comments exposed many disagreements about what information should be contained on a RIN, what kind of a RIN system or systems should be required, what transactions should be covered, how terms should be defined, etc. However, most commenters understood that access to transmission information—by all parties at the same time—is essential to ensuring non-discriminatory open access transmission services.

The comments led to a technical conference on RINs (Technical Conference) held in Washington, DC on July 27 and 28, 1995. Panels at the Technical Conference discussed the status of industry efforts to date, industry standards for information systems, what information is needed on a RIN, how a RIN should be structured, what issues need to be resolved, and what steps should be taken next. In addition, demonstrations were presented on different transmission information systems and energy trading systems.

The participants in the July 27, 1995 conference agreed that the NERC-sponsored process, seeking to reach consensus and make recommendations to the Commission on what information should be included on a RIN, should continue, with NERC acting as a facilitator to promote participants reaching consensus and to prepare a ''what'' report to the Commission describing areas of consensus and non-consensus. The participants also agreed that another industry-sponsored working group should be created, with the Electric Power Research Institute (EPRI) acting as a facilitator to promote consensus on ''how'' to implement a system that would accomplish these objectives, and to prepare a ''how'' report to the Commission.

The NERC and EPRI representatives pledged to conduct an open process that would keep all interested persons informed of developments by the working groups and that would provide input from interested persons to working group members. Interested persons also were invited to attend open workshops sponsored by both working groups.

The ''what'' industry working group consisted of 26 members providing balanced representation from all segments of the electric power industry and included liaisons from the Commission, the ''how'' working group, NARUC, and Canadian utilities. Major industry trade groups sent observers. On October 9, 1995, the ''what'' working group made a draft report available for public review. On October 16, 1995, it submitted a final report to the Commission.

Following the Technical Conference, the ''how'' working group used a similar open and representative process that included participation by all industry and customer segments. On October 16, 1995, the ''how'' working group submitted to the Commission its report on how a RIN should be implemented.

The two working group reports address both the issues on which the participants were able to reach consensus and the issues on which no consensus was reached. Additionally, nine sets of comments were filed by working group participants who wished to provide a fuller explanation of their views on particular issues. We will address the issues raised by the working group reports below.

B. Overview

In what follows we discuss first, in section C below, what types of information must be posted on the RIN. The Commission proposes to adopt most of the technical parameters agreed to by the ''what'' working group. Our final rule would include general regulations governing who must develop and maintain RINs and what information must be posted on the RIN. Next, in section D below, we discuss the technical issues surrounding the implementation and use of RINs. We propose to set out the details of these requirements in a publication that would be entitled *Standardized Data Sets and Communication Protocols* and that would be issued as part of our final RIN rule. We propose to implement the RINS in two phases, with the first phase (Phase I) being completed when the Open Access rule goes into effect. In the discussion below, we address the specific, and at times very technical, issues considered respectively by the ''what'' and ''how'' working groups.

In section E below, we consider proposed standards of conduct governing the separation of transmission and generation functions. These standards are, we believe, a necessary adjunct to the RINs to ensure non-discriminatory access. The proposed standards are drawn from those that have been developed in our regulation of the natural gas industry. Last, in section F, we discuss issues of applicability for the proposed RINS and standards of conduct.

In setting out proposed requirements for implementing RINs, our primary objective is to establish regulations that ensure the accessibility of all information necessary to the full and fair implementation of the requirements of the Open Access NOPR. The problem, of course, is that we do not now know the specifics of the final Open Access rule. Yet, the information that will be required to be posted depends upon what is required or permitted under the final Open Access rule. For example, what must be posted on the RIN regarding the resale of transmission depends upon whether, in the final Open Access Rule, resales are permitted and, if so, under what conditions. Similarly, what information must be posted regarding transmission pricing discounting will depend upon whether, in the final Open Access Rule, discounting is permitted and, if so, under what conditions. These are just two examples, and are not inclusive, of RINs information that may change depending on what is in the final open access rule.

The final RIN rule will be designed to accommodate whatever final open access rules the Commission adopts and whatever industry structures evolve to meet those rules. In the interim, the RIN proposal follows the Proposed Open Access Rule. For example, it assumes that resales will be permitted [8] Similarly, the proposed RIN standards are designed to accommodate the so called ''contract path'' approach presently used in today's electricity markets. However, the Commission is open to other approaches that may develop in the future under an Open Access regime. Consequently, commenters should consider how the proposed RINS and standards of conduct regulations can be designed to meet these needs.

Question 2. What issues associated with RIN standards would have to be addressed if in an open access transmission environment the electric power industry moves to regional pricing, flow-based pricing, or other pricing models that depart from the ''contract path'' approach presently used for pricing electric transmission service? How in structuring RIN standards can the Commission provide for this contingency?

C. What Types of Information Need To Be Posted on a RIN

1. Summary of the ''What'' Working Group Report

The ''what'' working group report (What Report), represents a broad consensus of all segments of the electric utility industry. It summarizes the functional requirements for Real-Time Information Networks to facilitate open access to the transmission system.

[8] In designing proposed RINs regulations dealing with what may be required in the Final Open Access rule, our assumptions should in no way be taken as prejudging the various issues involved in the Open Access rulemaking.