

Capacity Construct Public Policy Senior Task Force

Proposal Breakout Sessions – August 17, 2017

Proposal Grouping: REDESIGN

Pros/Benefits:

Bilateral contract – allows a certain amount of load and a certain amount of resources to go out and do their own thing

Cleanest way to deal with a subsidy and the way that subsidy impacts are assessed

The extent that the redesign proposals leave room for structured competitive procurements is a positive

These types of arrangements insulate consumers from some market price volatility

To the extent you do these things, you don't have to go through the effort of designing a two-tiered market

Cons:

The markets were not intended to address these types of policy issues. All of these types of proposals are end runs around trying to deal with price suppression as oppose to efforts to deal with a true public policy.

Lack of confidence for new entry in a competitive market

You could have load and both supply and demand opt out, but after a certain extent the remaining market becomes less efficient and there is a lot more volatility.

Bilateral contracts shift risk from sellers to buyers

Open Items/Unanswered questions:

Competitive retail challenges

Potential Poll Questions: