

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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FERC Technical Conference on RTO Responsiveness)	Docket Nos. ER09-1048-000
)	ER09-1049-000
California Independent System Operator Corporation)	ER09-1050-000
Midwest Independent Transmission System Operator)	ER09-1192-000
Southwest Power Pool)	ER09-1051-000
ISO New England and New England Power Pool)	ER09-1063-000
PJM Interconnection)	ER09-1142-000
New York Independent System Operator)	
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Comments from Consumer Groups Representing Residential Ratepayers

Consumers Union, National Consumer Law Center, AARP, Consumer Federation of America and Public Citizen have worked for decades to promote consumer interests. We believe there are several measures that would improve consumer protection through increased transparency and enhanced consumer participation in RTO/ISO decisionmaking. We were disappointed that FERC's technical conference held on February 4, 2010 did not include any non-governmental residential consumer representatives on any of the panels. Residential consumers are largely shut out from RTO/ISO governance, and yet, they are the ratepayers most vulnerable to price fluctuations that result from inadequate oversight over RTO/ISO governance and decisionmaking. We urge the Commission to give residential consumer interests greater weight in the decisionmaking process in the future both before the Commission and in RTO/ISO governance.

Currently, RTO/ISO governance works well for the RTOs and ISOs themselves and large power generators. However, their success and profitability comes at the expense of ratepayers. Ratepayer advocates cannot keep up with the hundreds of meetings RTOs hold

each year, and ratepayers are not represented on the RTO/ISO boards. The idea that “there is too much democracy,” with respect to RTO/ISO governance, as Commissioner Spitzer stated during the technical conference, could not be further from the truth. Large, industry-oriented boards, commonplace closed-door meetings, and non-public, restricted data are elements of a close corporation, not a democratic institution. Wholesale electric rates are too vital to the public interest to allow private individuals nearly unfettered discretion in making decisions without meaningful FERC oversight and consumer involvement.

There are three primary options to reform RTO/ISO governance to improve responsiveness to consumers. First, FERC could mandate that consumer representatives be members of the boards. Second, FERC or Congress could set up an Office of Consumer Advocate that would, among other duties, represent consumers at RTO/ISO proceedings and provide the Commission with feedback regarding any problems with the process or instances where FERC should investigate or disapprove rates that are not just and reasonable. Third, FERC could intensify its review of RTO/ISO submissions and demand justification and of substantial price increases. The Commission can and should at the very least, undertake the third option immediately. Any of these three measures would improve consumer protection through transparency and enhance consumer participation in RTO/ISO decisionmaking.

Public disclosure would dramatically improve market transparency and help ratepayers and FERC recognize and investigate cases of market manipulation. FERC should require RTOs/ISOs to publish the names and amounts of the bid within 24 hours of bids closing. FERC should also collect price, cost, and other data (pursuant to Docket Nos. AD10-5-000, IC10-6-000 and IC10-6Q-000), as these data are essential to understanding the effectiveness and outcomes of RTO/ISO governance and ensuring just and reasonable rates.

At a minimum, FERC should require RTOs/ISOs to publish high bids over a reasonable threshold, in order to prevent clear manipulation right before the auction bell rings.

While transparency is important, and we would welcome reforms that require RTOs/ISOs to make their meetings and voting public, knowledge of the proceedings is no substitute for meaningful participation. Financial support for consumer advocate offices is essential to provide advocates with the minimum resources to keep up with the most pressing concerns. However, this too, is insufficient to give consumers a voice in the decisionmaking process, instead of the mere opportunity to complain after the decision has been made.

Conclusion

We urge the Commission to increase residential consumer participation and representation in RTO/ISO decisionmaking and thank the Commission for its consideration of these comments in this docket.

Respectfully submitted,

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