

UNITED STATES OF AMERICA
Before the
Federal Energy Regulatory Commission
Washington, D.C. 20426

In the matter of

Electricity Market Design	)	Docket Nos. RM01-12-000, RT01-2-000,
and Structure	)	RT01-10-000, RT01-15-000, ER02-323-000,
(RTO Cost Benefit Analysis Report)	)	RT01-34-000, RT01-35-000, RT01-67-000,
	)	RT01-74-000, RT01-75-000, RT01-77-000,
	)	RT01-85-000, RT01-86-000, RT01-87-000,
	)	RT01-88-000, RT01-94-000, RT01-95-000,
	)	RT01-98-000, RT01-99-000, RT01-100-000,
	)	RT01-101-000, EC01-146-000,
	)	ER01-3000-000, RT02-1-000, EL02-9-000,
	)	EC01-156-000, ER01-3154-000, and
	)	EL01-80-000.

COMMENTS OF THE TENNESSEE REGULATORY AUTHORITY

INTRODUCTION AND SUMMARY

The Tennessee Regulatory Authority (TRA or Authority) submits these comments with the Federal Energy Regulatory Commission (FERC or Commission) in response to the Public Notice released on March 1, 2002, Subject: Notice of Regional Teleconferences and due Dates for Comments and Reply Comments. The Authority applauds the FERC for its work on RTO formation and the inclusion of state public service commissions in the debates aiming at reaching an optimum RTO size in the Southeast.

The Commission decided “[to] perform additional cost-benefit analyses on RTOs to guide our further efforts. These analyses are intended to demonstrate whether and, if so, how RTOs will yield customer savings and to provide a quantitative basis for the appropriate number of RTOs.”¹

The Commission chose ICF Consulting to perform the RTO Cost-Benefit study. During its regular open meeting on February 27, 2002, the Commission issued an RTO Cost Benefit Report entitled “Economic Assessment of RTO Policy.” The report, prepared by ICF Consulting, is the result of a study commissioned by FERC to examine potential economic costs and benefits of a move toward Regional Transmission Organizations (RTOs).

^{1/} Order Providing Guidance on Continued Processing of RTO Filings, Docket No. RM01-12-000, p. 5. (Issued November 7, 2001).