IEPR Committee Workshop

California Energy Commssion

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Emerging Trends in the Western Interconnection

Western Electricity Coordinating Council: Restructuring

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Presentation: Restructuring WECC

- Background
 - ✓ WECC Today: Why Restructure? Controversy?
- 2. Proposed Structure and Governance
 - ✓ Reliability Coordination Company: RCCo
 - ✓ Regional Entity (RE)
- 2. Proposed Functions: RCCo and RE
- 3. Funding
- 4. Implications for CA and the West?
- 4. Milestones/Actions: June 2013- January 2014



Current WECC Structure and Governance

- > Seven stakeholder member classes
 - ✓ Large transmission owners, small transmission owners, generators/marketers, states/provinces, end-users, Canadians, other
- ➤ Large hybrid board 34 members
 - ✓ Seven non-affiliated Directors
 - ✓ 26 stakeholder directors, elected by member classes
 - ✓ CEO
- > 501(c)(6) entity: not for profit trade association



Why Restructure?

- ➤ Enhance reliability: avoid another Sept. 2011 Outage
- Respond to NERC and FERC
- > Increase independence, oversight, and analysis
- Clarify reliability roles and responsibilities
- > Allow participation in Event Analyses of outages
- > Confirm funding mechanism



Controversial Issues: Largely Resolved

- > Bifurcate into two entities:
 - ✓ Reliability Coordination Company (RCCo) [new]
 - ✓ Regional Entity (RE) [current WECC minus RCCo functions]
- > Affiliations of board directors
- > Number of member classes
- Advisory committee makeup
- Legal incorporation status
- Proposed funding mechanism
- ➤ Role of WI Reliability Advisory Body (WIRAB)



Proposed Bifurcation Structure

RCCo Board
7 Independent
Directors

WIRAB

Member Advisory Committee

- 5 classes
- 3 members per class

RE Board
9 Independent
Directors

WIRAB

Member Advisory
Committee

- 5 classes
- 3 members per class



Proposed Governance: RCCo and RE

- > Independent Boards of Directors
 - ✓ RCCo seven directors, RE nine directors
- > Five member classes
 - --large transmission owners; small transmission owners; generators/marketers; end users; states
- Strong Member Advisory Committees (MAC)
 - ✓ Three representatives/member class
 - ✓ Independent of Board
 - ✓ Provides member class perspective to Board
- > 501(c)(4) entity "best interest of public welfare"



Functions: Reliability Coordination Co.

- Reliability Coordination (real-time operating reliability, widearea view)
- Authorizes implementation of balanced Interchange Schedules between Balancing Authority Areas and ensures communication (Interchange Authority)
- ➤ Has the authority to direct other functional entities to take actions to ensure that its Area operates reliably
- Next-day and seasonal planning
- > EMS (energy management system) engineering/applications



Functions: Regional Entity (WECC)

- > Standards development
- > Compliance monitoring and enforcement
- Event Analyses
- > Reliability assessment
- Resource adequacy assessment
- > WREGIS
- Interconnection-wide transmission planning
- Transmission line path rating



Proposed Funding: RCCo and RE

- ➤ Petition for Declaratory Order regarding Section 215 funding for both entities
 - ✓ WECC filed with FERC March, 2013
 - ✓ WIRAB files in support April 2013
 - ✓ Decision possible May/June 2013
- > Negotiated agreements with Canada and Mexico

Possible Implications for CA/West?

- WECC member classes lose direct representation with independent board
- Eastern directors may be more predominant?
- Independent board could be more inclined to RTO-like functions
- Contingency reserve requirements and standards for existing Tsystem operations could change
- Role and technical strength of traditional WECC standing committees could diminish
- Continuing structure and policy focus of T-planning uncertain

Controversial Issues: Pending

- ➤ Push by some Class 1 and 2 (transmission owners) for greater influence, particularly in RCCo
- > Some objections to key bylaw changes
- Clarifying RE and RCCo relationship
 - ✓ data sharing
 - ✓ reliability focus
- > Western Renewable Energy Generation Information System

Milestones: May-June 2013

- ➤ Regional meetings in May
- ➤ Membership votes on Bylaws
- ➤ Board approval of Bifurcation, RCCo Bylaws and WECC Bylaws Amendments
- ➤ Election of members for RCCo and RE (WECC) Member Advisory Committees

(June 27-29, 2013 WECC Annual Meeting/Board meeting San Diego)

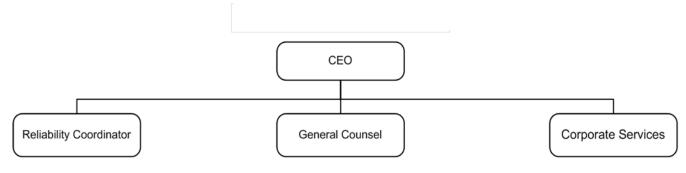
Milestones: Fall/Winter 2013

- ➤ Nomination of Independent Directors
- ➤ Membership vote on WECC and RCCo directors
- ➤ October/November FERC Orders?
 - ✓ Delegation agreement/amendment
 - ✓WECC Bylaws
- ➤ RCCo goes live January, 2014?

Actions: WECC Members/States

- > Vote on RCCo Bylaws, WECC bylaw amendments
- Classes vote to select 15 person Member Advisory Committees (June 27, San Diego)
- Identify strong western candidates for independent directors on both boards of directors
- ➤ Support funding through Section 215 at FERC

Reference Slide: RCCo. Functions [DRAFT]



- Reliability Coordination
- Next-Day and Seasonal Planning
- EMS Engineering
- EMS Applications
- Information Technology
- Interchange Authority
- Registered Function Compliance
- WECC Interchange Tool (WIT) **
- webSAS **
- Events Analysis *
- Standards Development (NERC) *
- Standards Development (Regional) *
- Regional Criteria Development *
- Regional Business Practices Development *
- Situational Awareness *

- Legal Services
- Corporate Compliance
- Corporate Secretary

- Administration
- Communications
- Human Resources
- Information Technology
- Accounting/Finance

^{**} Details of roles and responsibilities under discussion



^{*} Participate as a Registered Entity

Reference Slide: RE Functions [DRAFT]



- Registration
- Auditing
- Enforcement
- Training/Outreach
- Standards Development (NERC)
- Standards Development (Regional)
- Regional Criteria Development
- Regional Business Practices Development
- Transmission Expansion Data and Models
- Planning Studies and Interconnectionwide Plans
- Reliability Assessments and Data Collection
- System Performance Analysis
- Power Flow and Dynamic Models
- Bulk Electric System Exception Process.
- Dynamic Model Development
- Maps
- Planning Coordination and Studies
- Project Coordination and Path Rating Process.
- Transmission Planning Oversight
- Entity Certification
- Event Analysis
- Situational Awareness
- Remedial Action Scheme Analysis and Database
- System Operator Training
- Committee Support
- WECC Interchange Tool (WIT) **
- Unscheduled Flow Mitigation Plan and webSAS **

- Administration
- Communications
- Human Resources
- Information Technology
- Accounting/Finance

General Counsel

- Legal Services
- Corporate Secretary

** Details of roles and responsibilities under discussion

