

JOINT Response to the TO & EISPC DRAFTS on EIPC's Revised SSC Proposal  
By Representatives of the NGO and End Users (EUs) Sectors

Because EUs and NGOs support the EIPC's Revised Straw Proposal at the St. Louis stakeholder meeting in April as a reasonable balancing of sector and regional interests within the parameters of DOE's FOA, we do not support the modifications proposed by TOs. The proposed changes, in our view, would create a serious imbalance of representation at SSC meetings, undercut the value of sector caucuses in facilitating sector agreement, and substantially reduce the prospect of SSC consensus decision-making. We believe the TO proposal does not meet the requirements of the DOE FOA. However, we think the efforts of EISPC representatives to find ways to increase common ground among stakeholders on SSC structure and procedures have been helpful, and we believe the EISPC proposal suggests some adjustments to the revised straw proposal on which additional agreement may be possible.

We appreciate the TOs' willingness to support a 29 member SSC and to "speak" through their 3 SSC members. We also understand and appreciate the TOs' desire to have TOs from all regions in attendance at meetings and available to the SSC to address issues of significant regional concern. In addition, while EUs and NGOs have no problem with TO designations within the TO sector between "participants" and "observers" at SSC meetings, we think it is not helpful to require that other sectors make such distinctions. Although some SSC stakeholder sectors may wish to make distinctions among SSC meeting attendees in their sectors to balance or assist decision-making within their sectors, some sectors (including NGOs and EUs) may not want to organize in that way.

The EUs and NGOs cannot support details in the TO proposal that are likely to be detrimental to consensus decision-making, including seating SSC members around separate sector tables instead of a single SSC member table, or that have the effect of increasing the size of the SSC, such as making "up to 10" TO (and other sector) attendees SSC "participants". In addition, although we believe no sector should be allowed to unfairly dominate the SSC process or any particular discussion, we cannot support meeting rules that require equal sector "speaking time" on every SSC agenda item. While such an approach might be appropriate for final votes on issues on which consensus is determined to be impossible (or issues requiring broader input on regional concerns), NGOs and EUs believe the approach would be antithetical to consensus decision-making.

While EUs and NGOs can support real time caucusing for sector attendees with their SSC reps during the SSC meetings, we cannot support a definition of consensus that requires consensus agreement by all three reps of the TO sector and "majority" support of the other sectors. TO caucus members, as well as members of other sector caucuses, can determine how their chosen representatives are to receive advice and what their positions should be on critical issues, but consensus should be defined as proposed in the May 3 EISPC draft document—i.e., that none of the SSC members strongly object to a proposal.

Because NGOs and EUs also have to deal with a broad and diverse array of both substantive and geographical interests in our caucuses, we understand and appreciate the concern to have sector caucus rules and procedures in place to assure that the regional and other interests about which

TOs are concerned are appropriately presented to the SSC and are represented by the TO SSC members. Thus, the SSC should allocate agenda time for such presentations and caucus time for developing broadly supported TO SSC rep positions.

Because EUs and NGOs believe that the EIPC straw proposal got it right—i.e., that merchant transmission owner and developer interests are more closely aligned with other TOs than with other suppliers, we do not support the TOs' redefinition of the Transmission Owner and Other Supplier sectors.

The May 3 EISPC draft proposal, in our view, provides many helpful details to add to the EIPC's Revised Straw Proposal and attempts to accommodate important TO concerns without conflicting with the DOE FOA's principle objectives and requirements. With regard to SSC size and makeup, we agree with the EISPC draft proposal that insufficient justification has been given for redefinition of the TO sector.

On decision-making specifics, NGOs and EUs believe that consensus should be reached when none of the SSC members, rather than sectors, strongly object to advancing a proposal, and we think that each sector should define for itself how its members will take positions in the SSC process. If a backstop voting procedure is required, we urge that the third bullet be made permissive, rather than mandatory, so that each sector may report its vote to the Chair in a percentage format if the sector's SSC members choose to do so.

Although EUs and NGOs agree with EISPC's concerns and intent regarding modeling, we have suggested edits to the language proposed to clarify both the goals and procedures to ensure that EISPC will be able to determine 4 of the 8 macro analyses and 1 of the 3 future build-out approaches. Our proposed edits are as follows:

- (1) **EISPC Role in Defining Modeling:** It is recognized by all SSC members that EISPC reserves the right to define four of eight macroeconomic analyses and one of the final three build-outs in accordance with the following:
  - a. EISPC will work in good faith with the SSC, through the process it creates, to define eight macroeconomic analyses, four of which will be designed to meet EISPC's requirements, and define three build-outs, one of which will be designed to meet EISPC's requirements. As the SSC process draws to conclusion, the EISPC may, at its sole discretion, modify the four state macro analyses, and the one state build-out, to better meet EISPC requirements, but shall provide advanced notice and explanation of the required changes to the SSC before final decisions on the eight macroeconomic analyses and three build-outs are made..
  - b. In parallel to the SSC process, EISPC may begin work on its own to define the four macroeconomic analyses and one final build-outs that meet EISPC requirements, for the purpose of informing the SSC process, and for ensuring that at the end of the EIPC process, EISPC is assured of at least four macro analyses, and one build out scenario that meets EISPC requirements.
  - c. If EISPC launches a parallel process, it shall provide some mechanism through which the sectors can provide comments (perhaps through a comment period) at the EISPC meetings when it is discussing the macros and build-outs.

While NGOs and EUs do not oppose the table arrangements proposed by EISPC in part (4) of its draft for sector attendees who are not SSC members, we oppose the dispersion of SSC members among the sector tables as fundamentally contrary to the goal of consensus decision-making. And, with regard to the meeting participation options in part (5), because of the importance of continuity and familiarity, as well as clear lines of communication, for SSC members to achieve consensus in the EIPC process, EUs and NGOs support EISPC's preferred option for meeting

participation—i.e., SSC members will serve for one year as their sector representatives at SSC meetings. We agree that only the SSC members should speak during the SSC meetings except when opportunities are provided for others to speak on important regional issues or during public comment periods on the meeting agendas.