Transmission as a Business

Paul F. Barber

Citizens Power

Harvard Electricity Policy Group

11/16/99
Competitive Marketplace Issues

- Willing Buyers and Sellers
- Liquidity
- Trading at Hubs
- Rationalized Transmission Services
- Demand and Supply Elasticity
- Informed Consumers
- Technology, Creativity & Innovation
- Storage

Citizens Power
Transmission as a Business Today

- Monopoly business
- Functional distractions
- Fragmented enterprise
  - operational, commercial, ...
- Cost-based regulation
- Regulation-based service products
- Externalized risk management

Citizens Power
Transmission as a Future Business

- Monopoly business
- Functionally distinct
- Cohesive enterprise
  - operational, commercial, ...
- Performance-based incentive regulation
- Customer-based service products
- Internalized risk management

Citizens Power
Transmission Business Functions

- Operate the transmission system
- Transmit electric power for customers
- Integrate necessary services
- Manage transmission risks
- Preserve transmission assets
- Manage expansion investments
- Execute fiduciary responsibilities

Citizens Power
Layered View of Electric Power Transmission Systems

Commercial

Operational  Planning

Physical

Citizens Power
Compleat Transmission Service

- Packaging
- Reservation
- Scheduling
- Operational Delivery
- Congestion Management
- Spatial
- Temporal
- Settlement

Citizens Power