

# MACRUC 23rd Annual Education Conference

RTOs

20

Years

Later

# **RTOs: 20 Years After**

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# About AARP

AARP, with its nearly 38 million members is a nonprofit, nonpartisan organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

Learn more at [www.aarp.org](http://www.aarp.org).





# AARP's RTO policy

**The Federal Energy Regulatory Commission (FERC), with assistance from the states, should ensure that regional transmission organizations (RTOs):**

- are cost-effective, transparent, and accountable in governance to a broad group of stakeholders, including residential consumer representatives**
- minimize cost of operations to ratepayers**
- include mechanisms for diverse representation of residential ratepayers in proceedings**
- follow open meetings laws and publish market bid data in a timely fashion**
- are completely independent of transmission and distribution owners and generators**
- provide protections against market manipulation**
- enact ethics reforms, including a ban on revolving door hiring**

**Source: Chapter 10, AARP Policy Book**

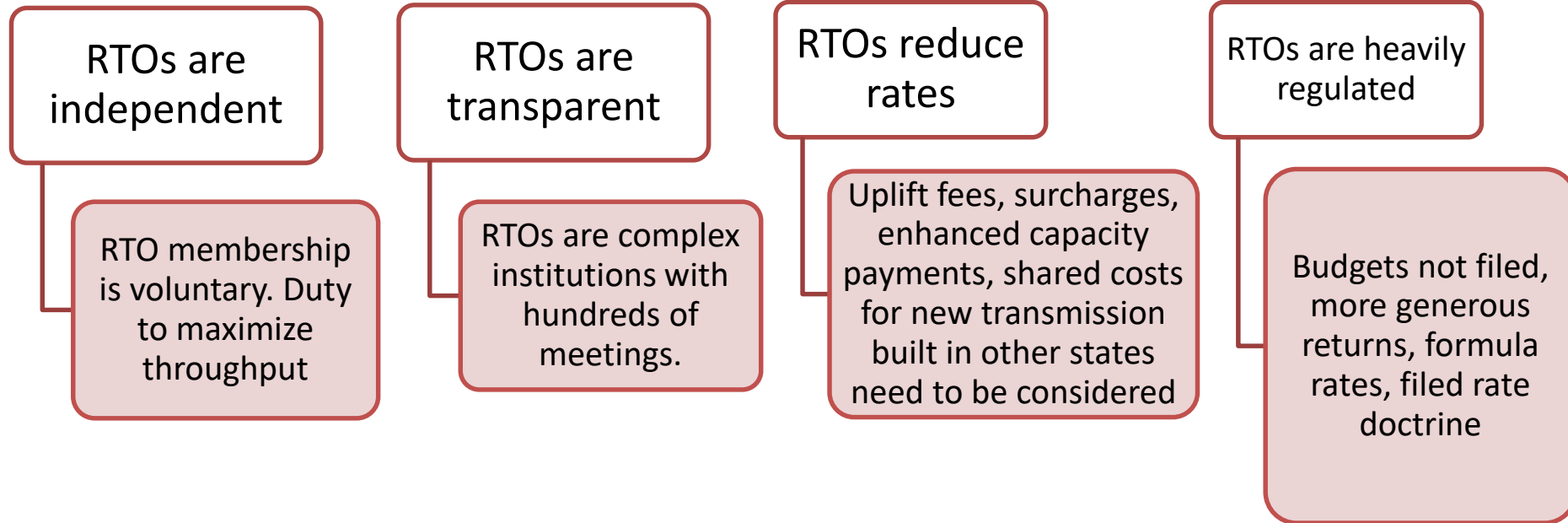


# **AARP has engaged on RTO issues**

- **Opposed MISO's plan to impose a 3-year capacity market on Illinois and Michigan only (rejected by FERC in January of 2017 but still being pursued)**
- **Opposed Colorado's plan to join the Southwest Power Pool in the eastern interconnection**
- **Urged the ERCOT and the TX PUC to closely monitor the Vistra Dynegy merger**
- **Active in the subsidy debate in CT, OH, NJ, IL, PA, MN**



# About RTOs



# Making a good thing better

- All RTOs should establish consumer advocate sector like PJM
- Focus on the cost to retail consumers
- Stop the mission creep
- Don't allow RTOs to perform "free" modelling for single states
- Question spending
- Don't accept "free" travel, gifts, meals, or consulting/forecasting services





# Lessons Learned

## WHAT HAS WORKED

- **Elimination of pancaked transmission rates**
- **Regional dispatch of generation**
- **Regional transmission planning**
- **State coordination**

## NEEDS IMPROVEMENT

- **Dysfunctional footprints, seams issues**
- **Dealing with state preferences**
- **FERC jurisdiction and RTO mission creep**
- **Focus on cost impact of proposals and initiatives**
- **Stakeholder process**



# For further information

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