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January 28, 1999

Blanca Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Undocketed - Regional Transmission Organizations

Dear Ms. Bayó:

LEAF wishes to provide comments in anticipation of the above-referenced workshop. LEAF favors truly independent operation of the transmission system and believes such operation would be efficient and cost-effective. We have several specific concerns addressed below.

LEAF is concerned that any transmission operation system be capable of assessing a full range of transmission expansion alternatives. Those expansion alternatives should include the strategic deployment of demand-side and other distributed energy alternatives and full and fair cost-benefit analysis should be required to find the least-cost method of addressing the need. If a utility requires the expansion, the Commission is the appropriate agency to require that such an analysis be done before allowing the cost of transmission expansion to be placed on ratepayers. If a private party requires it, the market should be able to work in a manner that would facilitate lower cost alternatives. Bidding out necessary reliability enhancement would promote least-cost alternatives. Expansion in that case should not roll costs into everyone's rates.

LEAF is also concerned that intermittent resources be treated fairly in any transmission operating system. Such resources do not increase the instability of the system any more than intermittent or varying loads. An equitable system of buy-back and stand-by contracts are needed and any market structure that FERC or the Commission look to should protect against discrimination regarding intermittent resources.

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Finally, LEAF is concerned that pricing, to be fair to all, be at market value. This includes the concept of congestion pricing. Thank you for consideration of our comments.

Sincerely,

Gail Kamaras

Gail Kamaras, Director
Energy Advocacy Program

cc: J. Jenkins
