



# National Energy Marketers Association

## Wholesale Issues List January 2005\*

The following is a compilation of issues on which NEM has been or may be called upon to express an opinion in the course of its advocacy. In order to properly represent its members, each member company is requested to express its opinion on the questions listed here and to add as many additional issues or comments as appropriate.

### Has NEM's position changed on its wholesale-related National Policy Papers?

- **National Guidelines for Restructuring the Electric Generation, Transmission and Distribution Industries**  
(<http://www.energymarketers.com/Documents/FinalElectricityPaper.pdf>)
- **National Guidelines for Unbundling and Restructuring the Natural Gas Distribution Function**  
(<http://www.energymarketers.com/Documents/FinalGasUnbundlingPaper.pdf>)
- **Uniform Code of Conduct for Regulated and Unregulated Suppliers of Energy and Related Services and Technologies**  
(<http://www.energymarketers.com/Documents/FinalUCC.pdf>)
- **Solutions to Improve the Liquidity and Creditworthiness of the U.S. Energy Industry**  
([http://www.energymarketers.com/Documents/Final\\_Clearing\\_Solutions\\_Document.pdf](http://www.energymarketers.com/Documents/Final_Clearing_Solutions_Document.pdf))

### What should NEM's priority be on the following issues:

- |                               |                            |
|-------------------------------|----------------------------|
| 1. Federal Energy Legislation | 4. FERC Authority          |
| 2. Wholesale Gas Issues       | 5. Creditworthiness Reqts. |
| 3. ISO/RTO Billing            | 6. Market Manipulation     |

### 1. Should NEM arrange meetings with:

- |                              |            |           |
|------------------------------|------------|-----------|
| a. Federal Legislators       | <u>Yes</u> | <u>No</u> |
| b. Federal Legislative Staff | <u>Yes</u> | <u>No</u> |
| c. Federal Committee Staff   | <u>Yes</u> | <u>No</u> |
| If so, who?                  |            |           |
| d. Federal Regulators        | <u>Yes</u> | <u>No</u> |

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- e. **Federal Regulatory Staff** Yes No
- f. **Regional Officials** Yes No

If so, who?

**2. Federal Energy Legislation**

- a. **If and when federal energy legislation is introduced, it should include provisions pertaining to:**

- 1. **Reliability jurisdiction and standards**
- 2. **Utility tax incentives tied to infrastructure upgrades**
- 3. **Other**

**3. Wholesale Gas Issues**

- a. **Reporting Requirements for Gas Pipelines**

- i. **What is NEM's position on the frequency of pipeline reporting?**

- A. **Does NEM support daily reporting? Yes No**

- 1. **If so, what are the benefits of daily reporting?**

- a. **Will daily reporting decrease price volatility?**
- b. **How will the storage data be used?**
- c. **Logistically, who should compile a daily report (EIA?) and how should it be done (i.e. on an aggregated basis)?**
- d. **How does NEM counter arguments that daily reporting would lead to exposure of sensitive price information?**

- 2. **If not, should reporting continue on a weekly basis?**

- a. **Is weekly reporting sufficient?**
- b. **Does FERC have the authority to mandate reporting requirements for intrastate pipelines?**

- b. Storage Development**
    - i. What is NEM's position on storage development?**
      - A. Does NEM support market-based rates for new independent storage operators? Yes No**
        - 1. If so, how would market-based rates affect storage development?**
          - i. What affect does storage have on volatility?**
          - ii. Should infrastructure expansion be the result of regulation or market forces?**
        - 2. If not, at what rate should new storage be set at?**
- 4. ISO/RTO Billing**
  - a. What is NEM's position on the information that ISOs/RTOs should be required to provide to marketers to audit bills and when? Please explain.**
- 5. What is NEM's position on the definition of:**
  - a. Workably Competitive Markets**
    - 1. Does NEM support the “Rule of 3”?**
    - 2. What other measures are appropriate?**
  - b. Market Power?**
  - c. Economic Withholding?**
  - d. Affiliate Abuse?**
- 6. FERC Authority**
  - a. What is NEM's position on FERC's authority over:**
    - i. Open Access**
    - ii. Market Monitoring**
    - iii. Refunds**
    - iv. Enforcement**
    - v. Prices**
    - vi. Reliability**
    - vii. Seams**
    - viii. RTOs**
- 7. Market Manipulation**

- a. What is NEM's position on "legitimate business practices" that might be interpreted as "market manipulation"?
8. Creditworthiness Requirements
- a. What constitute reasonable creditworthiness requirements?
  - b. Should creditworthiness requirements be standardized across RTOs and/or utilities?

**Please note that this is a partial list of issues. Please add any issues that you think are important as this list is intended to be updated regularly.**