

INDIEC

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POSITION STATEMENT ON REGIONAL TRANSMISSION ORGANIZATIONS (RTO'S)

The Indiana Industrial Energy Consumers, Inc. (INDIEC) believes that the success of deregulation of the electric industry depends on non-discriminatory access to the national transmission grid for all customers. This can only be accomplished through the proper development of Regional Transmission Organizations (RTO's). INDIEC believes that RTO's must be developed with the following principles:

- The current national transmission grid should be divided into a limited number of RTO's whose size and boundaries maximize operating efficiency and minimize interconnection issues. All Indiana transmission facilities should be in the same multi-state RTO under rules and criteria established by FERC.
- Each RTO must adhere to operating and emergency procedures, interconnection rules and pricing mechanisms that promote an efficient wholesale market and minimize interconnection issues across RTO's.
- Each RTO must have governance structures that allow all stakeholders a voice in ensuring independent and efficient operation.
- Each RTO must have virtual single control area responsibility.
- Each RTO must be financially structured in a manner that is accountable to FERC.
- Each RTO must be responsible for the long-term planning needs of its members.
- Each RTO must administer a single open access transmission tariff.
- Each RTO must have operational control over all transmission facilities located within its boundaries as well as other facilities that function as transmission.
- Each RTO must provide a means for the delivery of ancillary services at market prices without penalties for over or under supply if there are no additional costs.
- Each RTO must mandate the use of OASIS to reserve transmission.