

**ADVICE OF THE
WESTERN INTERCONNECTION REGIONAL ADVISORY BODY
TO THE BOARD OF DIRECTORS OF THE
WESTERN ELECTRICITY COORDINATING COUNCIL**

The Western Interconnection Regional Advisory Body (WIRAB) submits advice to the Board of Directors (Board) of the Western Electricity Coordinating Council (WECC) regarding the proposed charter for the Reliability Coordinating Committee.

WIRAB supports the proposal to establish a Reliability Coordination Committee that will consult with the WECC Chief Operating Officer (CEO) on matters of personnel, operations and budgets for Reliability Center (RC) governance. The proposed charter provides the institutional independence for RC governance envisioned by WIRAB, and we believe the Federal Energy Regulatory Commission, as a condition for ensuring RC funding through statutory assessments under Section 215 of the FPA.

WIRAB members represent the states of Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming, the Canadian provinces of Alberta and British Columbia, and Mexico.

Reliability Center Funding under Section 215

WIRAB has recognized the critical importance of RCs to maintaining system reliability and has strongly supported WECC's Reliability Center Strategic Initiative. WIRAB submitted three sets of advice to FERC in support of funding WECC's RCs with statutory assessments under Section 215 of the FPA.¹ In each, WIRAB stressed the

¹ Advice of the Western Interconnection Regional Advisory Body on Fees and Consolidated Budget Proposal of the North American Electric Reliability Council, FERC Docket No. RR06-3-000, October 6, 2006; Advice of the Western Interconnection Regional Advisory Body on Funding Western Reliability Coordinators, FERC Docket No. RR06-3-000, November 27, 2006; Advice of the Western Interconnection

importance of the independence of RC governance and operations. For example, WIRAB stated in advice filed October 6:

[B]road-based financing through Section 215 assessments ensures the independence of Reliability Centers from specific owners and operators of the transmission system. Up to now, Reliability Centers have been located and closely linked to the operation of a host transmission owner and operator. Funding western Reliability Centers from Section 215 assessments is essential to eliminate any potential conflict of interests. WIRAB concurs with WECC that this independence is a benefit, and that it is consistent with the Commission's policies favoring independent administration and enforcement of reliability-related functions. [footnote omitted] The absence of conflicts of interest has been a central theme in the Commission's Orders implementing Section 215.²

FERC's ultimate reversal on RC funding was due to the unified message sent by WECC, WIRAB, and other industry supports of RC funding. In its April 19 order, FERC cited the changes under the Reliability Center Strategic Initiative, and that "reliability center employees will be funded independently by WECC; work full time for WECC; report to WECC management, not that of the host facility; and are disciplined and rewarded solely by WECC."³

Proposed Reliability Coordination Committee

WIRAB supports the proposed charter for the Reliability Coordination Committee (RCC) that would authorize the RCC to advise the WECC Board and CEO with respect to the operations, personnel, and budget of WECC's RCs.

Regional Advisory Body on Funding Western Reliability Centers Following the Technical Conference on March 2, 2007, FERC Docket No. RR06-3-001, March 12, 2007.

² WIRAB Advice, October 6, 2006, at 11.

³ Order on Rehearing, North American Electric Reliability Corporation, FERC Docket No. RR06-3-001, April 19, 2007, at P 33.

WIRAB understands that the proposed charter would require the WECC CEO to consult with the RCC on any decisions related to RC budgets and any major decision regarding RC function and operation. The RCC recommendations to the WECC CEO and Board shall be advisory. However, the RCC shall have authority to calendar any matter within its scope of authority for consideration by the WECC Board. Absent unusual and compelling circumstances, the WECC CEO shall not make a final decision on any matter so calendared by the RCC until the WECC Board has an opportunity to consider such matter and RCC's recommendation(s).

The proposed charter provides that the RCC shall consist of up to seven members appointed by the Board Chair and with the approval of the Board. At least two members shall be Non-affiliated Directors. The RCC shall not have a majority of members who are employed by balancing authorities within the WECC.

WIRAB believes the proposed charter provides (1) adequate separation between the balancing authorities and the RC structure advocated by WIRAB and relied upon by FERC in granting funding through statutory assessments of Section 215 of the FPA; (2) ensures sufficient authority by the WECC CEO to implement budgets and manage personnel operating the RCs; and (3) draws upon the expertise and guidance from balancing authorities without allowing for undue control in the operations or governance of RC activity.

WIRAB Recommendation

WIRAB recommends that the WECC Board approve the proposed charter for the Reliability Coordinating Committee.

Dated this 4th day of December, 2007.

Respectfully submitted,

A handwritten signature in black ink that reads "John F. Savage". The signature is written in a cursive style with a large, sweeping initial "J" and a distinct "F".

John Savage, Chairman
Western Interconnection Regional Advisory Body