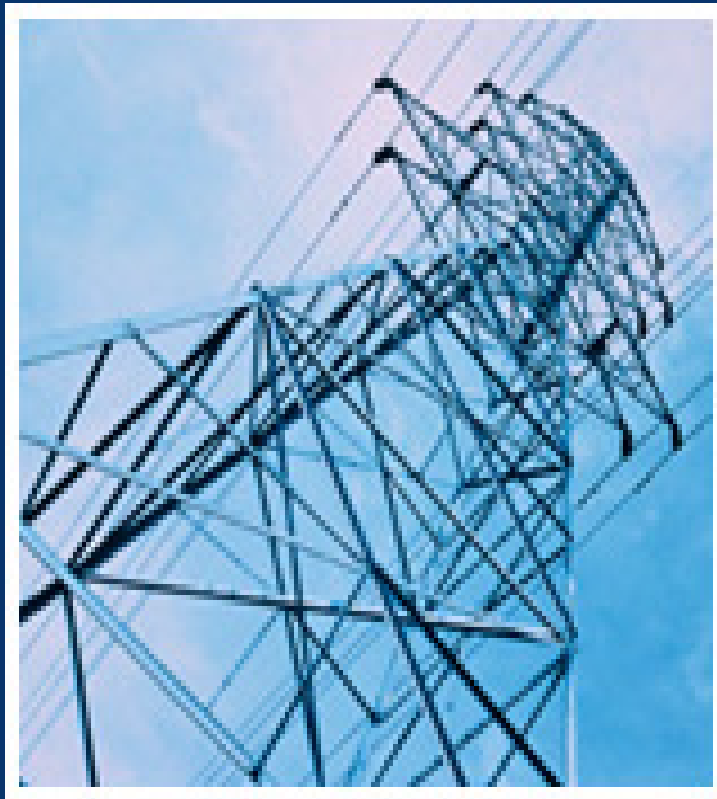


FERC Policy Agenda



Electric Power Supply Association

Washington, D.C.

November 9, 2004

Pat Wood III, Chairman

**Federal Energy
Regulatory Commission**

Top Power Agenda Items

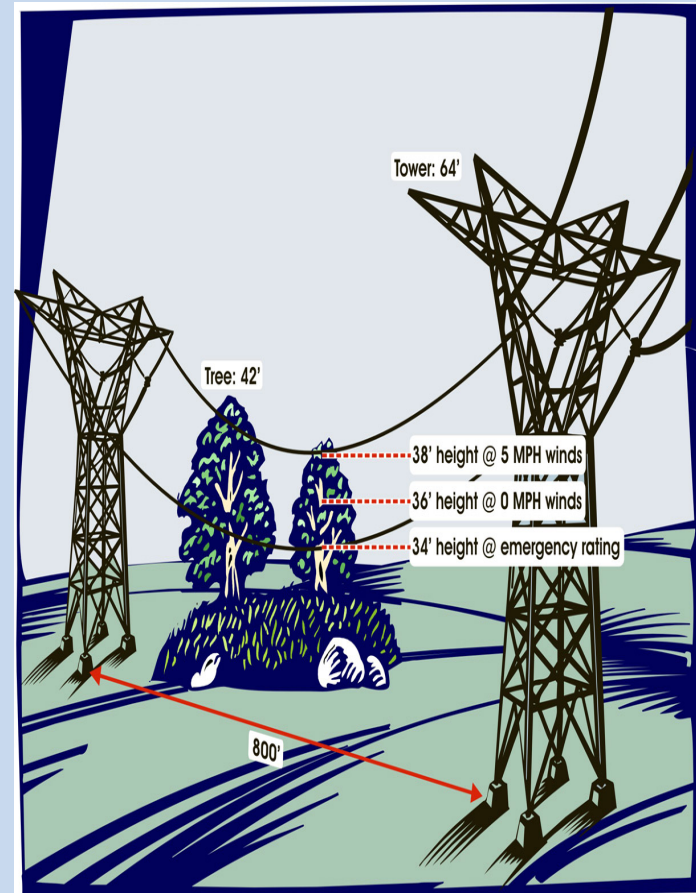
- **Reliability**
- **Market Power**
- **MISO Transition**



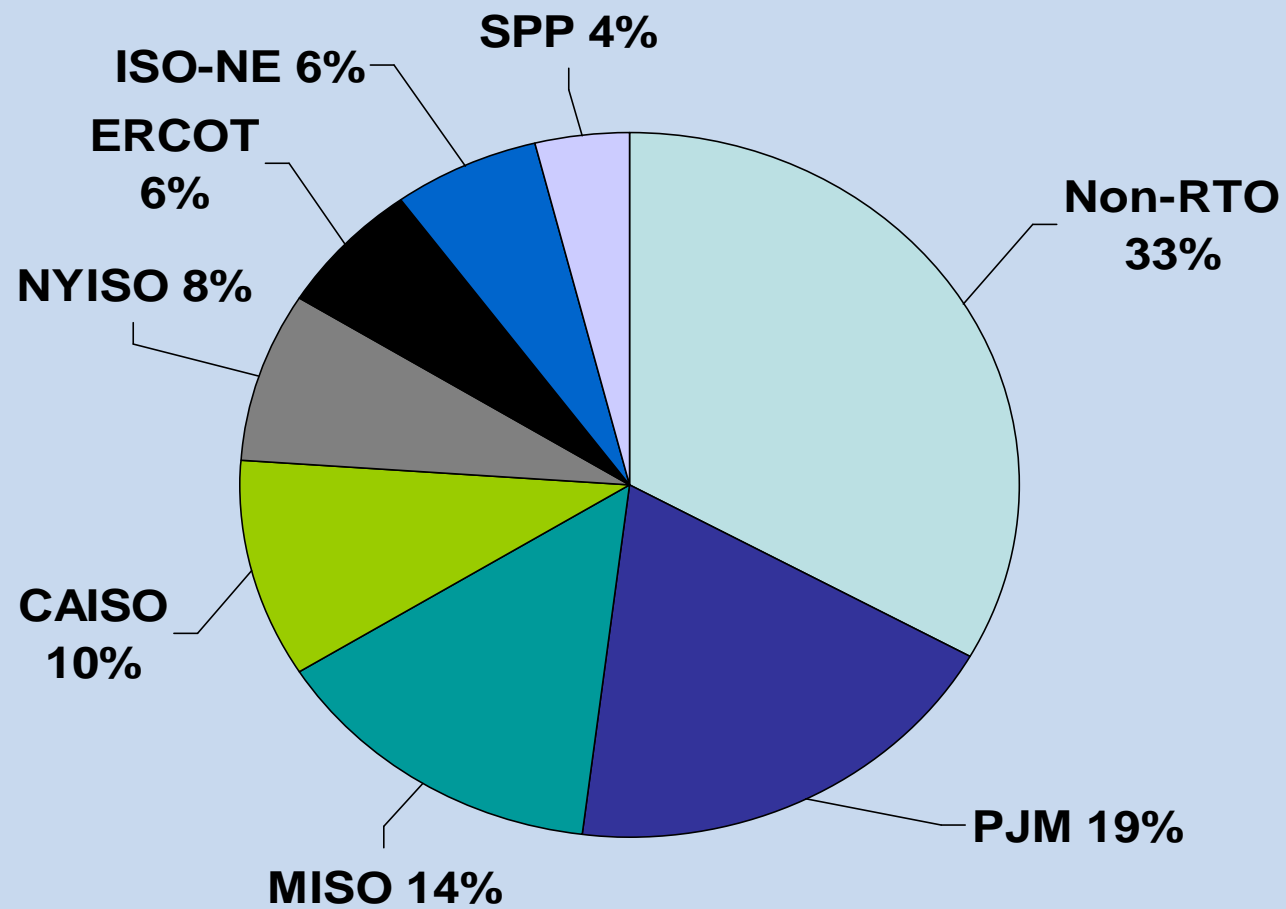
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Reliability initiatives

- FERC Reliability Division
- Operator Training
- Vegetation management
- Audits w/ NERC
- Reactive power
- Plan B?



67% of the U.S. Economy is served by RTO/ISOs



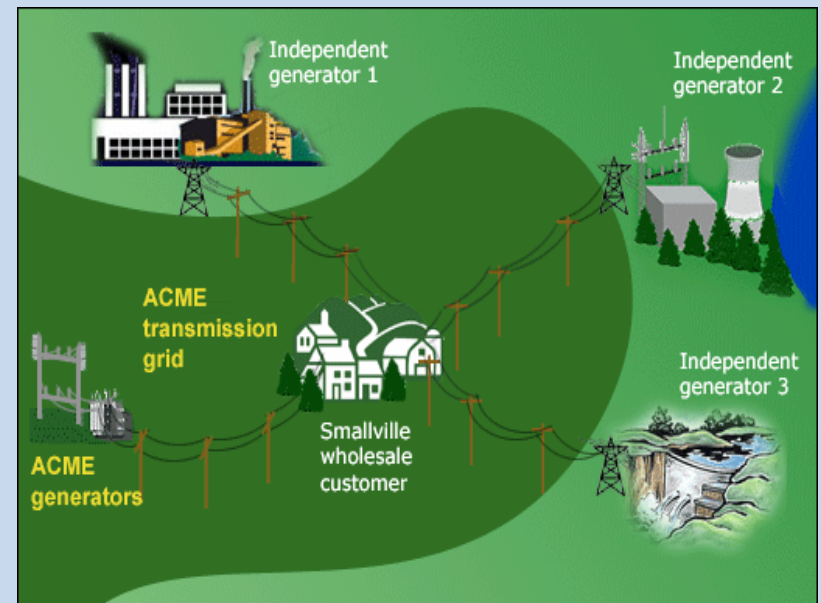
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2003 GDP: \$10.14T

Market Power

Key Initiatives:

- Interim Generation Market Power Test
- Market Based Rate Rulemaking
- Monitoring and Mitigation

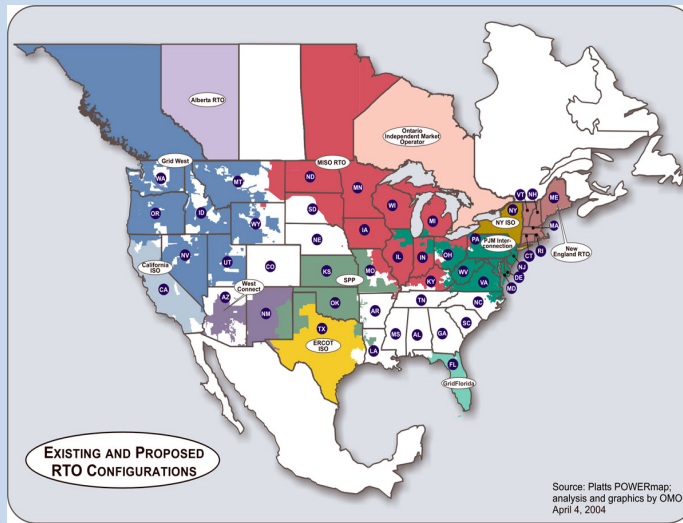


MISO Transition

March 1, 2005: Market-based congestion management, Day-Ahead and Real-Time markets, Financial Transmission Rights

Key items:

- Operations testing
- Member training
- FTR allocation
- Seams arrangements



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Other current initiatives

- RTO handbook
- Rate de-pancaking
- Order 2004 compliance
- OATT Audits
- Entergy issues
- California wrap-up: Lockyer remand

