

133 FERC ¶ 61,069
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Southwest Power Pool, Inc.

Docket No. ER09-1050-000

ORDER ACCEPTING COMPLIANCE FILING

(Issued October 21, 2010)

1. On April 28, 2009, Southwest Power Pool, Inc. (SPP) submitted a compliance filing addressing the market reform requirements established by the Commission in Order No. 719.¹ In an order issued November 20, 2009, the Commission accepted, in part, and rejected, in part, SPP's filing, subject to conditions, but reserved for judgment in a separate order, SPP's compliance proposal regarding one of Order No. 719's four broad policy mandates, i.e., the requirement that regional transmission organizations (RTO) and independent system operators (ISO) adopt procedures and/or structural reforms, as necessary, ensuring that their board of directors is responsive to the needs of its customers and stakeholders.² The November 20 Order noted that the record on this issue would be developed further in a technical conference, on a generic RTO/ISO-wide basis, with a separate order addressing SPP's compliance with Order No. 719 to follow.³
2. For the reasons discussed below, we find that SPP satisfies the RTO/ISO governance requirements of Order No. 719.

¹ *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 73 Fed. Reg. 64,100 (Oct. 28, 2008), FERC Stats. & Regs. ¶ 31,281 (2008) (Order No. 719 or Final Rule), *order on reh'g*, Order No. 719-A, 74 Fed. Reg. 37,776 (Jul. 29, 2009), FERC Stats. & Regs. ¶ 31,292 (2009) (Order No. 719-A), *order on reh'g*, Order No. 719-B, 129 FERC ¶ 61,252 (2009).

² *Southwest Power Pool, Inc.*, 129 FERC ¶ 61,163, at P 24 (2009) (November 20 Order).

³ The Technical Conference was held February 4, 2010.

I. Background

A. Order No. 719

3. In Order No. 719, the Commission amended its regulations under the Federal Power Act (FPA)⁴ to improve the operation of organized wholesale electric power markets. With respect to RTO/ISO responsiveness, Order No. 719 required RTOs and ISOs to adopt procedures and/or structural reforms, as necessary, ensuring that their board of directors is responsive to the needs of its customers and other stakeholders.⁵ Specifically, the Commission adopted four responsiveness criteria addressing: (i) inclusiveness; (ii) fairness in balancing diverse interests; (iii) representation of minority positions; and (iv) ongoing responsiveness.⁶

4. With respect to these criteria, the Commission held that the business practices and procedures of each RTO or ISO must ensure that any customer or other stakeholder affected by the operation of the RTO or ISO, or its representative, is permitted to communicate its views to the RTO's or ISO's board of directors. The Commission also held that the interests of customers or other stakeholders must be equitably considered and that deliberation and consideration of RTO and ISO issues must not be dominated by any single stakeholder category. The Commission found that, in instances where stakeholders are not in total agreement on a particular issue, minority positions must be communicated to the RTO's or ISO's board of directors at the same time as majority positions. In addition, the Commission found that stakeholders must have input into the RTO's or ISO's decisions with mechanisms available to provide RTO or ISO feedback to stakeholders to ensure that information exchange and communication continue over time.

5. Order No. 719 also required each RTO and ISO to post on its website a mission statement or organization charter.⁷ Finally, Order No. 719 encouraged, but did not require, that RTOs and ISOs ensure that management programs, including executive incentive compensation, give appropriate weight to responsiveness to customers and other stakeholders.⁸

⁴ 16 U.S.C. § 824, *et seq.* (2006).

⁵ Order No. 719, FERC Stats. & Regs. ¶ 31,281 at P 477.

⁶ *Id.* P 502.

⁷ *Id.* P 556.

⁸ *Id.* P 561.

B. SPP's Compliance Filing

6. SPP asserts that its governance procedures and stakeholder processes satisfy the RTO/ISO governance requirements of Order No. 719. First, SPP states that these procedures and processes ensure inclusiveness. SPP notes, for example, that membership in SPP is voluntary and open to a variety of entities eligible to take service under the SPP tariff. SPP further notes that its meetings, including SPP Board meetings, are open, except when there is a need for confidentiality. In addition, discussions during Board meetings are open, and any attendee may address the Board.

7. SPP states that its Board meets in conjunction with the SPP Members Committee and at least one representative from SPP's Regional State Committee.⁹ The Board is required to conduct and consider a straw vote of the SPP Members Committee before taking action on any matter under consideration. SPP also posts all Board meeting materials in advance of meetings, posts minutes after meetings, and provides contact information for all Board members on its public website. SPP states that the various organizational groups that report to the Board are designed to be inclusive. SPP states that at least one annual meeting is held in conjunction with a Board meeting and includes all members.

8. SPP asserts that its decision-making process ensures fair and balanced consideration of diverse interests. First, SPP states all SPP Board meetings and organizational group meetings are open (except in rare executive sessions) and attendees may participate in all discussions. SPP also explains that its organizational groups are equitably staffed, as required by the SPP Bylaws, with no one category of stakeholder or even two categories of stakeholders able to dominate deliberations. SPP adds that the Members Committee is structured based on the composition of SPP's membership. SPP also states that while it is not always possible to achieve complete stakeholder agreement regarding matters under consideration by the organizational groups, SPP's processes provide adequate opportunity for transmission owners, transmission users, customers, and regulators to air their views and to have them considered.

9. SPP asserts that it satisfies Order No. 719's requirement regarding the representation of minority positions. First, SPP explains that its Board meetings are open and that any party can air its views prior to Board votes. SPP further states that the Members Committee straw vote allows SPP to gauge minority opinions. SPP adds that its organizational group recommendation template includes a section for minority opinions.

⁹ SPP Bylaws § 4.6.1. The Regional State Committee consists of one designated commissioner from each state regulatory commission having jurisdiction over an SPP member. *Id.* § 7.2.

10. SPP contends that it also satisfies Order No. 719's requirement regarding ongoing responsiveness. SPP states that every fall SPP administers surveys to its committee and working group members and Board members to gauge opinions. In addition, SPP conducts an annual stakeholder satisfaction survey to measure member, customer, and other stakeholder opinions regarding SPP services. SPP also holds an annual meeting with organizational group chairs and secretaries to discuss possible improvements.¹⁰

11. Finally, SPP asserts that it complies with Order No. 719's requirement regarding mission statements. Specifically, SPP explains that its mission statement is prominently displayed on the home page of its website. SPP states it has included more detailed information under the "About SPP" link on its website, including its strategic mission.

II. Notice of Filing and Responsive Pleadings

12. Notice of SPP's compliance filing was published in the *Federal Register*, 74 Fed. Reg. 21,795 (2009), with interventions, comments, and protests due on or before May 26, 2009. Motions to intervene and notices of intervention were accepted by the Commission in the November 20 Order. Comments and protests addressing RTO/ISO responsiveness issues were filed by Electric Power Supply Association (EPSA), Electricity Consumers Resource Council (ELCON), and Industrial Consumers.¹¹ On June 10, 2009, SPP submitted an answer.¹²

A. Protests and Comments

13. ELCON asserts that the RTO/ISO stakeholder processes should not displace the Commission's independent review of the Order No. 719 filings. ELCON explains that the Commission's careful review of ISO and RTO compliance filings is particularly important in view of the comments on the stakeholder process made by the General Accountability Office in its September 2008 report regarding the existing shortcomings in the stakeholder process.¹³ ELCON states that RTO/ISO stakeholder processes have

¹⁰ *Id.* at 38-39.

¹¹ Industrial Consumers comprises Portland Cement Association and ArcelorMittal USA, Inc.

¹² Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2010), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept SPP's answer because it has provided information that assisted us in our decision-making process.

¹³ See U.S. Government Accountability Office, *Electricity Restructuring—FERC Could Take Additional Steps to Analyze Regional Transmission Organizations' Benefits and Performance* (Sept. 2008).

failed, yielding outcomes that inhibit rather than promote demand response in direct contravention of the principles and directives of Order No. 719. ELCON claims that, because the RTO/ISO stakeholder processes are flawed, the Commission should conduct its review of the Order No. 719 filings on a *de novo* basis and should promptly implement new initiatives, including adoption of a pro forma tariff and/or a Commission-headed national conference among the six ISOs and RTOs, as necessary, to bring the ISOs and RTOs into compliance with Order No. 719.

14. Industrial Consumers argue that end-use customers should be given a larger voice in RTO/ISO governance. Industrial Consumers also argue that RTO/ISO governance must be simplified and that the current numbers of stakeholders meetings being held must be reduced. With respect to sector voting, Industrial Consumers argue that the end-use customer sector should be limited to true direct end-use customers or their legally authorized consumer advocate representatives, and that this sector should have at least 50 percent of the sector weighted vote. Industrial Consumers also assert that RTO Boards should have a committee dedicated to understanding the impact of RTO actions on end-use customers and that the Board and RTO/ISO management should include an end-use customer or consumer advocate representative. Finally, Industrial Consumers state that there needs to be a feedback loop such that changes are evaluated after the fact.

15. EPSA, while generally supportive of SPP's stakeholder processes, asserts that improvements are warranted regarding inclusiveness. Specifically, EPSA expresses concern over SPP's recent revisions to its Bylaws, at section 3.2, removing a committee representative from an organizational group after three consecutive missed meetings.¹⁴ EPSA states that because certain parties lack resources to participate fully in every stakeholder proceedings, the existing, punitive consequences of non-participation should not be codified in SPP's Bylaws. EPSA argues that parties who fail to participate already face sufficient consequences to the extent their interests may not be represented adequately. EPSA asserts that eliminating this provision would not disrupt SPP's stakeholder processes, but rather would make these processes more inclusive.

16. EPSA also argues that while the SPP Board is sector-weighted to ensure a balance of different sectors' views, organizational groups consist of individuals who have sole voting authority. EPSA notes that organizational group seats are tied to individuals rather than to a company or sector, and only those specified individuals may vote on organizational group matters (as opposed to other persons in the group those individuals represent). EPSA adds that while participants in organizational group meetings may

¹⁴ See *Southwest Power Pool, Inc.*, 128 FERC ¶ 61,245 (2009) (SPP Bylaws Order). SPP's Bylaw change was supported by SPP's stakeholders and was proposed by SPP, in part, in compliance with Order No. 719. No protests were filed. The Commission found that while it had no objections to section 3.2, it would accept this provision subject to its review of SPP's governance policies in this proceeding. *Id.* P 14.

voice their concerns and opinions, they do not have a vote and cannot be involved in decision making. EPSA states SPP should allow all participants to have a vote at organizational meetings to ensure diverse interests are recognized in the voting process.

B. SPP's Answer

17. SPP, in its answer, states that the proposed attendance requirement to which EPSA objects demonstrates, rather than undermines, SPP's responsiveness to its stakeholders, because the provision was developed through stakeholder input during an annual workshop attended by organizational group chairs and secretaries. SPP asserts that the intent of the provision is to enhance the effectiveness of the organizational group process. SPP also notes that the chair of an organizational group may waive the policy.

18. SPP states that organizational group voting is not the sole means through which competitive suppliers can voice their interests. SPP explains that attendees of SPP meetings are allowed to participate in organizational group discussions even if they cannot vote. In addition, all SPP members are represented on the Market Operations and Policy Committee and have voting power and the opportunity to participate in discussions. SPP states this committee is generally the final deliberative body for most SPP policies and proposals before Board consideration.

19. SPP claims that EPSA's criticism of organizational group membership being tied to individuals rather than companies or sectors is without merit. SPP states that working groups and task forces rely heavily on the expertise of the individuals involved. SPP asserts that it is best served by finding individuals with the right expertise from among its stakeholders rather than having companies assign representatives that may not have the requisite expertise to serve on committees.

III. Technical Conference on RTO/ISO Responsiveness

20. On February 4, 2010, the Commission held a Technical Conference to provide an additional forum for interested parties to discuss issues related to both SPP's compliance filing as well as broader RTO/ISO responsiveness issues concerning all RTOs and ISOs. Panels were established to address: (i) stakeholder processes and (ii) board processes and other governance issues.

21. In its notice establishing the technical conference, the Commission noted that various parties had filed specific proposals in the Order No. 719 compliance proceedings to address perceived problems with stakeholder and board processes and configurations. The notice stated, for example, that the Ohio Consumers' Counsel had filed a motion to lodge a report on RTO/ISO governance written by the National Association of State

Utility Consumer Advocates (NASUCA).¹⁵ The notice stated that, in addition to the proposals made by NASUCA, other commenters had argued that RTOs and ISOs must take further steps to satisfy the criteria established in Order No. 719 on responsiveness to customers and other stakeholders, including proposals to reduce the number of RTO and ISO meetings by streamlining approval processes and to include language in RTO and ISO mission statements reflecting consumer interests.

22. Notices of the technical conference proceeding were published in the *Federal Register*, 74 Fed. Reg. 59,975 (2009); 75 Fed. Reg. 3223 (2010); and 75 Fed. Reg. 5779 (2010). Comments were submitted by various entities that addressed generic RTO/ISO-wide issues. Comments were submitted by the entities listed in Appendix B to this order. Comments addressing generic RTO/ISO-wide issues are summarized in Appendix A. In addition, comments specific to SPP are summarized below, as submitted by SPP, Xcel Energy Services, Inc. (Xcel), Sunflower Electric Power Corporation (Sunflower), and Mid-Kansas Electric Company, LLC (Mid-Kansas).

A. SPP's Comments

23. SPP reiterates its position that its governance provisions satisfy the RTO/ISO responsiveness requirements of Order No. 719. In addition, SPP states that it posts agendas and background materials on its public website roughly one week in advance of all meetings and that virtually all SPP meetings allow for teleconferencing and net conferencing. SPP explains that it also posts meeting minutes on its public website approximately one week after the conclusion of each meeting. SPP notes that it offers an email subscription list that stakeholders may subscribe to in order to receive announcements and meeting materials. SPP asserts that it holds meetings in various locations to facilitate travel, and that many groups—including the Board—announce meeting schedules at least one year in advance to further facilitate participation.

24. With respect to balancing stakeholder interests, SPP states that its stakeholder process is designed to include all stakeholder interests. SPP explains that representatives with the proper technical expertise comprise its stakeholder groups, and this representation reflects the diversity of SPP's membership. SPP explains that its Bylaws

¹⁵ In its report, NASUCA argued that existing RTO/ISO structures prevent effective participation by end-use consumers because: (i) the decision making process is complicated and time intensive and (ii) most consumers and their advocates lack the resources required to meaningfully monitor and influence the stakeholder process. NASUCA argued that for these reasons, there is a lack of adequate retail consumer involvement under the current structure, which may lead to decisions that do not adequately consider the price of electricity to residential consumers. To address these concerns, NASUCA recommended that the Commission take action to reorganize the RTO/ISO stakeholder process and governance structure.

require members of the Board to possess policy-level expertise and skills necessary to run an organization but does not require Board members to represent particular stakeholder interests.

25. SPP asserts that its open decision-making process ensures that minority positions are communicated simultaneously with majority recommendations to the Board. SPP also claims that its Board regularly solicits discussion from stakeholders in the minority, if such discussion is not forthcoming.

26. With respect to ongoing responsiveness, SPP states that the Board and other appropriate groups review the results of its annual stakeholder satisfaction survey and that this survey is published. SPP notes that it holds a biannual meeting with organizational group chairs and staff secretaries to discuss possible improvements in its stakeholder processes. SPP also maintains that stakeholders are encouraged to provide feedback at any time.

27. With respect to NASUCA's recommendations, SPP states that its region does not currently have retail open access and thus SPP does not have a direct relationship with its members' retail customers. However, SPP asserts that it has a close relationship with its state utility commissions through its Regional State Committee and through state commission participation in SPP working groups. SPP claims that state regulators have ample opportunity to evaluate policies while they are being developed through SPP's stakeholder processes, and this ensures that the interests of retail customers of varying sizes are considered. SPP also states that efficiencies created in the wholesale component of the electricity business—particularly through non-discriminatory access, enhanced planning, and a transparent marketplace—also provide benefits to retail customers.

B. Additional Post-Technical Conference Comments

28. Xcel agrees that the stakeholder and governance processes in SPP include significant contributions from the Regional State Committee. Xcel claims that the Regional State Committee actively represents state viewpoints regarding the regulation of retail rates and provides valuable advice to SPP. Xcel asserts that, because of the Regional State Committee, there is already extensive participation in SPP's stakeholder processes by the ultimate arbiters of retail electric rate impacts in SPP region states.

29. Sunflower and Mid-Kansas allege that the stakeholder-driven culture of some RTOs, including SPP, is a burden to entities with small staffs and counsel teams. Sunflower and Mid-Kansas note that, while SPP boasts of having the smallest staff in the industry, there is a substantial cost burden imposed on individual members to staff hundreds of stakeholder meetings. Sunflower and Mid-Kansas allege this situation gives larger companies a disproportionate influence in SPP's decision-making process, because these companies have greater resources and can commit to doing more work than smaller companies with more limited resources.

30. Sunflower and Mid-Kansas assert that complicated, time-intensive decision-making processes and lack of resources to monitor and influence stakeholder proceedings are problems experienced by most stakeholders, not just those representing retail consumer interests. Sunflower and Mid-Kansas believe that the role of the RTO should be to act as an independent facilitator in the design and operation of markets and the planning and cost allocation of transmission improvements. Sunflower and Mid-Kansas allege that this objective will not be met with an RTO structure where stakeholders are in control, regardless of whether an independent board is the final arbiter, or one or more seats on the board are reserved for consumer advocate interests. Sunflower and Mid-Kansas cite the operations of the California Independent System Operator Corporation (CAISO) as examples of “best practices.”¹⁶ Sunflower and Mid-Kansas note that the NASUCA report described substantially fewer stakeholder meetings within CAISO compared to other RTOs. Sunflower and Mid-Kansas state that CAISO has mechanisms for stakeholders to communicate with qualified professional staff and advisors who listen to concerns and take responsibility for reform. Sunflower and Mid-Kansas suggest that it is more cost-efficient for the RTO to hire highly qualified, independent experts than for every stakeholder to retain their own experts.

31. Sunflower and Mid-Kansas acknowledge that the best practices to which their comments refer may be difficult to implement within SPP’s current governance structure. Sunflower and Mid-Kansas note that, while the SPP professional staff is hardworking and effective at what they are directed to do, SPP policies are driven by what stakeholders can accomplish, which Sunflower and Mid-Kansas argue often leads to a least common denominator outcome.

32. Sunflower and Mid-Kansas disagree with NASUCA that reserving specific seats on an RTO/ISO board for specific interests or requiring hybrid boards is appropriate. Instead, Sunflower and Mid-Kansas propose that higher expectations be set for RTO professional staff and that RTOs/ISOs be viewed as independent and committed to well-designed, efficient, functioning markets and to efficient and reliable grid planning and operation. Sunflower and Mid-Kansas argue that stakeholder-driven processes that favor those with a larger staff and/or greater economic resources are discriminatory and

¹⁶ The best practices to which Sunflower and Mid-Kansas refer include: (i) RTO professional staff that can engage in the unbiased development of rules and rule changes, identification of rule and market inefficiencies, and prompt corrections; (ii) stakeholder processes that enable participants to be actively involved in issues most important to them, while informing them about other matters; (iii) presenting proposals to the board of directors in writing in advance of decision making and in sufficient detail (including minority positions and alternatives dismissed and why) to ensure informed, reasoned decision making by the board; (iv) direct access to the board is available prior to decision making through opportunity for written comments as well as oral comments when an agenda item is introduced; and (v) board meetings are open.

designed to make RTO/ISO governance unnecessarily complex and expensive. Sunflower and Mid-Kansas urge that the Commission adopt “best practices” applicable to RTO/ISO governance.

IV. Discussion

33. For the reasons discussed below, we find that SPP’s existing governance procedures and stakeholder processes meet the requirements of Order No. 719. Nevertheless, and as discussed further below, the Commission believes that many of the ideas presented and proposals made in this proceeding, and in response to the February 4, 2010 technical conference, while not required by Order No. 719, deserve consideration in stakeholder processes as RTOs and ISOs continue to evolve and improve.

34. RTO/ISO stakeholder bodies are comprised of numerous entities that frequently have divergent interests and positions. RTO/ISO boards must account for these divergent points of view in making their management decisions. As a general proposition and as required in Order No. 719, governance policies and stakeholder processes should be well-suited to enhance appropriate stakeholder access to RTO/ISO boards and, in turn, facilitate the boards’ direct receipt and consideration of stakeholder concerns and recommendations, including minority views. In pursuing these objectives, RTOs and ISOs also have an ongoing obligation to operate independent of any market participant or class of market participants, as required by Order No. 2000.¹⁷

35. Before addressing the SPP-specific governance policies raised in this proceeding, we note that participants in the February 4, 2010 technical conference proposed governance and/or stakeholder input measures. Among others, those measures include the proposals presented in the NASUCA report discussed above. While some of those governance and/or stakeholder input measures may have merit as steps to improve existing RTO or ISO processes, we are not persuaded that adoption of those measures is required for an RTO or ISO to satisfy the requirements of Order No. 719.

36. In discussing the fourth RTO/ISO responsiveness criterion (ongoing responsiveness), we stated in Order No. 719 that, “[a]s with the overall operations of each RTO and ISO, responsiveness to customers and other stakeholders should continually be evaluated for improvement.”¹⁸ We recognize that existing RTO/ISO stakeholder and board processes present resource challenges for certain stakeholders, including many

¹⁷ *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (2000), FERC Stats. & Regs. ¶ 31,089 (1999), *order on reh'g*, Order No. 2000-A, 65 Fed. Reg. 12,088 (2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff'd sub nom. Public Utility District No. 1 of Snohomish County, Washington v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

¹⁸ Order No. 719, FERC Stats. & Regs. ¶ 31,281 at P 509.

consumer advocates, and may present barriers to the full, open participation of stakeholders in RTO/ISO governance matters. In light of such concerns and consistent with our statement in Order No. 719 with respect to the ongoing responsiveness criterion, RTOs/ISOs, including SPP, should continually evaluate their governance policies and stakeholder processes and consider how they may be improved. If parties continue to have concerns in these areas that are not being addressed, the Commission may revisit these issues. The Commission will also continue to monitor these matters and take appropriate action, as required.

37. In our analysis, below, we address SPP's compliance with each of the Order No. 719 governance criteria.

A. Inclusiveness

38. First, we address whether SPP's governance procedures and stakeholder processes satisfy Order No. 719's inclusiveness requirement. With respect to this criterion, Order No. 719 found that an RTO's or ISO's practices and procedures must be adequate to bring the views of all customers or other stakeholders before the board. The Commission stated that meeting this criterion will demonstrate that the RTO or ISO actively provides for presenting customer and other stakeholder issues, concerns, or proposals to its board.¹⁹

39. We find that SPP's governance procedures and stakeholder processes satisfy the inclusiveness requirement of Order No. 719. SPP's Board meetings are open to all of its members. Moreover, SPP holds at least one annual members meeting in conjunction with the meeting of its Board. The SPP Board also considers straw votes by SPP's Members Committee before taking action on proposed items. SPP also posts all Board meeting materials in advance of meetings, posts minutes after meetings, and provides contact information for all Board members on its website. These practices demonstrate that customers and other stakeholders have access to SPP's Board to communicate their views.

40. EPSA raises inclusiveness concerns regarding the SPP Bylaws provision, at section 3.2, removing a committee representative from an organizational group after three consecutive missed meetings. While EPSA asserts that SPP's stakeholder processes would be more inclusive without these provisions, we find that such processes are nonetheless sufficiently inclusive to enable stakeholders to communicate their views to SPP's Board, consistent with the goals of Order No. 719. We note that there are numerous means by which a stakeholder who does not have a representative in an organizational group may communicate its views to SPP's Board. For example, section 3.10 in SPP's Bylaws provides that any member or group of members that disagree with an action taken or recommended by any organizational group may appeal, in writing, to

¹⁹ *Id.* P 506.

the Board and submit an alternate recommendation prior to the meeting at which the matter is being considered. We also note that section 4.6.1 of SPP's Bylaws requires the chair to grant any members' request to address the Board at its open meetings.

41. Further, section 3.2 is not absolute, or inflexible. It can be waived by the chair of the group. Nor does it apply to the Markets and Operations Policy Committee, a venue in which all SPP members continue to have voting power even if they miss three consecutive meetings. Finally, we note that this provision was vetted by SPP's stakeholder process and, according to SPP, was implemented to encourage—not restrict—participation in organizational group meetings. Thus, we find that section 3.2 does not unduly diminish the ability of SPP members to communicate their views to SPP's Board and are consistent with Order No. 719.²⁰

42. EPSA also expresses concern over organizational group representation being tied to individuals rather than company or sector. EPSA asserts that all participants at organizational group meetings should be allowed to vote on proposals. However, we are not persuaded that the make-up of SPP's organizational groups requires revision mandated by the Commission. Given the described avenues for individuals to present their views to SPP's Board, we do not find it necessary to impose a requirement on SPP to allow all participants attending organizational group meetings to have a vote on proposals. Finally, we note that EPSA's concerns appear to be speculative at this time. When and if an issue does arise regarding participation rights, moreover, SPP's stakeholder process may be well equipped for addressing it without the direct, upfront intervention of the Commission.

B. Fairness in Balancing Diverse Interests

43. We next consider whether SPP's governance procedures and stakeholder processes satisfy Order No. 719's fairness in balancing diverse interests requirement. With respect to this criterion, Order No. 719 found that RTOs or ISOs must ensure that their practices and procedures for decision making consider and balance the interests of their customers and stakeholders and that no single stakeholder group can dominate. Order No. 719 explained that this criterion was necessary to ensure that the RTO or ISO will make well-informed decisions that reflect the full range of competing interests that may be affected.

²⁰ When the Commission accepted and nominally suspended SPP's proposed revisions to sections 3.2 and 3.8 of its Bylaws in the *SPP Bylaws Order*, it did so subject to refund and subject to the outcome of SPP's Order No. 719 compliance filing. As we now find that SPP's revisions to sections 3.2 and 3.8 comply with Order No. 719, our acceptance of these provisions in the *SPP Bylaws Order* stands with no further action required.

44. We find that SPP's stakeholder processes, Bylaws, and online materials demonstrate that SPP has taken efforts to be fair and equitable in balancing diverse interests. For example, all SPP Board and organizational group meetings are open, except during rare executive sessions—allowing all stakeholders to participate and air their views. SPP's organizational groups are also equitably staffed with no one category of stakeholder or even two categories of stakeholders able to dominate deliberations. Moreover, each SPP member appoints its own representative to the Markets and Operating Policy Committee and the Members Committee is structured based on the composition of SPP's membership. These processes demonstrate SPP's ongoing efforts to be fair and equitable in balancing diverse interests by ensuring that no single stakeholder group dominates deliberations and that a full-range of viewpoints inform decision making. Accordingly, we find that SPP meets the Order No. 719 requirements to balance diverse interests and therefore modifications to SPP's existing governance structure are not required.

C. Representation of Minority Positions

45. We next consider whether SPP's governance procedures and stakeholder processes satisfy Order No. 719's requirement regarding the representation of minority positions. Order No. 719 found that this requirement was critical to ensure that customers and other stakeholders have confidence in the decisions that come out of RTO and ISO processes. Order No. 719 also found that this requirement will ensure that the minority views of customers and stakeholders are forwarded to the board at the same time as the majority views.

46. We find that SPP is compliant with this Order No. 719 requirement. As noted above, SPP's Board meetings are open to all members, with any member entitled to air its views prior to the vote of the Board. In addition, the Members Committee straw vote allows SPP to gauge minority opinions. SPP also states its organizational group recommendation template includes a section for minority opinions. These practices demonstrate that SPP has taken efforts to ensure that minority positions are communicated to SPP's Board as well as within organizational groups.

D. Ongoing Responsiveness

47. We next consider whether SPP's governance procedures and stakeholder processes satisfy Order No. 719's ongoing responsiveness requirement. With respect to this criterion, Order No. 719 found that RTOs and ISOs must continue, over time, to consider customer and other stakeholder needs as the architecture or market environment of the RTO or ISO changes.

48. We find that SPP's governance procedures and stakeholder processes satisfy Order No. 719's ongoing responsiveness requirement. Every fall, SPP administers surveys to its committee and working group members and Board members to solicit their feedback. In addition, SPP conducts an annual stakeholder satisfaction survey to solicit feedback

from members, customers, and other stakeholders. SPP also holds an annual meeting with organizational group chairs and secretaries to discuss possible improvements to the operation of its markets.

49. Finally, with respect to ELCON's request that the Commission conduct thorough, independent analyses of all Order No. 719 compliance filings, we note that the Commission is required to ensure that rates, terms and conditions of service are just and reasonable and not unduly discriminatory or preferential, and the instant filing in this proceeding is no exception.

E. SPP's Mission Statement

50. We find that SPP has satisfied Order No. 719's requirement that it post on its website its mission statement or organizational charter. With respect to this requirement, Order No. 719 encouraged RTOs and ISOs to include in their posting explanations of their purpose, their guiding principles, and their responsiveness to their customers, other stakeholders, and ultimately to the consumers who benefit from and pay for electricity services.²¹ Order No. 719 further stated that an RTO's or ISO's mission statement or charter may include additional information, such as elements from the RTO or ISO governing documents relating to mission statement issues.

The Commission orders:

SPP's compliance filing addressing the RTO/ISO responsiveness requirements of Order No. 719 is hereby accepted, as discussed in the body of this order.

By the Commission. Chairman Wellinghoff concurring with a separate statement attached.

(S E A L)

Kimberly D. Bose,
Secretary.

²¹ Order No. 719, FERC Stats. & Regs. ¶ 31,281 at P 556.

Appendix A

Panel Presentations and Post-Technical Conference Comments Addressing RTO/ISO Responsiveness Docket No. ER09-1048-000, et al.

A. Stakeholder Positions and Proposals

PSEG Companies (PSEG) argues that, as regional entities operating markets independent of asset owners, regional transmission organizations (RTO) and independent system operators (ISO) have, by their very nature, expanded options and opportunities for stakeholder participation and transparency, with governance models that are fundamentally just and reasonable. PSEG adds that, relative to non-organized markets, RTOs and ISOs offer better access to their boards with respect to important energy decisions.

PSEG also disputes claims made at the technical conference that transmission owners have the ability to voluntarily withdraw from RTOs/ISOs and therefore have greater influence in the stakeholder processes. PSEG asserts that, to the contrary, transmission owners' interests as well as the interests of other supply side entities are not given adequate weight in RTO/ISO stakeholder voting processes.

The Electricity Consumers Resource Council (ELCON) urges the Commission to require RTOs and ISOs to adopt numerous stakeholder reforms, including open board meetings and hybrid board structures. The National Association of State Utility Consumer Advocates (NASUCA) also proposes reforms to promote greater stakeholder participation, especially by consumer advocates. First, NASUCA endorses use of RTO/ISO staff "Issues Paper" at the outset of a stakeholder forum, and the posting of stakeholder comments. NASUCA also supports the utilization of regularly-convened symposia between RTO/ISO boards and consumer interests and the use of a separate high priority process for hot topic issues. In addition, NASUCA supports the use of consumer Liaison Committees, of the sort used by ISO New England, Inc. (ISO-NE) and PJM Interconnection, LLC (PJM) and the establishment of consumer liaisons with the RTO/ISO board.

NASUCA, the New York State Public Service Commission (New York Commission), and Consumer Groups²² support the utilization of consumer advocate funding mechanisms of the sort currently used by PJM and the Midwest Independent Transmission System Operator, Inc. (Midwest ISO). NASUCA argues that these mechanisms should be used to assist consumer representatives with expenses related to

²² Consumers Union, National Consumer Law Center, AARP, Consumer Federation of America, and Public Citizen.

travel, hiring expert staff, and participation in the stakeholder process. The New York Commission also supports funding mechanisms for residential and small commercial customer advocacy. Consumer Groups agree that financial support for consumer advocate offices is essential to provide advocates with the minimum resources to keep up with the most pressing concerns.

Electric Power Supply Association (EPSA) opposes an RTO/ISO-wide tariff charge to fund consumer advocates. EPSA argues that such an arrangement would be duplicative and unfair to ratepayers who are already represented by and before state commissions, governmental entities tasked with the responsibility of protecting and representing consumer interests. EPSA further argues that NASUCA and other consumer advocates have not explained how such a charge would be divided among the consumer advocates in a given RTO/ISO or how they would justify its use.

Xcel Energy Services Inc. (Xcel) questions whether funding mechanisms are appropriately drawn from RTO/ISO assessments applicable to all stakeholders. Xcel notes that such a policy would require difficult choices. For example, Xcel points out that determining funding levels and deciding who would, and who would not, receive funding may ultimately lead to inequitable results.

MidAmerican Energy Company (MidAmerican) argues that the Commission should not mandate RTO/ISO funding of private stakeholder groups. MidAmerican also argues that stakeholders should not be required to fund, or subsidize, their commercial counterparts. Old Dominion Electric Coop. (Old Dominion) and Xcel propose that RTO/ISO policies on these matters continue to be addressed individually within each RTO or ISO. Old Dominion urges, however, that responsiveness issues be evaluated and changes be developed through a bottom-up stakeholder process. The North Carolina Electric Membership Corporation (North Carolina Coop.) adds that the Commission should not act prematurely to address these matters here.

Financial Marketers²³ raise concerns regarding stakeholder processes that place market participants with limited resources and new entrants at a disadvantage *vis à vis* large, incumbent utilities. Financial Marketers urge the Commission to actively monitor the independence of RTOs/ISOs. Financial Marketers, NASUCA, Transmission Agency of Northern California (TANC), and the American Public Power Association (APPA) also assert that RTOs/ISOs harbor an inherent bias in favor of the large transmission-owning stakeholders on whom their very existence depends. The Massachusetts Office

²³ EPIC Merchant Energy, L.P.; EPIC Merchant Energy CA, LLC; EPIC Merchant Energy Midwest, L.P.; EPIC Merchant Energy, NE, L.P.; EPIC Merchant Energy, NJ/PA, L.P.; EPIC Merchant Energy NY, L.P.; SESCO Enterprises LLC; Jump Power, LLC; Energy Endeavors LP; Big Bog Energy, LP; Silverado Energy LP; Gotham Energy Marketing LP; Rockpile Energy LP; Coaltrain Energy LP; Longhorn Energy LP; BJ Energy LLC; Franklin Power LLC; and GLE Trading LLC.

of Attorney General (Mass. AG) adds that it is impractical to think that end users or their advocacy organizations can adequately compete with an energy company monitoring and/or influencing the stakeholder process.

EPSA disagrees that transmission or generation owners get special treatment from independently-administered RTOs/ISOs due to the alleged leverage they can wield regarding their RTO/ISO withdrawal rights. EPSA argues that it is not the case that supply-side resources (be they generation or transmission owners) benefit from any undue advantage in the stakeholder forum because, among other things, transmission and generation interests often vary and cannot be reconciled. Old Dominion points out that while the existing stakeholder process might allow asset owners to influence and develop proposals on market rules and market design at an early stage in the process, there is also the ability for other stakeholders to vet proposals and serve as a check on proposals arising through the working group process.

Financial Marketers request clarification that RTO/ISO independent market monitoring units are required to ensure that RTOs/ISOs act independently and are responsive to their stakeholders. The Illinois Commerce Commission (Illinois Commission) suggests improving the attention given to small consumer interests by establishing an independent consumer interest monitor, which would be focused on residential and small consumer interests. Several commenters advise the Commission to conduct *de novo* reviews of RTO/ISO decisions, limiting deference given to their decisions.

With respect to transparency, Old Dominion proposes publishing corporate goals that are aligned with the RTOs'/ISOs' annual plans and budgets. Old Dominion also recommends an increased transparency in the budget process, and Steel Dynamics and Nucor Steel (Steel Producers) urge the Commission to audit RTO/ISO costs to ensure adequate cost-containment.

Several commenters support streamlining the stakeholder process and propose various suggestions to accomplish this goal. For example, TANC suggests engaging stakeholders earlier in the process, adding a "tracked schedule" to the tariff, and using a more collaborative process. New York State Consumer Protection Board (New York Consumer Board) and Steel Producers state that RTOs/ISOs should reduce the number of stakeholder meetings, arguing that it is not possible for many of the interested stakeholders to attend each of the meetings and that the stakeholder process is overly burdensome and expensive. EPSA proposes monthly calls between RTO/ISO staff and consumer advocates.

ELCON proposes meetings via internet or teleconference as well as meetings between the board or management and each stakeholder group at least once per year. Sunflower Electric Power Corp. and Mid-Kansas Electric Company, LLC (Sunflower Coop. and Mid-Kansas Coop.) state that a list of "best practices" should include direct access to the RTO/ISO board through written and oral comments prior to any board decision.

MidAmerican does not support mandating changes to the structure of RTO/ISO committees. PSEG, however, states that there is a need to revisit the current RTO/ISO voting structures to ensure that the votes of members having a direct interest in the outcome of a given decision are given sufficient weight. Dayton Power and Light Company (Dayton) maintains that the current sector-weighted voting utilized in the PJM stakeholder process is not just and reasonable; Dayton recommends adopting a bicameral or two-vote approach, which would promote proposals acceptable to both the majority of members and to a majority of those whose asset investments of billions of dollars are what make the existence of an RTO even possible. With respect to voting transparency, NASUCA proposes that RTO/ISO boards be permitted to view the individual sector voting on issues addressed in the stakeholder process, in order to allow the board to take into account the voting interests of all sectors.

Old Dominion proposes a “feedback loop” between RTO/ISO executive management and the RTO/ISO staff responsible for facilitating stakeholder participation in order for management to ensure it is fully informed so that it can be responsive to stakeholders.

Commenters also raise issues related to RTO/ISO board structures and processes. ELCON supports a specific requirement that RTOs/ISOs adopt hybrid boards (a board structure in which board members include independent, non-affiliated members, as well as members associated with a specific stakeholder sector, such as end-use consumers or transmission owners). Other commenters oppose the use of hybrid boards.²⁴ ITC Companies²⁵ contend that a hybrid structure will compromise and undermine board independence.²⁶ ITC Companies assert that a hybrid board is likely to devote more attention to the operation of energy markets than to the development of transmission, because generation (not transmission) is the dominant interest of the stakeholders who will comprise a part of a hybrid board’s make-up.

NASUCA states that it does not propose a hybrid-type board, where specific seats are designated to represent consumers, because it recognizes the importance of RTO/ISO independence from its stakeholders. The Mass. AG, however, maintains that it is important for some RTO/ISO board members to have electric industry experience in representing or advocating for consumers in issues relating to retail electricity rate regulation.

²⁴ See, e.g., Illinois Commission at 1.

²⁵ International Transmission Company, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC.

²⁶ Old Dominion at 10; North Carolina Coop. at 6; Xcel at 6; PSEG at 16-18; MidAmerican at 4-6.

Several commenters support a stakeholder advisory committee in place of a hybrid board. ITC Companies state that an advisory committee can increase the responsiveness of RTO/ISO boards without compromising their independent governance.²⁷ Old Dominion agrees that an advisory committee, in conjunction with a well-articulated mission statement that includes a commitment to responsiveness, is the best way to facilitate stakeholder interaction. The Mass. AG endorses the use of a consumer liaison representative that would regularly interact with consumer advocates and individual consumers, explain current RTO/ISO initiatives, and field consumer concerns to be addressed with the RTO/ISO staff and board. The Illinois Commission points out that PJM's Liaison Committee fosters communications between PJM's Board and PJM's members but that not all stakeholders and interested parties are members of the RTO/ISO; for example, state commissions are not members in PJM.

Commenters also address the issue of whether an RTO's or ISO's board meetings should be open or closed. Financial Marketers, Old Dominion, PSEG, ELCON, and the Illinois Commission support better access for stakeholders to RTO/ISO boards, e.g., by regular meetings with interested market participants. The Illinois Commission points out that open meetings would also enable stakeholders to assess the performance of board members. The Mass. AG states that open meetings would eliminate any actual or perceived secrecy surrounding the board's decision-making process, would increase stakeholder involvement, and would ensure that board members are accountable and ultimately responsive to the region's needs.

Commenters also address the appropriate composition of an RTO/ISO board. Some argue in favor of the requirement that the board include consumer representatives.²⁸ Dayton disagrees, stating that such a requirement would be unduly preferential. The New York Commission suggests that, at a minimum, twenty percent of an RTO/ISO board should have expertise and experience in advocating on behalf of electric consumers, because this will provide a balance to the board that will help ensure consumer interests receive thorough and meaningful consideration.

Commenters also propose disclosing the names of board candidates that were not selected to sit on the board and the disclosure of the reasons supporting their rejection.²⁹ Commenters also propose staggering board members' terms.³⁰

²⁷ See also EPSA at 8.

²⁸ New York Consumer Board at 4, 6 (supporting selection of consumer-oriented directors); see also NASUCA at 4, 16; New York Commission at 3; Consumer Groups at 2; Xcel at 4; Dayton at 10; MidAmerican at 4-6.

²⁹ See Financial Marketers at 6.

³⁰ See NASUCA at 19; ELCON at 5.

Finally, commenters propose changes to the RTO/ISO mission statements. First, commenters recommend a mission statement confirming the RTO's/ISO's commitment to considering the impact of its decisions on end-use consumers.³¹ The Mass. AG states that it has requested ISO-NE to incorporate a cost concept into its mission statement, as well as a commitment to provide economic analysis of RTO/ISO-initiated tariff changes and alternatives proposed by regional stakeholders.

B. RTO/ISO Positions

Generally, each of the RTOs and ISOs contend that its existing governance procedures and stakeholder processes are fundamentally responsive to its customers and other stakeholders. Certain of the RTOs and ISOs also indicate that they have implemented recent reforms and/or initiated additional processes to further improve their responsiveness to their stakeholders.

PJM, for example, states that it has established a stakeholder process to assess PJM's governance and stakeholder processes, to identify stakeholder concerns, and, if determined to be necessary, to recommend a plan to address the issues that have been raised.³² The New York Independent System Operator, Inc. (NYISO) states that it has implemented recent reforms, with input from its stakeholders, requiring: (i) that the NYISO Board publicly post its minutes on NYISO's website; (ii) that the NYISO staff communicate minority positions to the Board through the briefing materials that the directors consider in advance of each board vote; and (iii) that NYISO report market-related errors to the Commission and stakeholders.

The RTOs and ISOs also state that while they support enhanced communications, accountability, and adequate stakeholder input, governance reforms to promote these objectives must be balanced against the Order No. 2000 RTO/ISO independence

³¹ See Old Dominion at 12-13; Steel Producers at 4; NASUCA at 5; ELCON at 4.

³² PJM states that, to assist in this assessment, consultants have been engaged to facilitate discussions with interested members. PJM states that this process is currently considering, among other things: (i) increasing transparency by conveying the names of members who supported or opposed each major proposal at lower-level standing committees to PJM's Markets and Reliability Committee and Members Committee; (ii) fine-tuning proposal development, decision making, and the elevation process by chartering working groups that have more clearly defined roles, established deadlines, and more frequent reporting back to higher level committees; (iii) improving meeting procedures and mechanics (voting procedures, phone participation, etc.) by clarifying existing voting rules and then applying them uniformly across similar levels (e.g., at the working group level); (iv) clarifying the roles and responsibilities of PJM members and staff through a facilitated discussion; and (v) creating clearer guidelines for sector placement enforcement based on existing and/or refined sector definitions.

principle, i.e., the principle that RTOs and ISOs be independent of any individual market participant or any one class of participants.³³

The RTOs and ISOs also address cost issues relating to stakeholder participation in the RTO/ISO decision-making process. PJM states that, to reduce the cost of participating, PJM provides internet and telephone participation for every stakeholder meeting. In addition, PJM states that it has funded the participation of some consumer advocates in some of its larger special meetings through scholarships to defray the cost of attendance.³⁴

The California Independent System Operator Corporation (CAISO) states that such funding is unnecessary as it applies to CAISO's stakeholder processes, because the costs of participating are relatively low. CAISO also states that it has taken steps to enable remote participation and that it posts stakeholder materials on its website.

The RTOs and ISOs also address the composition of their boards, NASUCA's proposal to seat board members specifically committed to consumer interests, and related proposals. CAISO opposes the creation of a board committee on consumer affairs. CAISO states that its departments are organized according to their function, rather than the stakeholder segment to which they provide service. PJM also opposes the dedication of specific board seats to specified consumer interests, noting that, were it required to adopt this practice, other sectors would have grounds for seeking the same preference. PJM adds that its operating agreement requires board members to have specific functional expertise, including the type of experience a former consumer advocate might have. PJM states, however, that no particular stakeholder interest is presently afforded a designated seat on the PJM board. ISO-NE also argues against the dedication of specific

³³ *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (2000), FERC Stats. & Regs. ¶ 31,089 at 31,061 (1999), *order on reh'g*, Order No. 2000-A, 65 Fed. Reg. 12,088 (2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff'd sub nom. Public Utility District No. 1 of Snohomish County, Washington v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

³⁴ PJM further states that it provides funding to state public utility commissions within its footprint to assist in participating in the stakeholder process and overseeing PJM's operations. The funding is provided to the Organization of PJM States, Inc. (OPSI) through a rate schedule in the PJM tariff, which in turn is provided to the state commissions.

stakeholder seats on its board, suggesting that such a policy would undermine the board's independence. ISO-NE states that, instead, its board members are appropriately required to have a cross-section of skills.³⁵

The RTOs and ISOs further address consumer advocate access to the board. PJM states that it actively engages with the consumer advocate offices within its footprint to better understand their specific concerns regarding meaningful participation in the PJM stakeholder and governance processes. PJM states that, in addition, its Liaison Committee serves as a resource to consumer advocates as PJM's primary advisory committee to its Board.

Finally, the RTOs and ISOs address NASUCA's proposal regarding open board meetings. CAISO states that it has opened its Board meetings to permit any interested person to address the board during public session and for each item the board takes public comment before taking action. PJM, by contrast, argues in support of its closed Board meeting policy, noting that this policy is consistent with *Roberts Rules of Order*.

³⁵ On a related issue, ISO-NE acknowledges that its stakeholders want more turn-over of Board members, in part to ensure that the Nominating Committee has substantial impact on the board's composition. ISO-NE states, in response, that it has limited its directors to three consecutive three-year terms.

Appendix B**Technical Conference Proceeding Comments**
Docket No. ER09-1048-000, et al.

American Public Power Association
California Independent System Operator Corporation
Consumers Union, National Consumer Law Center,
AARP, Consumer Federation of America and
Public Citizen
Daystar Farms
Dayton Power and Light Company
Delaware Electric Municipal Corporation, Inc.
Electricity Consumers Resource Council
Electric Power Supply Association
EPIC Merchant Energy, LP, *et al.*
Illinois Commerce Commission
International Transmission Company, Michigan Electric Transmission
Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC
ISO New England Inc.
Maryland Office of People's Counsel
MidAmerican Energy Company
National Association of State Utility Consumer Advocates
New York Association of Public Power
New York Independent System Operator, Inc.
New York State Public Service Commission
New York State Consumer Protection Board
North Carolina Electric Membership Corporation
Office of the Massachusetts Attorney General
Office of the Ohio Consumers' Counsel
Old Dominion Electric Cooperative
PJM Interconnection, L.L.C.
PJM Power Providers Group
PSEG Companies
Public Power Association of New Jersey
Steel Producers
Sunflower Electric Power Corporation and
Mid-Kansas Electric Company, LLC
Transmission Agency of Northern California
Xcel Energy Services, Inc.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	Docket Nos. ER09-1063-000 ER09-1063-001
California Independent System Operator Corporation	Docket No. ER09-1048-000
Midwest Independent Transmission System Operator, Inc.	Docket No. ER09-1049-000
Southwest Power Pool, Inc.	Docket No. ER09-1050-000
ISO New England Inc. and New England Power Pool	Docket No. ER09-1051-000
New York Independent System Operator, Inc.	Docket Nos. ER09-1142-000 ER09-1142-001

(Issued October 21, 2010)

WELLINGHOFF, Chairman, *concurring*:

Today, the Commission issues orders finding that the governance procedures and stakeholder processes of each of the six RTOs and ISOs under our jurisdiction meet the requirements of Order No. 719.

I write to acknowledge the work of the many parties that participated in the stakeholder processes convened by the RTOs and ISOs following the issuance of Order No. 719. Those processes were convened to ensure that RTO/ISO procedures are responsive to the needs of customers and other stakeholders. The efforts of participating stakeholders culminated in the compliance filings which we approve today. In addition, I want to acknowledge the thoughtful proposals made by many parties in comments on the compliance filings and both at and following the technical conference that we held in these proceedings earlier this year

Although today's orders find that many of the commenters' proposals made in these proceedings are not required to comply with Order No. 719, we also emphasize that RTOs/ISOs should continually evaluate their governance policies and stakeholder processes and consider how they may be improved. I would like to highlight that funding to facilitate participation in the RTO process by consumer advocates is among the proposals that I would encourage stakeholders to consider further in the future.

Jon Wellinghoff
Chairman