

<b><i>December 9 CREPC request</i></b>	<b><i>FERC staff response</i></b>	<b><i>Next steps</i></b>
<p>Request 1: Price transparency</p> <p>Task 1: Investigate and report on the degree of manipulation of private sector price indices in the West (e.g., COB, Mid-C, Palo Verde, Four Corners, Marketplace). As part of the investigation, compare prices reported at Western trading hubs with prices reported on comparable sales under the Western Systems Power Pool.</p> <p>Task 2: Determine the feasibility of requiring real-time reporting of price information under WSPP contracts and using such information to construct meaningful price indices in the Western Interconnection.</p>	<p>There is an on-going investigation of manipulation of price indices that will be completed in the Spring.</p>	<p>Wait for FERC investigation report and then decide if it responds to CREPC request.</p>

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<p>Request 2: Data confidentiality</p> <p>Task 1: Review FERC-approved tariffs in the Western Interconnection to identify and report on which tariffs allow the withholding of information (e.g., prices, power flows) from the market. Evaluate the impact of the withholding of such information on the market.</p>	<p>FERC staff seeks clarification of which CA ISO tariff provision allows for withholding of information from WECC database on flows from powerplants and over paths. FERC staff will review the history of this issue: parties' comments and the Commission's decision to prepare for further discussions.</p>	<p>CREPC will seek to identify tariff provisions. Because the discussion of the ISO tariff is part of a larger issue of whether allowing/ requiring the withholding of information advances or hinders development of wholesale markets, this issue will be put on the agenda for CREPC's April meeting.</p>
<p>Request 3: Perform an audit to compare OASIS postings and actual flows on paths in the Western Interconnection</p> <p>Task 1: Compare ATC postings with actual flows on the paths listed in Attachment A.</p> <p>Task 2: Select for more detailed analysis: (1) time periods when there were extraordinary prices (e.g., above \$250/Mwh); and (2) paths and time periods during which there were significant price differentials between the ends of the path.</p> <p>Task 3: Report findings from Tasks 1 and 2 and include an examination of the causes of differences between ATC and actual flows, such as:</p> <ul style="list-style-type: none"> <li>▪ Overstatement of committed transmission capacity by transmission owners;</li> <li>▪ Manipulation of ATC calculations to block use of paths by competitors;</li> <li>▪ The limited types of transmission products offered under Order 888 (e.g., firm, non-firm);</li> <li>▪ Reservation of ATC to preserve dispatch flexibility or reliability for native load service;</li> <li>▪ Other causes?</li> </ul> <p>Determine if there are any differences in ATC practices between transmission owners that are FERC-jurisdictional and transmission owners that are not FERC jurisdictional.</p>	<p>There is an ongoing audit and FERC staff cannot discuss the elements of the audit.</p> <p>State input to the current audit (e.g., likely problem areas to focus on) is welcome, as well as in the design of any future work.</p>	<p>The point of contact at FERC is Bryan Craig Office of Market Oversight and Investigation. (WIEB staff will be contacting him.)</p>
<p>Request 4: Assess the impact of various reciprocity provisions (applicable to non-RTO participants) on achieving the objectives of Western RTOs and SMD in the Western Interconnection (e.g., impacts of</p>	<p>Two page summary of reciprocity provisions from Order 888, Order 2000 and SMD</p>	<p>No further steps identified.</p>

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reciprocity on congestion management).	2000 and SMD reciprocity provided to CREPC in February.	
<p>Request 5: Provide assistance to the SSG-WI Planning Work Group on modeling of system expansion studies by:</p> <ul style="list-style-type: none"> <li>▪ Ensuring such studies have broad participation by all entities;</li> <li>▪ Ensuring that such studies address non-wires alternatives; and</li> <li>▪ Participating in the development of new modeling tools that reflect the potential exercise of market power.</li> </ul>	Some FERC staff sees need for Western model, but funding is uncertain and such model would be useful only if all western parties agree with specification and elements of such a model.	CREPC will provide FERC staff with better definition of what is needed.