

ELCON PRESS RELEASE

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ELCON SUPPORTS RULEMAKING ON RTO/ISO RESPONSIVENESS

ELCON President John Anderson urged FERC to take “definitive action” by commencing a new rulemaking on the overall issue of ISO and RTO Responsiveness.

Anderson, speaking at FERC’s Technical Conference on the issue, recommended that FERC focus on four topics in the rulemaking, noting that consumer complaints about ISO and RTO responsiveness are of longstanding and that “structural issues...need to be overcome if the ISOs/RTOs are to become more effective.”

The four issues are (1) Process Reform, (2) Structural Reforms, (3) Accountability and FERC Review, and (4) Metrics.

With regard to Process Reform, Anderson stated that “FERC should impose specific requirements that give stakeholders full rights participation in the most essential ISO/RTO processes, “including the establishment of “Mission and Vision statements that clearly direct the ISOs and RTOs to work in the interest of consumers.”

On Structural Reform, Anderson pressed for reconsideration of “hybrid boards,” which he called the “best long-term solution for ensuring ISO/RTO accountability to shareholders.” He also recommended that FERC “eliminate self-perpetuating ISO/RTO boards.”

Regarding Accountability, Anderson suggested that FERC should consider ISO/RTO compliance filings on a *de novo* basis, giving them thorough review, rather than granting deference on the assumption that that they have resulted from a participatory stakeholder process.

Anderson complimented FERC for initiating a process on metrics, including yesterday’s announcement that the Commission would formally request comments on the, to ensure that costs incurred are justified by the net benefits. He asserted that “it is very important that this process is not dominated by the ISOs and RTOs.”

Anderson emphasized that the ISO/RTO Responsiveness issue is not new. In fact, he said, “FERC has recognized the consumer concerns over the years.” But, he said, large and small consumers believe that FERC has “not implemented changes that fixed the problems.”

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON’s website, www.elcon.org.