



*Comments of the
Electricity Consumers Resource Council (ELCON)
Relating to:
NERC Governance
August 11, 2006*

1. (See ¶ 63 in FERC order)
 - a. *Should NERC move to a single representation model for ERO membership and voting on standards?*

ELCON Response: Yes, NERC should have a single representation model. There is no reason to incur the extra cost, inconvenience and confusion of two different models. Further, two models creates a perception that NERC could not come to an agreement on a single model and raises the perception of undue influence in the governance process by certain entities.

- b. *What should that membership model be?*

ELCON Response: The representation model of today's Registered Ballot Body has been shown to work – and work well. It should be the model for ERO membership as well as for the RBB. ELCON is strongly opposed to any further dilution of consumer representation from that on the RBB model. We thus oppose the proposed representation model for the Member Representation Committee. We are strenuously opposed to giving the RROs and REs any vote in the Member Representation Committee. FERC was very clear when it said: "NERC must address the potential conflict in having REs participate in advising the board on issues such as budgets, which have a direct impact on the REs." (¶ 75 of the FERC Order) Obviously RROs and REs, like NERC staff, should be offered the opportunity to attend any open meeting.

- c. *Should NERC take the approach of justifying the two separate representation models?*

ELCON Response: No. There is no need for two different models and no justification should be attempted. As stated above, two models creates a perception that NERC could not come to an agreement on a single model and raises the perception of undue influence in the governance process by certain entities.

- d. *What would the justification for two separate models be?*

ELCON Response: There is no reason to have different models. It would only draw attention to a dysfunctional governance model.

2. (See ¶ 75 in FERC Order)

a. Should the representation model limit regional reliability organizations to one member per interconnection?

ELCON Response: Regional reliability organizations (and regional entities) are (or should be) simply extensions of NERC. As such, they should have no vote. As stated above, FERC was very clear when it said: “NERC must address the potential conflict in having REs participate in advising the board on issues such as budgets, which have a direct impact on the REs.” (¶ 75 of the FERC Order) Obviously RROs and REs, like NERC staff, should be offered the opportunity to attend any open meeting.

b. Should regional entities and regional reliability organizations share the same representation or be represented separately?

ELCON Response: They should generally share the same representation – with no vote.

3. (See ¶ 90 in FERC order)

a. If NERC separates the ISOs/RTOs into a separate segment for voting on standards, should that segment be subject to the segment weight discounting rule (each entity gets 10 percent of a segment vote)?

ELCON Response: The issue of ISO/RTO representation is complex. The ISOs/RTOs negotiated for, and received, basically equal status with both NERC and NAESB in the creation of the NERC/NAESB/IRC structure of the Joint Interface Committee (JIC). It would be double representation to give the ISOs and RTOs an additional vote in NERC. However, ELCON recognizes that FERC stated: “Therefore we require NERC to create a separate segment for ISOs and RTOs and address the ISO/RTO Council’s request for a waiver from the provision weighting the vote of segments with fewer than ten members.” (¶ 90 of FERC’s Order) Thus, NERC has no choice unless it chooses to contest the FERC Order.

b. Should the same rule apply for regional entities and/or regional reliability organizations?

ELCON Response: Neither the regional entities nor the regional reliability organizations should have any vote (see above).