



Ohio Consumers' Counsel

*Residential
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April 11, 2001

Mr. Donald S. Clark
Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C., 20580

RE: V010003--Comments Regarding Retail Electricity Competition

Dear Mr. Clark:

Enclosed is an original and six copies of the Comments Regarding Retail Electricity Competition of the Ohio Consumers' Counsel.

The Ohio Consumers' Counsel (OCC) is the statutory representative of residential utility consumers in Ohio before state and federal agencies, legislative bodies, and the courts. OCC has been involved in electric restructuring and customer choice issues in Ohio and nationally for a number of years.

As you are aware, retail choice in electricity has just begun on January 1, 2001 for the State of Ohio. As such, there is a paucity of data so far as to the development of retail markets in Ohio. It would be difficult to draw many conclusions from the first three months of this newly evolving market. These questions would be better answered after a longer period of time has elapsed. That having been said, I have attached our recent progress report on the status of electricity choice in Ohio. In addition, there are certain facts and observations that are worth noting.

1. Ohio's electric restructuring statute permits governmental entities to aggregate consumers into buying groups unless those customers choose not to participate. This relatively unique feature has led to the passage of over 100 ballot referenda where voters gave their local governments the authority to solicit bids to purchase power on their constituents' behalf. In this regard, as we mentioned in OCC's progress report, the Northeast Ohio Public Energy Council has arranged for an electric supplier for approximately 400,000 customers.
2. A settlement agreement in one Electric Transition Case provided 500 MW of electric generation at prices below the current wholesale market price. This Market Support Generation was almost immediately oversubscribed by marketers and aggregators, who subsequently offered customers correspondingly lower rates. Unfortunately, other suppliers have not arranged for generation at similar rates.

At least one aggregated group in Toledo, OH has had difficulty obtaining a bid from any generation supplier. This situation can be attributed to difficulties in the wholesale generation and transmission markets, including the slow pace of regional grid development and higher natural gas prices. These factors have led to higher wholesale prices, which have in turn contributed to scarce generation options for consumers. A number of parties have recently noted:

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“By all accounts, the electricity markets in the Midwest are not workably competitive. This is due in large part to balkanized operation of Midwest transmission facilities; countless seams between scores of control areas; and a lack of convenience and uniformity in business practices and rules.” Comments of Midwest Stakeholders, 3/30/01.

As OCC has noted to Congress and federal agencies in appended documents, it is abundantly clear that effective regional wholesale markets are a fundamental requirement for a state's restructuring plan to succeed. Truly competitive wholesale markets cannot develop without effective controls on those who are in a position to shape and, without such controls distort, the market.

To ensure that consumers reap the benefits promised by electric competition, federal policy makers must work to assure a sufficient and reliable generation supply in both the wholesale and retail markets. In addition, the same policymakers should facilitate the interstate transmission of electricity and eliminate barriers to entry.

3. Ohio has one of the strongest educational campaigns in the nation. A multifaceted set of programs provides a solid information base for consumers to make informed choices for their electric supplies.
4. Ohio has retained consumer protection standards for ratepayers regardless of who they select as their supplier, and has retained rate caps for customers remaining with the electric distribution utility.

For additional information, you may wish to visit our website at www.pickocc.org. If you have any other questions regarding electric choice programs in Ohio, please do not hesitate to contact John Smart or Randy Corbin of my office at (614) 466-8574.

Sincerely,

Robert S. Tongren
Consumers' Counsel

Enclosures



NEWS RELEASE

The Ohio Consumers' Counsel

FOR IMMEDIATE RELEASE

Contact:

Ryan Lippe (614) 466-7269

Carah Brody (614) 466-9547

THE VIEW FROM 90 DAYS:

Despite Few Choices for Electric Consumers, Education Efforts Must Proceed

Prepared by Robert S. Tongren, Ohio Consumers' Counsel

During the first three months of retail electric competition in Ohio, a clearer picture of “electric choice” has materialized. Volatile wholesale electricity prices, increased risks for suppliers and intensive media coverage of continuing problems in California’s electric markets are interacting with market conditions created by the safe and cautious approach legislators adopted in Ohio’s electric restructuring legislation. The result is a slowly emerging marketplace that will in all likelihood take three to five years or more to deliver the full benefits of retail competition. This period will give Ohioans the opportunity to become better informed about how to shop for a new electric supplier as Ohio transitions to a new way of marketing, selling and buying electricity.

PROGRESS REPORT

The first three months of electric choice in Ohio are notable for the following developments:

- **Plenty of certified suppliers, but few actively marketing to residential consumers.** Thirty-six electric suppliers (excluding governmental aggregators) have been certified by the Public Utilities Commission of Ohio (PUCO) to provide electric generation services to Ohio’s residential consumers. Of these, just two currently have offers on the table and are soliciting new customers.
- **Marketing activity beginning to expand into other parts of the state.** While most of the marketing activity has been concentrated in the service territories of the three FirstEnergy companies, early in February we saw the first supplier (The New Power Company) begin marketing to customers of Cinergy and AEP. To date, no suppliers have yet begun marketing to Dayton Power and Light customers.

- **Some customers switching to new suppliers.** An estimated 152,000 residential customers in FirstEnergy territories have switched to new suppliers. In addition, about 500 American Electric Power, Cinergy, and Dayton Power and Light residential customers have switched.
- **Largest single community aggregation in the nation.** The Northeast Ohio Public Energy Council (NOPEC), which represents more than 400,000 customers from 94 communities in northeast Ohio, is the largest community buying group of its kind in the nation. In February, NOPEC negotiated a contract on behalf of its members with Green Mountain Energy Co. that will provide lower prices, a long-term (five-year contract) and a commitment to cleaner energy (98 percent of the electricity will come from natural gas, with 2 percent coming from renewable energy sources).
- **Generally limited savings to date.** Customers who have switched suppliers are expected to save from as little as a few cents per month to as much as \$100 per year. NOPEC customers will save \$10 to \$12 million over five years, which works out to an average of about a dollar or two a month for each customer.

The simple and unavoidable fact is that competition has been slow to develop, choices have been slow to materialize and savings have been slow to accumulate. Even in areas of the state that have seen the most activity, most offers from alternative suppliers disappeared soon after FirstEnergy's limited supply of low-cost wholesale power – the market support generation – disappeared.

The apparent reluctance of suppliers to participate in these early days of Ohio's retail electric market is easy to understand. Unanticipated price volatility in wholesale markets has increased the risk factors for suppliers thinking about entering Ohio's retail market. In addition, all of the bad news emanating from California has contributed heavily to the destabilization of wholesale markets. What's more, constant media coverage of California's energy woes has made some Ohio consumers understandably skeptical about the potential benefits of electric choice, which in turn has further discouraged suppliers from coming into Ohio and helping to spark competition.

OHIO'S TRADE-OFF

While it's true that Ohio consumers have not had many choices in the first three months of electric restructuring, it's equally true that they aren't being subjected to the kind of risks that Californians are facing. From our perspective at the Ohio Consumers' Counsel, that's a fair and reasonable trade-off. It's also no accident.

Whereas California's legislative approach was to throw everyone – consumers, suppliers and utilities alike – into the deep end of the swimming pool from day one, Ohio's legislators took a wiser, longer-term view. They crafted a restructuring plan with market development periods ranging from 3 to 5 years, during which consumers are sheltered from the volatility of an evolving, unregulated marketplace.

As a result, Ohio's residential electric customers can take their time to learn how to shop for and buy electricity in a competitive market without pressure to make a decision too soon. And, let's not forget, ***all residential customers currently served by one of Ohio's investor-owned utilities are currently receiving a guaranteed 5 percent reduction in the generation portion of their electric bill*** – and will continue to receive that savings for the next 3 to 5 years if they choose not to switch.

Ohio's residential consumers also benefit from a host of additional consumer protection standards included in Ohio's electric restructuring legislation. Some notable examples include

- Requirements for all competitive electric suppliers to be certified to do business in Ohio by the Public Utilities Commission of Ohio;
- Requirements for suppliers to adopt codes of conduct and minimum service, quality, safety and reliability standards;
- Prohibitions against slamming and against suppliers providing false or misleading information;
- Provisions for OCC to take legal action to resolve problems residential consumers may have with their suppliers; and
- Forgiveness of electric bill arrearages for certain low-income customers who are disabled or over age 65.

Viewed from this big-picture perspective, Ohio's deliberate and thoughtful approach to restructuring the state's electric industry is already paying substantial, and perhaps under-appreciated, dividends.

LOOKING FORWARD

While Ohio's residential consumers currently are protected from the volatility of wholesale electric market prices, no one can say with any certainty what the future holds when the 3-year and 5-year market development periods expire. While Ohio's restructuring legislation was crafted in a way to minimize the risks of any California-like problems that would negatively impact consumers, the fact remains that ***the transition to a competitive retail electric market is a work in progress***. Only as Ohio's market develops over the next few years will we know for certain the outcome.

We *do* know, however, that there are certain requirements for making electric restructuring work as it was intended:

1. We need a healthy base of competitive suppliers who receive positive signals from the marketplace, have access to less volatile prices on the wholesale market and find ample room in the pricing arena to compete for customers.

2. We need an adequate supply of generation that keeps pace with our growing demand. We must continue and complete the construction of new and expanded generation projects already under way in Ohio. We also maintain government policies that encourage investment in base load as well as peaking generation capacity.
3. We need knowledgeable, interested and market-wise consumers who know how to shop for electricity in a competitive market and who are aware of the resources available to assist them in taking full advantage of electric choice.

It is in this third area that an especially heavy responsibility falls upon OCC as the state's residential utility customer advocate.

THE NEED FOR CONSUMER EDUCATION

Eventually, electric restructuring will bring more than just a choice of suppliers. It also will bring other choices such as different lengths of contracts and terms of agreement, variable rates and pricing schemes, and a mixed bag of incentives, premiums, penalties and fees. Not only will these new choices often be complicated and hard to understand – there will be no single combination that is right for everyone.

Just as Ohioans need to be informed, savvy shoppers to get the best deal on a car, a home mortgage or a mutual fund investment, they are going to need to be informed, savvy shoppers to get the best deal for electric generation – with the terms and conditions that best match their individual needs, priorities and comfort levels. Many of the initial offers made to consumers in northern Ohio required residents to research their options, understand their choices and make a decision in two to three weeks or less. That simply isn't much time to make a decision as important as switching electric suppliers.

That's why OCC, along with the PUCO, the investor-owned utilities and the new suppliers entering Ohio's marketplace, is working hard to educate Ohio's residential consumers on electric choice.

PROTECTION AGAINST FRAUD AND ABUSE

Finally, in any new marketplace there will be those who try to abuse the system. Informed and educated consumers will be alert to warning signs and better able to avoid scams. There will be an ongoing need to monitor and police the sales practices of electric suppliers – a charge that OCC embraces as its statutory mandate to serve as counsel for the state's residential utility customers.

Within this context, OCC issues these warnings today to all electric generators, marketers, brokers and aggregators who intend to do business in Ohio:

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- While OCC welcomes and encourages suppliers to come to Ohio and serve the state's residential customers, the agency will not tolerate sales practices that attempt to take advantage of the fears or lack of knowledge of those customers.
- Nor will OCC tolerate market abuses such as those seen in California. OCC will react swiftly and forcefully to ensure the continued integrity of Ohio's competitive electric market.

CONCLUSION

Over time, as Ohio's new electric market develops and matures, we will see an effective and dynamic interplay between marketing and shopping emerge. Ohio is well-positioned to benefit from retail electric competition in a three- to five-year time frame without the kind of wrenching disruptions that we've seen in California. To succeed in Ohio, we need education and vigilance. The Ohio Consumers' Counsel will be providing both.

CONTACT

For more information, or to schedule an interview with Robert Tongren, call Ryan Lippe, Communications Specialist, 614-466-7269, or Carah Brody, Public Information Specialist at 614-466-9547.

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Responses to the Questions of Chairman Bliley by the Ohio Consumers' Counsel

1. *Many respondents on H.R. 2944 felt that the jurisdictional boundaries between Federal and State regulators needed further clarification. Could you please describe your understanding of the provisions resolving Federal/State jurisdictional issues and the respective jurisdictions of Federal and State regulators? If you believe they need to be modified, please provide specific legislative language.*

Response to Question #1: The jurisdictional issues related to transmission of electricity are the thorniest of all the issues to address. There is no magic bullet that would resolve the conflict. Increasingly, the electricity business is crossing state borders toward regional generation markets. This fact, coupled with the need for a consistent set of standards, protocols, and methods for operating the nationwide transmission grid to permit the functioning of wholesale and retail markets, points to federal jurisdiction for all transmission.

However, the rates to pay for transmission and the retail customers ultimately served by this nationwide grid are part of retail rates generally set by state regulators. Since individual retail customers have made the majority of the transmission investment, retail regulators should continue to play a role in how costs are allocated to the ultimate consumer, and the development of ways to provide adequate, reliable service to their state's retail customers. Yet, the goals of a state to protect its native load customers can sometimes run counter to the needs of an efficiently operating regional market.

The most direct approach would be for federal legislation to simply require states to unbundle transmission from other portions of retail rates. Another approach may be to permit the FERC to set transmission rates for both unbundled and for bundled retail transmission. However, this would be difficult without states unbundling retail rates. For this approach to work, the FERC would set or approve RTO-wide rates, and compare those to rates previously established for those same firms in order to provide data points for state commissions to net out the transmission portion from the rest of the bundled rates. If this were to occur, the FERC should convene global settlement proceedings to adjust transmission rates and revenue allocations in ways that do not raise retail rates to the extent possible. This process could also be used to transfer transmission assets out of retail rates entirely for the future, with an eye to compensating customers for any windfalls otherwise received by divesting utilities.

Yet another alternative would be to have the FERC set the transmission revenue requirement for given states, and give state regulators the opportunity to set allocations and rates among customer classes based upon a federal pricing guideline.

2. *Chairman Hoecker's comments on H.R. 2944 stated that "H.R. 2944 fails to adequately address the jurisdictional problem evidenced by the Eighth Circuit's recent holding in Northern State's Power Co. v. FERC...." Do you agree or disagree? How should Federal legislation address this issue?*

Response to Question #2: OCC believes that the transmission provisions in H.R. 2944 undercut

non-discriminatory open access to the interstate grid--an element that is essential for a robust competitive market. This issue also is not crystal clear. For example, the approach would seemingly preempt the D.C. Circuit Court's finding regarding FERC's interpretation of the bundled/unbundled split.

Yet, the language codifies the recent 8th Circuit decision that severely limits the FERC's authority to ensure that all users of the transmission system receive the same service under the same terms and conditions [Title I, Section 102]. This could lead to balkanization of the interstate transmission grid. Retail customers served with rebundled services would not be included as native load, although the jurisdiction is unclear as to rates, terms, and conditions for rebundled services. Electric restructuring legislation could utilize the same approach as described in response #1 to address these problems.

3. *FERC issued Order 2000 urging the formation of voluntary Regional Transmission Organizations (RTOs) after Subcommittee action on H.R. 2944. What is your organization's position on that rule?*

Response to Question #3: OCC generally supports the rule as a good first step. However, we believe that FERC's reliance on voluntary action by utilities will prove to be unworkable. While the FERC may believe it has the authority to order participation, there are still industry participants who believe that it does not, and the ambiguity may have lead the agency to undercut its own interests in its most recent Order 2000. Thus, we support clarifying unambiguously that FERC has the authority to mandate participation in RTOs by utilities.

4. *Chairman Hoecker's comments on H.R. 2944 highlight that H.R. 2944 would limit FERC's authority to undertake the initiatives contained in Order 2000. Would you support modifying H.R. 2944 to make clear that FERC's Order 2000 could be implemented?*

Response to Question #4: Yes. This language should be modified.

5. *You listed market power concerns as being of great importance to you. Please outline, in further detail, what specific provisions are needed to address market power issues? Are there existing legislative approaches to the market power issue that you favor? Please provide specific legislative language on market power that you would like to see included in H.R. 2944.*

Response to Question #5: OCC supports language that would provide the FERC with specific authority to monitor the development of competitive markets; to eliminate undue concentrations of market power in any relevant market; and to remedy anti-competitive conduct or the abuse of market power. These powers should include the authority to order divestiture or other structural remedies when necessary. OCC urges Congress to prohibit cross-subsidization, adopt structural protections and authorize federal agencies to remedy abusive affiliate practices as they relate to interstate commerce or upon the request of state agencies. PUHCA contains certain protections for consumers and competitors that could be transferred to the FERC. This could also include the authority to order certain changes or prohibit certain corporate structures where there may be a means to facilitate anticompetitive or other actions that could ultimately harm consumers. In response to your query with respect to legislative language, we favor the relevant language in H.R.

1960, the Delay-Markey bill provisions.

Legislation should also clarify FERC's authority to review holding company to holding company and convergence mergers for their competitive implications and for disposition of generation assets. Finally, as mentioned below, OCC also supports language that specifically revises the FERC's merger standards to require a net benefit to consumers.

6. *Many respondents stated that antitrust laws alone are unwieldy and inadequate to deal with potential abuses of market power associated with rapid transformation of industry. Do you agree with that statement? If not, please explain?*

Response to Question #6: Yes. We would agree that antitrust laws, although useful, are not sufficient by themselves to guard against anticompetitive conduct in the utility industry. The antitrust laws generally assume a competitive market and seek to guard against subversion of competition. This is a different situation than trying to create competition where there has previously been a monopoly. Markets do not transform themselves without structurally curbing the ability of incumbent monopolies to retain their dominance as competition is introduced.

7. *Most respondents have found the savings clause for State authority in the reliability provision of H.R. 2944 to be unnecessary and create the possibility of State action that could substantially impact reliability of bulk power system. Moreover, they state that the savings clause in Title II grants state commissions authority over transmission leading to balkanization of power grid and undermining the general recognition that greater regionalization of transmission is better for reliability. Do you agree or disagree? Please explain.*

Response to Question #7. Specifically, the language in HR 2944 does not protect a state's authority to protect consumers regarding reliability per se. I do not agree with the perspective that there is no need for a savings clause, because state commissions and consumer advocates will receive the calls directly from consumers if there is a power outage for whatever reason. States should have authority to secure adequate level of reliability, so long as the measures do not interfere with or weaken interstate commerce, do not contradict federal policy and are not greater than is necessary to address the reliability problem.

8. *In your letter, you highlighted the need for "strong, independent RTOs that separate generation and transmission control". What is your assessment of FERC's Order 2000 in this regard? What is your assessment of FERC's position that it has existing authority to mandate RTO participation?*

Response to Question # 8: While the Order is a useful first step, as we stated in #3, the FERC's reliance on voluntary action by utilities is likely to prove unworkable. The steps taken by the FERC in the Order are not likely to be sufficient to force transmission owners to surrender control of their transmission if they can delay and/or leverage the voluntary nature of the FERC's approach to weaken the restrictions to permit the exercise of strategic behavior and other subtle forms of market power. OCC agrees that the FERC has the authority, but the ambiguity mentioned in response #3 in and of itself provides reason to clarify that the FERC indeed has such authority.

9. You saw "no need to incent transmission owners to do their jobs by providing adequate transmission to serve the nation." Proponents of incentive pricing argue that such pricing is necessary to attract needed capital investment in transmission assets. What steps can the Congress take to assure that necessary investment in the transmission system occurs?

Response to Question # 9: Under existing regulation, owners of the transmission system have adequate incentive to provide sufficient transmission services to its customers. This is why there was no real transmission capacity shortfall prior to the onset of wholesale and retail competition laws. Since the introduction of competitive forces in the industry, two situations have arisen. On the one hand, there have been actual transmission constraints and bottlenecks identified. Second, some owners of transmission assets have recognized strategic value in maintaining transmission bottlenecks and load pockets. Some, as you noted, proposed to provide a greater incentive on the transmission side of the equation to remove this impediment. I believe that this approach is unwise, and ultimately will not prove fruitful. This is a similar approach as to that which failed with respect to utility demand side management and integrated resource planning in the 1980s. Basically the problem is twofold:

The incentive is not likely to be sufficient to reverse the countervailing benefits for companies to utilize their transmission to compete unfairly in generation markets.

The price one would have to pay to beat the high rates of return on other new investments for utilities is unlikely to be politically palatable or attainable, and may result in significant rate increases for no purpose other than to induce the utility to perform the function.

10. H.R. 2944 contains provisions that grandfather State programs. Do you support those provisions? Please explain. How do the grandfathering provisions work in concert with the Federal/State jurisdictional boundaries drawn by the legislation?

Response to Question #10: OCC supports grandfathering state laws permitting retail competition. However, the provision gives a blanket grandfather for three years after enactment. This is both unnecessary and impractical. Furthermore, any grandfathering provisions would need to be constructed in a way that does not impede federal policy facilitating open transmission and wholesale markets at a minimum. With respect to Ohio law, Ohio legislation explicitly recognizes FERC authority over transmission rates.

11. Please elaborate on your position regarding language that revises FERC's merger standards to require a net benefit to consumers? Please provide legislative language that you could support on this issue.

Response to Question #11: OCC supports language that specifically revises the FERC's merger standards to require a net benefit to consumers. In establishing its Merger Rule, the FERC relied on court cases that it posited limited the ability to order net benefits to consumers as a result of mergers. Mergers are undertaken to increase efficiencies, for strategic positioning, and for the expressed purpose of producing merger savings. Simply put, consumers have underwritten the utilities' regulated business, which is required to provide utility service on a least cost basis. If merging companies are not required to generate consumer savings or benefit as a result of the merger, then the action does not meet the least cost principles.

Legislation should also clarify FERC's authority to review holding company to holding company and convergence mergers for their competitive implications and for disposition of generation assets.

12. *Your letter supports linking repeal of PUHCA to the presence of structural protections designed to guard against market power abuse? Please provide legislative language you could support with respect to conditional PUHCA repeal.*

Response to Question #12. OCC would prefer the relevant language in the Delay-Markey bill, HR 1960. This language would condition waiver of certain PUHCA provisions as part of a comprehensive bill if holding companies are either subject to effective retail competition in every state in which they have a retail electric service territory or if they divest all of their generation. In addition, the language provides the FERC with the authority to review affiliate transactions, provide state and federal access to books and records, and retain limitations on diversification.

13. *Your letter discusses the issue of "refunctionalization". Do you believe Federal legislation must address this issue? If so, please provide a specific legislative proposal.*

Response to Question #13: Refunctionalization is an issue only with respect to the blurring of the lines between transmission and distribution. Any action that shifts parts of a system from one jurisdiction to another by adjusting definitions should be done with the consent of both jurisdictions. Whether particular assets serve a transmission function or distribution function is a factual question that should be left up to regulators to determine.

14. *Your letter states that state commissions often are unable to review activities of utility affiliates in energy related enterprises targeting residential and commercial markets such as air conditioning? Why is there this inability by state commissions to review for cross-subsidization?*

Response to Question #14: Increased mergers in the industry mean that the holding companies that control various utility affiliates are increasingly out-of-state corporations. It is therefore difficult for a single state commission to command access to the necessary books and records of the holding company or its unregulated affiliates. Many state regulators lack the authority to review holding company transactions with unregulated affiliates. In addition, the state may have authority to review transactions between the operating utility and an affiliated company, but they may not be able to determine actual costs for unregulated affiliates. Moreover, many states lack the resources to do the in-depth review of transactions required to detect cross-subsidization between regulated and unregulated affiliates of a holding company.

15. *You stated that Federal legislation should remove any barrier to state implementation of net energy metering. Please, identify a few of those barriers?*

Response to Question #15: The net metering provision in HR 2944 is limited in scope and unnecessarily prohibits net energy payments to be made by utilities. It limits utilities' responsibility to compensate customers within the size limitation to no more than the customer would otherwise owe in a given month. Customers would not be required to be compensated for energy they

contributed to the utility over and above their own usage. Some states would permit such compensation, thus the language in HR 2944 could also unnecessarily be preemptive.

16. *H.R. 2944 is silent with respect to privacy issues. What is the position of the Ohio Consumer's Counsel on privacy issues?*

Response to Question #16: Provisions in electric restructuring legislation should track that which is in the Telecommunications Act of 1996. For credit and other related information, the customer has to consent affirmatively in writing to permit companies to share such information. With respect to name, address and load data, this information should be available to marketers if available to utility generating subsidiaries unless the customer has signed a request denying permission.

17. *Do you support the development of uniform interconnection standards? If so, what should those standards be?*

Response to Question #17: Yes. There should be standards set for access to the transmission system, and for access to the distribution system. There should be a consensus by all stakeholders as to what the proposed standards should be. The Coalition on Uniform Business Rules, the CUBR-EEI process, the NARUC-DOE process, and the new GISB effort on electric standards could potentially be a mechanism for developing standards. NAERO could play a role in developing transmission interconnection standards. However, there are also many issues such as ancillary service, var support, backup power, voltage regulation, and rates, terms and conditions which should be addressed in a regulatory process.