

# **SJR 91 – JOINT SUBCOMMITTEE STUDYING ELECTRIC RESTRUCTURING**

## **STRUCTURE AND TRANSITION TASK FORCE**

### Proposed Discussion Points

*Structural issues should be addressed first, followed by issues that define the process by which the transition occurs.*

*Issues marked by an asterisk were not included in the Joint Subcommittee's original list, but have arisen in other states. The Task Force may want to consider these issues during its deliberations.*

#### **I. STRUCTURE – THE END RESULT AFTER THE TRANSITION PERIOD**

##### **A. Reliability – 24x365**

*What is intended by the term? "System reliability" means electricity will be available "24 x 365" (24 hours a day, 365 days per year). The restructured system must assure the generation and transportation of electricity without disruption or outages with a system reliability that is at least equal to the current system. Reliability issues related to public benefits and social welfare programs should be addressed by the Consumer Environmental Education and Protection Task Force.*

*Below are the issues that need to be discussed to assure 24x365 reliability.*

1. Provider of Last Resort must assure reliable service for three consumer segments.\*
  - a. Customers who choose not to choose.
  - b. Customers who can't find a marketer.
  - c. Customers who need a "backstop" if their suppliers fail to deliver.
2. ISO/RPX
  - 1
  - 2
    - a. FERC vs. SCC jurisdiction
    - b. Separation of ISO & RPX\* (*ISOs and RPXs have different functions*)
    - c. ISO & Distribution Utility relationship\* (*ensure proper interface between transmission and distribution*)
    - d. Bilateral Contracts
    - e. Import Capacity
3. Ancillary Services

4. Capacity Reserves

**A. *Market Power***

1. Divestiture
2. ISO/RPX
3. Marketer Code of Conduct
4. Distribution Utility Competitive Pricing\*

**A. *Marketer/Supplier Requirements & Distribution Company Relationships***

*Incumbent IOUs and Cooperatives are subject to service standards under existing law. Should service standards be applicable to new entrants and if so, what should they be?*

1. Certification & Licensing\*
2. Performance Bond/Letter of Credit\*
3. Customer Service Standards\*
  - a. Segmenting
  - b. Communications
  - c. Billing
  - d. Load Forecasting

**II. TRANSITION -- STEPS TOWARD A RELIABLE SYSTEM**

**A. *Unbundling/Pricing***

1. Metering, Billing & Collection
2. Ancillary Services
3. Capacity
4. Balancing

**A. *Timeline for Customer Choice***

1. Pilots
  - a. Size and Duration
  - b. Customer Sign-up Process
  - c. Energy Credit

1. Customer Phase-in
2. Existing Contracts

**A. *Cooperatives and Municipals***

1. Mandatory vs. Voluntary Participation
2. Reciprocity