Buying and Selling Reliability: How and How Much

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What is Reliability?

- Generation and Transmission
- NERC Assessment 1995-2004 Makes a Useful Distinction
  - Security
    - Macro
    - Micro
  - Adequacy
Consumers and Reliability

- Denver, Colorado 9/20/95
- Value of Reliability in the 90's
- Reserve Margins and Consumer Advocates
- Getting What You Paid For

Sharing the Costs of Reliability

- Issue: Should Price Ration Reliability?
- Theory vs. Reality of Pricing Reliability
- Cost Shifting
- Interruptibility
The Politics of Reliability

- Reliability: Achilles Heel of Restructuring?
- Outages Are Hard to Miss
- Analogs in Telecommunications
- Congress and the Network Reliability Council

Conclusions

- Residential consumers place a very high value on reliability.
- Today's bundled prices pay for a level of reliability. Equity demands that this value should not be compromised.
- Und Bundling reliability should not lead to cost shifting.