert B. Nelson, Commissioner, Michigan Public Service Commission
Richard Campbell, Director, Energy & Technology, American Forest & Paper Association
David R. Nevius, Vice President, North American Electric Reliability Council
Roy Shanker, Consultant and Participant of the Northeast Joint Capacity Adequacy Group
David M. Velazquez, Vice President, Business Planning, Conectiv Energy Supply Inc., on behalf of The Edison Electric Institute (EEI) and the Alliance of Energy Suppliers

ATTACHMENT B

Discussion Questions

Each panel will discuss the following questions:

1. Should there be a standard resource adequacy plan for the entire grid?

    a. If not, what other measures can be used to ensure regional resource adequacy?

2. For LSEs in states with bundled retail sales which have met state planning guidelines, what more must the ITP do?

    a. Should the ITP independently verify that the guidelines have been met?

    b. Should the ITP ensure the physical deliverability of identified resources?

    c. Should the ITP verify that no resources have been double counted on a regional basis?

    d. Is there value to coordinating these state planning guidelines regionally?

3. What should the resource adequacy product requirement be?

    a. Combination energy/call contracts requirement.

    b. Capacity requirements, where energy and capacity are separate products sold in the market. The seller of a capacity product would be obligated to offer energy into the market.

4. How should the penalty structure on deficient LSEs be set?

    a. Is a penalty on LSEs in real time sufficient?

    b. Should an LSE who failed to meet its forward obligation in the appropriate planning horizon be able to avoid a real-time penalty by procuring its resources past the deadline?

5. What disincentives should exist for adequacy suppliers to prevent non-performance?

6. Should the resource adequacy requirement be met solely through bilateral contracts or should a centralized market (accommodating bilateral contracts) be available?

7. What process should be implemented if the ITP identifies a shortage of planned resources?

   a. Should the ITP implement a market to ensure such resources are available?

   b. If so, who should pay for the availability of such resources?

   c. Further, should existing resources be able to participate in such a market?

8. How will the ITP ensure deliverability of adequacy resources?

   a. Must resources be physically identified to meet the adequacy requirement?

   b. Should liquidated damages contracts without specific resources identified be sufficient?

   c. How should transmission rights to distant generation sources be allocated to meet the adequacy requirement?

9. What guidelines should the Regional State Advisory Committee (RSAC) follow in determining the planning horizons and adequacy procurement deadlines?

   a. Should a ladder approach to procurement be allowed? This approach would require LSEs to procure an increasing percentage of their total adequacy requirement at intermediate points during the span of the planning horizon.

10. What should the RSAC process be to determine each region's adequacy requirement?

11. What should be the relationship between the RSAC and the ITP in the load

forecasting and resource evaluation process?

12. How should each LSE's obligation be set in a fluid retail access environment?

    a. Should the adequacy product necessarily be liquid and fungible?

13. How can demand resources be measured to count equally toward adequacy requirements?

14. How can intermittent resources be evaluated to count appropriately toward adequacy?