

# **RTOs/ISOs**

## **The Creature and the Creator**

### **The Benefit/Cost of Having Children**

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# The Three Children

“Coping with three living and one deceased in 8 years”

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1. Functionally Separated, Fire-walled and Ring-fenced Operating Division – 1996-2002
2. Independent “Operator/Asset Manager” Transmission Company – 2002
3. Independent System Operator – 2005
4. Grid Waste (deceased) 1999-2006

Q. Who is the favorite child?

A. **The youngest until it grows; and the sick until it recovers!**



# The Creator

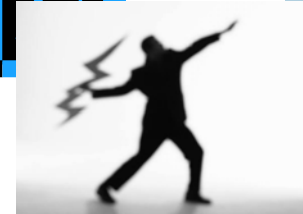
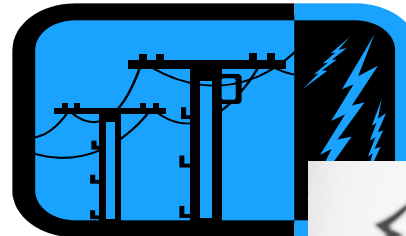


## ***Public Policy***

- Competition, Competition, Competition

## ***Regulatory Policy***

- Fair Access
- Non-Discriminatory Access
- Reliability



## ***Market/Customer Needs***

- The continually evolving list
- The continually contradictory list

## The Creature (RTOs/ISOs)

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- Can competition be achieved any other way?

**The experience with the three children**

- Is it fair to task the RTO/ISO to rationalize the benefit of the public policy?

**No**

- Is it fair to expect the RTO/ISO to demonstrate their fiscal and management discipline.

**Yes**



# The Campaign Against RTOs

## *Is it the ISOs or Restructuring?*

***“Cost of RTOs/ISOs keep increasing”***

- 7 ISOs cost more than 1. Look at CAISO and PJM.

***“Congestion Cost is High”***

- It was always there, now it is transparent

***“Non-responsive to Customer Needs”***

- Give me the list, will do it tomorrow.

***“They are doing too much; no – they’re not doing enough”***

- We are at the crossroads

