

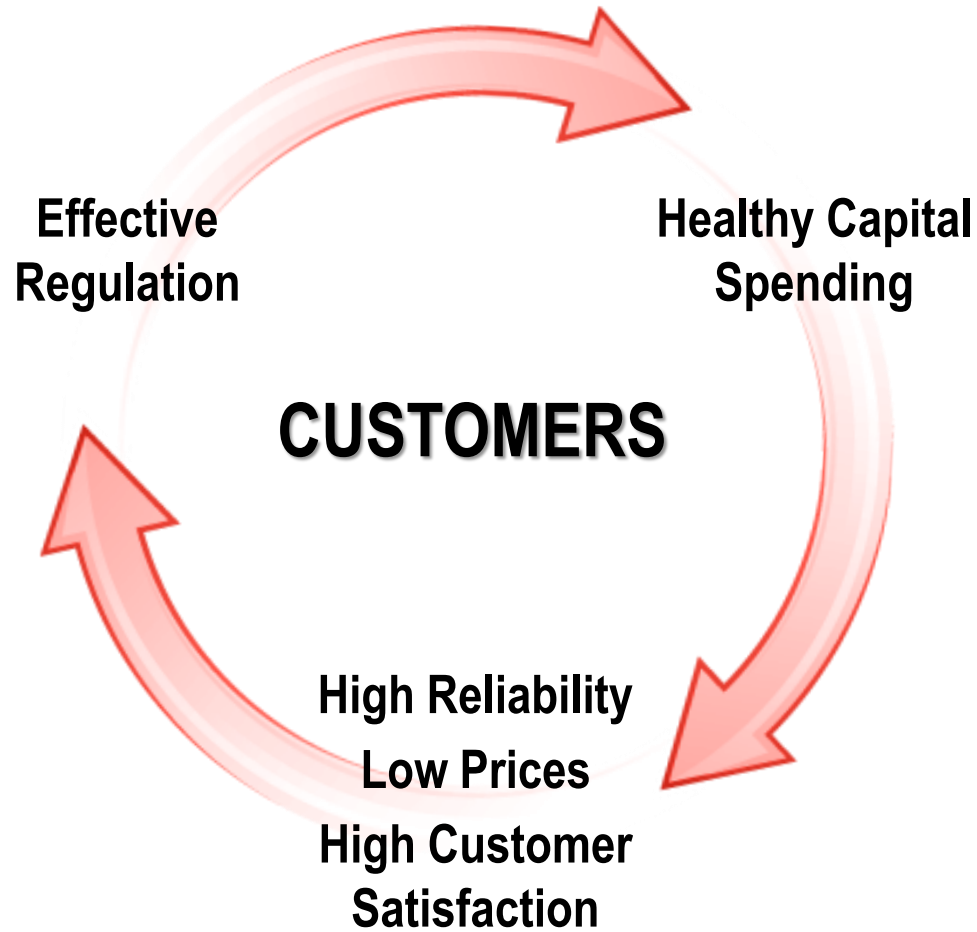
Interregional Transmission Service & Operations

A Bilateral Market Perspective
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TRANSMISSION



Circle of Life



Bilateral Market

- Key objective -- Providing long term sustained value to Customers
- Long term view
 - Firm resource & firm delivery
 - Plan and build for expected dispatch
 - Planned for limited congestion
- Integrated Resource Planning
 - Optimized generation/transmission decisions
- Long term predictability
 - Cost
 - Availability
 - Reliability
 - Fuel diversity

Real Time Operations

- Economic dispatch of entire fleet
- Unit commitment based on unit costs adjusted for expected transmission constraints...SCED
- If congestion, typically manage with most responsive resources
- Visibility and predictability are keys to success

Seams Management

- An approach like PFV with consistent implementation could provide value
 - Higher accuracy/more visibility
- Maximum Utilization vs Margin for Error
 - Evolving resource mix creates higher uncertainty
- Coexistence of Bilateral and Organized Markets

Considerations

- Visibility and Predictability are key ingredients of both reliability & economics
- Regional/regulatory flexibility is important
 - “One size fits all” solutions are not the answer
- Day Ahead coordination efforts
 - Coordinated Unit Commitment Plans
 - Visibility/Transparency in congestion management
 - Proper forum is voluntary, industry initiated, outside the regulatory environment

Questions