



“Regional State Advisory Committees and Grid Governance”

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Harvard Electricity Policy Group
Thirty-Second Plenary Session

September 25-26, 2003
Cambridge, Massachusetts





CONSTITUTIONAL CONTEXT

- ✚ Only Two Places for Ultimate Authority

- ✚ States

- ✚ Federal Government



CONSTITUTIONAL CONTEXT

- There is no such thing as a regional government
- (Exception: Interstate Compact – takes both Congress & states)



CONSTITUTIONAL CONTEXT

- Once ultimate authority is determined, all other process is consensual and/or advisory
- Ultimate authority cannot be delegated



CONSTITUTIONAL CONTEXT

■ Interstate Commerce Clause

- Congress may pre-empt and prescribe interstate commerce matters



ELECTRICITY: A MIX OF STATE/INTERSTATE/FEDERAL

- ✚ Physically, electricity is interstate in nature
 - ✚ Transmission grids
 - ✚ Siting
 - ✚ Reliability



ELECTRICITY: A MIX OF STATE/INTERSTATE/FEDERAL

■ Major intrastate concerns

- Retail service policies and rates
- Payment of G&T (&D) costs
- Siting: land-use and environmental



ELECTRICITY: A MIX OF STATE/INTERSTATE/FEDERAL

■ State-Federal mix inevitable

- Too complex & political to be all federal
- Too interstate to be all local (state)

■ MSEs necessarily advisory

- To states and/or
- To feds



MSEs: THE NEW PANACEA?

- ❏ RTOs
- ❏ RSCs
- ❏ Siting



MSEs: THE NEW PANACEA?

▣ Practical questions

▣ **Why** is MSE Being Proposed?

▣ **What** Problem does it Address?



MSEs: THE NEW PANACEA?

✚ **Where** Does/Should Ultimate Authority Lie?

✚ State, Federal, Split, or Joint?

This is the most important question



MSEs: THE NEW PANACEA?

- **What** Functions Will entity Serve?

- **Who** Are First-Level Decision-Makers?

 - Accountable to Whom?



MSEs/TENSION: Better Input vs. More Red Tape

- Upside: more input to inform ultimate authority
- Downside: more process



MSEs/TENSION: Better Input vs. More Red Tape

- Alternative: advocacy before ultimate decision-maker
 - States may join together ad hoc

MSEs

DEGREES OF INFLUENCE

- Provide Forum
- Create Record
- Make a Recommendation
 - (e.g. FCC joint boards)
- Make Presumptive Decision

MSEs

DEGREES OF INFLUENCE

- Alternative: contractual arrangements
 - Among governments
 - Among utilities
 - Can be legally binding

MSEs

MEMBERSHIP/VOTING

- ❏ One state, one member?
- ❏ Federal member?
- ❏ Who names members?
- ❏ Majority vote? Consensus?
- ❏ Who pays costs?



RSCs

- ❏ Still advisory, even without the “A”
- ❏ Necessarily advisory
- ❏ Ultimate authority matters most



CHALLENGE:

- Where is value added?
- What about existing “MSEs”



NW REGIONAL POWER COUNCIL

Why ■■ BPA oversight

How ■■ Interstate compact

Who ■■ 4 NW Governors each pick 2 members

What ■■ Advisory to States; minor powers over BPA



WIEB Western Interstate Energy Board

- Why
 - Western issue coordination
- How
 - Interstate compact
- Who
 - 12 states and 3 provinces
- What
 - Forum; Advisory to states



WECC Western Electricity Coordinating Council

- Why ■ Western grid standards
- How ■ Contracts (utilities)
- Who ■ Western utilities, PMAs, state reps, others
- What ■ Contractually enforceable standards
- What ■ Under Energy Bill: could get delegated authority from FERC



NWPP Northwest Power Pool

Why ■■ Coordinate hydro

How ■■ Contracts (utilities)

Who ■■ Utilities & BPA

What ■■ Monitors & coordinates regional load balance

A FEW MULTI-STATE ENERGY ENTITIES IN THE WEST

MSE	WHY WAS MSE FORMED?	HOW WAS IT FORMED?	WHERE IS ULTIMATE AUTHORITY?	WHAT DOES MSE DO?	WHO DOES IT?
<p>NW Regional Power & Conservation Council</p> <p>Statutory; Advisory</p>	<p>Oversight of Bonneville Power Administration</p>	<p>Interstate compact</p>	<p>DOE (for BPA)</p>	<p>Plans for regional power needs, and BPA's fish programs</p>	<p>Eight members, appointed (two each) by four Northwest governors.</p>
<p>Western Inter-State Energy Board (WIEB)</p> <p>Statutory; Advisory</p>	<p>Originally, to coordinate Western nuclear issues</p>	<p>Interstate compact</p>	<p>States (their authority over energy issues including generation, siting, and emergency response)</p>	<p>Helps Coordinate state functions (advisory)</p>	<p>One member from 12 states and 3 Canadian provinces</p>
<p>Committee on Regional Electric Power Cooperation (CREPC)</p> <p>Informal; Forum</p>	<p>Need for understanding and coordination of Western electricity and grid issues</p>	<p>Standing committee of WEIB (see above)</p>	<p>States (see above)</p>	<p>Provides a forum for Western electricity issues: facilitates information exchanges, consensus positions, and coordinates actions</p>	<p>Informed representatives from, state energy offices, PUCs, and other relevant state agencies. Staffed by WEIB (above).</p>
<p>Western Electricity Coordinating Council (WECC) Utility Group*</p>	<p>To establish and manage Western grid reliability standards</p>	<p>By US and Canadian utilities, by contract</p>	<p>BPA and utilities (as subject to their regulators)**</p>	<p>Sets and oversees grid reliability standards</p>	<p>Utilities and Western stakeholders, including states.</p>
<p>Northwest Power Pool (NWPP) Utility Group*</p>	<p>To coordinate Northwest hydro system operation, as called for by certain agreements; serves as NW subgroup of WECC</p>	<p>By US and Canadian NW utilities, by contract</p>	<p>BPA and utilities (as subject to their regulators)</p>	<p>Coordinates NW hydro system operation consistent with WECC</p>	<p>Utility, BPA, and stakeholder representatives</p>



CHALLENGE

■ Where is value added?