

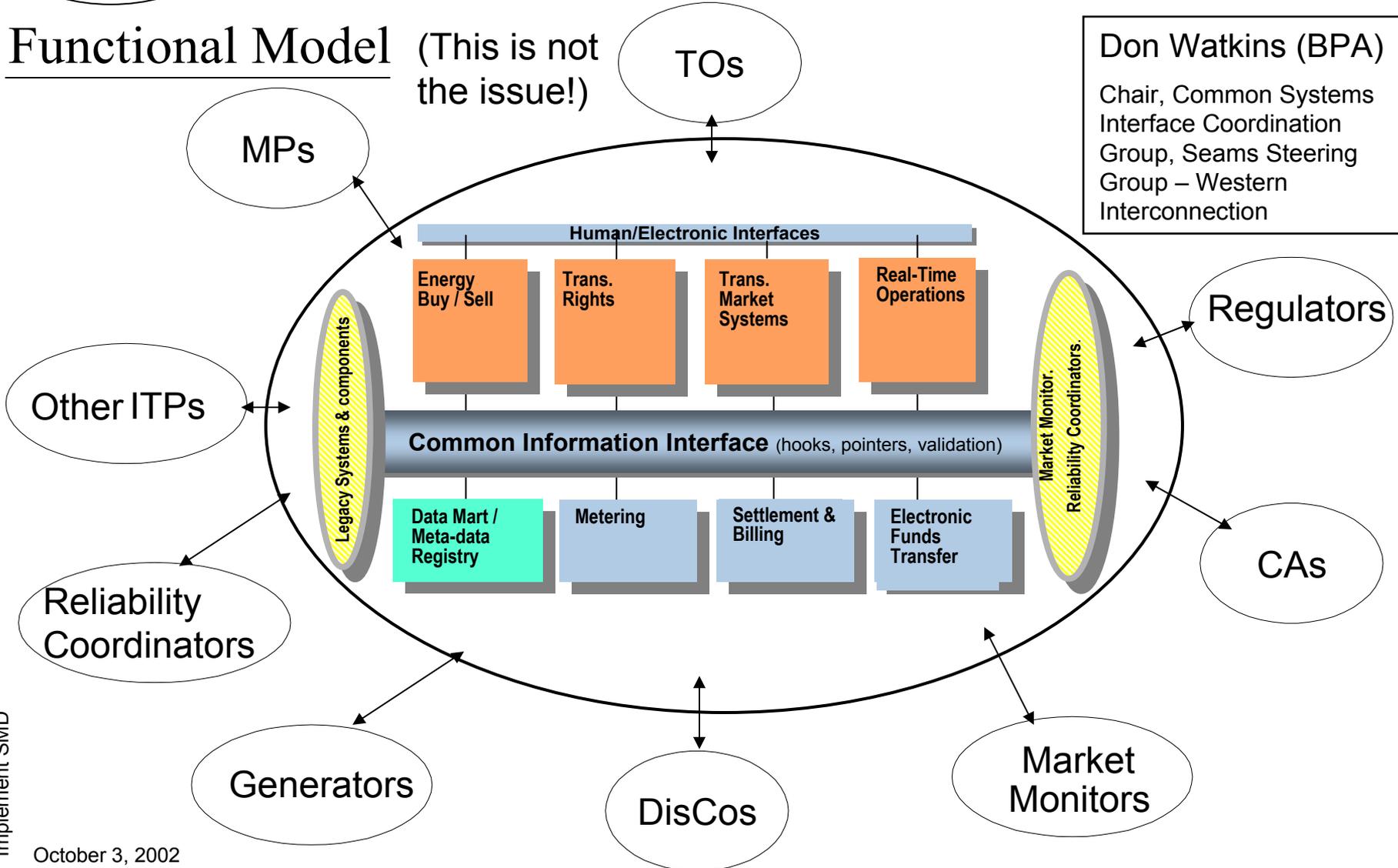


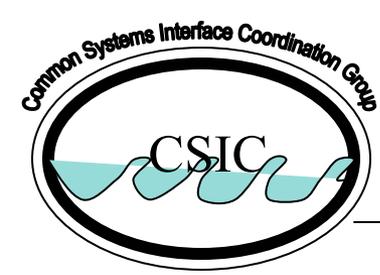
An Infrastructure to Implement SMD (putting the pieces together)

Functional Model

(This is not the issue!)

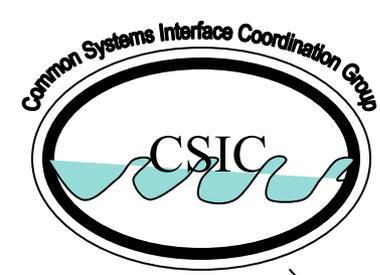
Don Watkins (BPA)
 Chair, Common Systems Interface Coordination Group, Seams Steering Group – Western Interconnection





The picture

- There are a number of efforts to connect parts of the data and transactions of the wholesale electric market. **They are not coordinated.**
- Data must move transparently between all participating entities for effective electric business.
- The goals of FERC include seamless transactions and ready access to data for reliability and market monitoring; i.e. data transparency
- **The kingpin of this data transparency is a common open system that allows all components to coherently talk to each other.**



Get to a Common Open System That Allows All Components to Coherently Talk to Each Other.

Q.

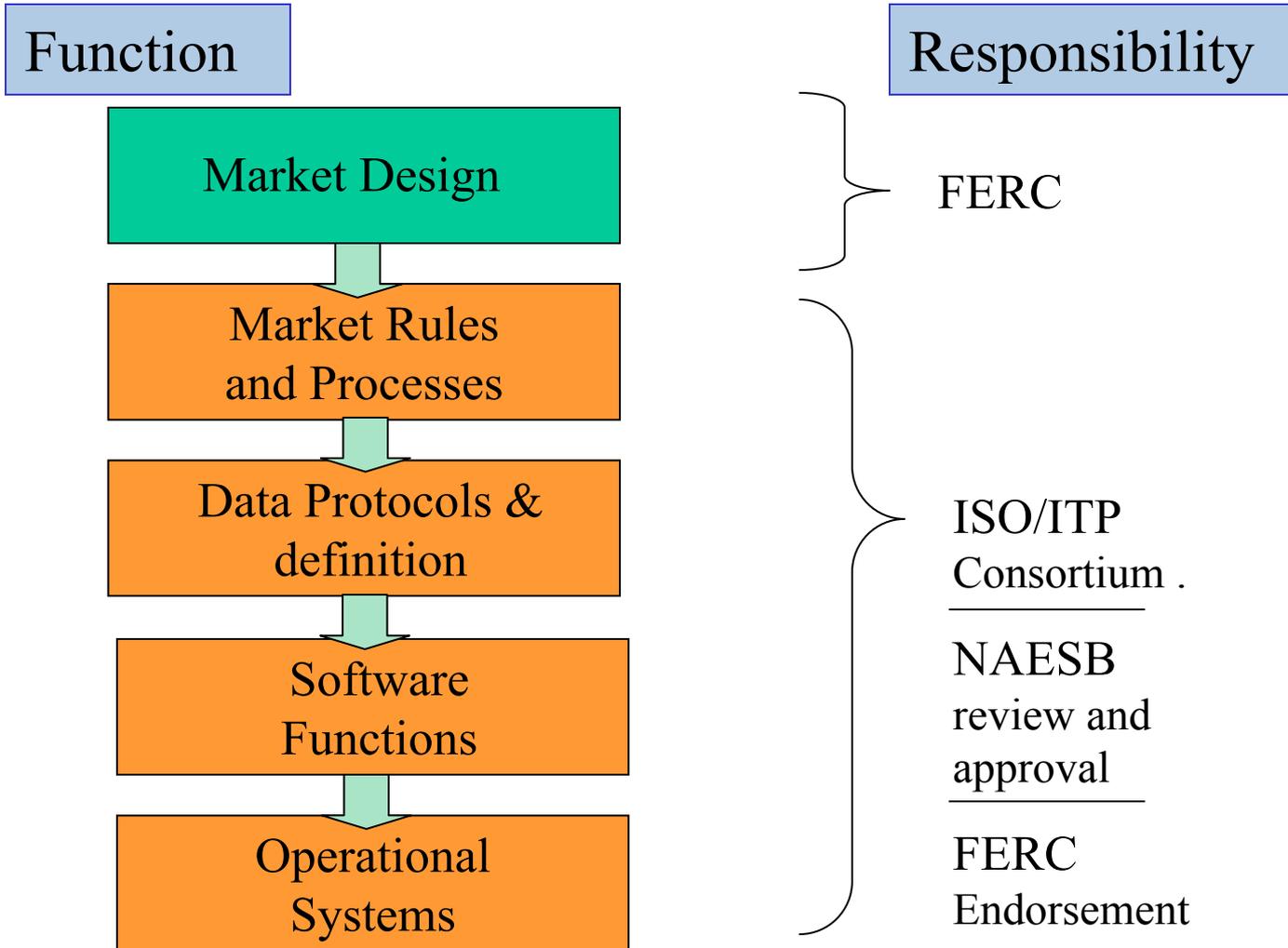
- Who is responsible for implementing these?
- Who bears the consequences of performance?
- Who can best be impartial?
- Who can best be compelled to do it?

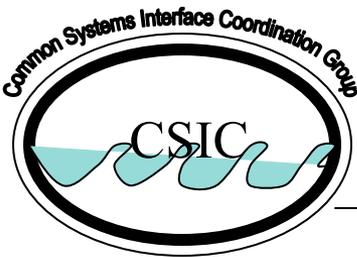
A.

- **The ISO/ITP's**



The Development Pieces of an *ITP* *Related* Data/Transaction Infrastructure





Proposed Development Model For ITP Related Market Systems

GOALS: more choice and improved services for all market participants; lower prices from reduced transaction costs and wider trade opportunities; improved reliability through better grid operations and expedited infrastructure improvements; and certainty about market rules and cost recovery for greater investor confidence. - FERC 3/13/2002

Proprietary Applications

Market Participants

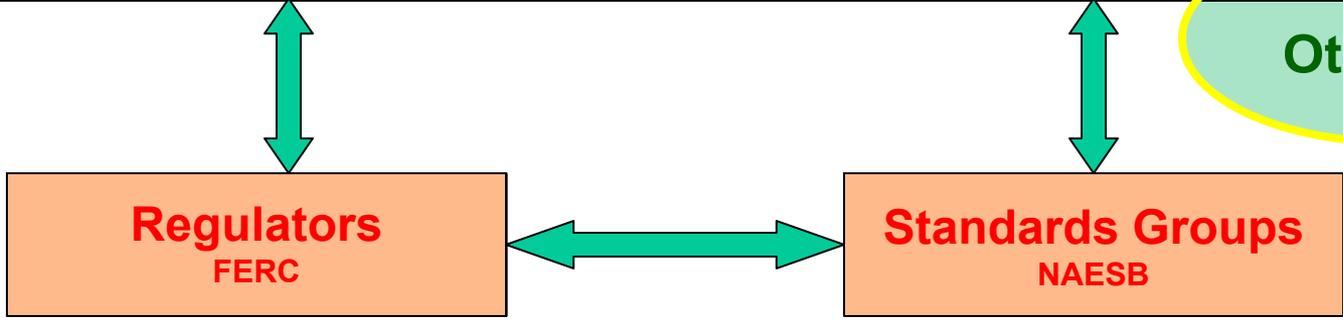
Vendors

Electric Grease Consortium- Chartered and Managed by ISO/ITP's

- Develop and *implement*, and maintain open standards and supporting systems.
- Performance driven.
- Design with intrinsic drivers for success.

| | |
|--|---------------------------|
| Process Management Policy and direction | Audit & Standards Control |
|--|---------------------------|

Others





A proposal.....

- **FERC**
 - Give the ITP/ISO's the mandate to develop a common open system for implementing all the transaction/operational aspects of the SMD.
- **ISO/ITP's**
 - Establish a consortium to develop implement, and maintain the the common/open systems necessary to operate SMD and related functions.
- **NAESB**
 - Review and approve standards developed by the ITP/ISO's for ITP/ISO related systems.
 - Sponsor/Approve standards for Outside of ITP/ISO systems (e.g. bi-laterals).