

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **23-06 Archived Resolution**

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5 **OPPOSITION TO APPLICATION OF FERC's**
6 **STANDARD MARKET DESIGN OR OTHER ITERATIONS**

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8 In a Notice of Proposed Rulemaking (NOPR) released on July 31,
9 2001, the Federal Energy Regulatory Commission (FERC) proposed a
10 standard market design (SMD) for all wholesale electricity markets
11 nationwide.

12 The proposal is based on the proposition that undue
13 discrimination in transmission access exists in *all* regions and that such
14 discrimination is unlawful under the Federal Power Act and must be
15 remedied. NWPPA members take issue with this assumption and argue
16 the Northwest has a strong transmission system and discrimination is
17 not prevalent. We believe the SMD proposal or other iterations are
18 intended to address problems that do not exist in this region.

19 NWPPA members serve over five million consumers in 11 Western
20 States and two provinces in Canada. They are load-serving entities that
21 have statutory or enduring obligations to their customers. NWPPA
22 members fulfill such commitments in part through long-term contracts
23 with the Bonneville Power Administration and the Western Area Power
24 Administration for the delivery of federal resources over the Western
25 transmission system.

26 NWPPA members support fair and nondiscriminatory access to
27 transmission, and the continued development of wholesale power
28 markets that are transparent, efficient, and produce just and reasonable
29 rates.

30 NWPPA members believe that in the Western United States, FERC
31 has not demonstrated that benefits of SMD or other iterations, as
32 proposed, significantly exceed the potential increased costs to
33 consumers. In fact, some sources indicate, SMD or other iterations could
34 result in a transmission rate increase to NWPPA customers ranging from
35 15 percent to over 100 percent. Similarly, efforts to impose Market
36 Design 2002 (MD '02) in California raise numerous concerns to those in
37 the Northwest, including the fact that the costs would significantly
38 outweigh the benefits. (CA Members)

39 NWPPA requests that the U.S. Congress and the Administration
40 direct FERC to enforce existing rules to promote and ensure transparent,
41 open and non-discriminatory transmission access. Further, that SMD or
42 other iterations are not appropriate for the Northwest.

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