

**RTO WEST**  
**Filing Utilities Meeting**  
**September 19, 2000**  
**Notes**

**IMPORTANT NOTICE TO READERS:** These meeting notes were prepared by Kristi Wallis. The filing utilities agreed to Kristi's attendance as a neutral note taker at filing utility meetings to enable interested parties to be aware of the general scope and progress of filing utility discussions. These notes were never intended to represent a verbatim report of the filing utilities' discussions, but rather to provide a summary. Although meeting participants were given an opportunity to review notes in draft form, workloads of all concerned (particularly as the deadline for filing with the Federal Energy Regulatory Commission approached) were such that notes often could not be circulated quickly after meetings or reviewed thoroughly. In some cases there was a period of several months between the date a meeting was held and the time the meetings notes were available for review. In addition, a number of meeting participants may not have reviewed these notes at all. There may, therefore, be some inaccuracies in these notes.

**Attendees:**

Randy Cloward, Avista	Rick Vermeers, Avista
Jim Collingwood, Idaho Power	Chuck Durick, Idaho Power
Connie Westadt, Sierra Pacific	Carolyn Cowan, Sierra Pacific
Kimberly Harris, Puget Sound Energy	Chris Reese, Puget Sound Energy
Stan Berman, Puget Sound Energy	Wayman Robinett, Puget Sound Energy
Mark Maher, Bonneville	Brian Silverstein, Bonneville
Peggy Olds, Bonneville	Dennis Metcalf, Bonneville
Preston Michie, Bonneville	Lauren Nichols, Bonneville
Marv Landauer, Bonneville	
Bill Pascoe, Montana Power	Margie Thomas, Montana Power
Ray Brush, Montana Power	Ted Williams, Montana Power
Cindy Crane, PacifiCorp	Rich Bayless, PacifiCorp
Kurt Granat, PacifiCorp	Marcus Wood, PacifiCorp
Don Johnson, PacifiCorp	Stan Niman, Portland General
Frank Afranji, Portland General	Richard Goddard, Portland General
Jim Ryan, Portland General	Kristi Wallis, Neutral Notetaker

**Agenda**

- Governance/Pricing/Facilities (Morning Session)
- Congestion Management (Afternoon Session)
- Planning (Evening Session)
- Open Architecture (Lawyers are hoping to resolve this)

## **Agenda Item No. 1 – Governance**

The remaining issue from the bylaws discussion is the restrictions on eligibility for candidates for the RTO's board. Doug Nichols framed the issue. All of the participants in the collaborative process agreed that someone with a financial interest in a market participant should be disqualified, but should there be further restrictions? The ITC's position is that the only other restrictions should be those identified by FERC. Other Filing Utilities are advocating a number of additional restrictions (no relationships with members, transmission customers, or scheduling coordinators, as well as some pre- and post-employment restrictions).

Specifically, the ITC companies believe that since the ITC will be an independent company without a merchant interest, that a relationship with the ITC should not disqualify a candidate. Other Filing Utilities disagree. The ITC companies will accept the restriction of no relationship with a member, if the other Filing Utilities are willing to drop transmission customer from the list of other restricted relationships. Doug noted that the Board has the ability to develop and enforce additional restrictions that it deems appropriate. The parties adopted Doug's proposal.

Doug Nichols also recommended that the bylaws contain directions to the executive search firm to screen out potential candidates that are likely to have conflicts of interest (the firm should ask a candidate to disclose any interest they or their relatives have (especially financial) with the business of the RTO for consideration by the voting members when making their selections.)

Peggy Olds asked whether a potential candidate that had worked for a PTO or its market affiliate who has a retirement interest in the PTO would be disqualified. Doug Nichols responded no, provided that the value of the retirement plan doesn't vary with the economics fortunes of the company. (A mutual fund that is not concentrated on electric industry would be OK, but if stock in the PTO would not be OK.)

**It was agreed that the bylaws would go back to the original language with “transmission customer or affiliate of transmission customer” removed, and Doug and Sanjiv Kripalani will have primary responsibility for the finalization of the governance documents.**

It was noted that there are still a few governance issues to be worked out (voting for one). Preston Michie commended Eric Freedman and the other non-Filing Utility subgroup members for the great job they did.

## Agenda Item No. 2 – Pricing

### **9. Payment of Transfer Charges by Utilities that are Not PTOs**

The recommended approach (which was not discussed in depth by the Pricing Work Group) is that transfer payments are calculated for current users of the participating transmission owners' systems, and users that don't join the RTO will be required to pay a fixed access charge in the amount of the transfer payment (in addition to applicable Company Rate) (provides incentive to join RTO).

For example, if Seattle and BC Hydro/Powerex don't join the RTO, the access charge is the mechanism that will recover their share of the fixed costs of the system based upon their historical short-term export agreements. Long-term contracts continue. This mechanism seeks to maintain current cost recovery, and is not based upon future use of the RTO system by the non-joining users.

The point of the transfer payment or access charge is to lock in current cost payments. In addition to those payments, all customers will need to have FTRs if there is a constraint. Those parties that sign TOAs will get a share of FTR revenues.

There were a number of questions about the logistics of how this would work, and concerns were expressed about the ability of customers to avoid paying the fixed access charge. It was suggested that there might be more of an incentive to join if a customer joining the RTO paid a transfer charge for short and long-term wheeling (no volumetric charge), but that if it didn't join, it would pay a volumetric charge on exports. Concerns were raised about the ability to game this approach, as well as tariff complexity, shadow pricing, maintaining separate rates, etc.

While Puget understands the goals of avoiding cost shifts, Wayman Robinett is concerned about new users of the system not paying for its use. (Wayman commented that with the proposed approach, there will be a divergence between users of the system and who is paying for the system. This will become a bigger issue down the road and it might be unacceptable to regulators.) Bill Pascoe responded that this is where the Filing Utilities are headed with load-based access charges, and that it would be a huge step backwards to do a different type of access charge. Kimberly Harris stated that Puget was not asking that the load-based access charge be changed, but was asking for some flexibility to be built into the pricing structure. Bill stated that volumetric export charges would represent a major change in direction. Chuck Durick agreed, and noted that this approach is not a transfer of benefits and marketers are not getting a free ride (all of the power is ultimately being delivered to load, so the load is going to get the full benefit of the system no matter how many marketers it went through.)

Frank Afranji agrees with the load-based access charge, but asked whether the export approach could be tweaked. Kimberly Harris indicated that Puget does not have a

proposal, but is concerned and is not prepared to accept the treatment of exports at this point.

**The parties will revisit this issue later.**

### **Attachment 6<sup>1</sup>**

Attachment 6 of the pricing materials explains the proposed pricing structure. Marcus Wood walked through the document. (A correction was made on page 19, UAMPS was deleted (voluntary filers do not have their own company rate – they use Bonneville’s Company Rate.))

#### *FTRs – Who Gets the Rights/Who Gets the Money*

##### *Use it or Lose It*

Connie Weststadt raised an issue concerning the recommendation that if a customer holds onto a FTR too long, on its release any revenues received will be credited against the “cost pool” and the RTO uplift, not the corresponding Company Rate. It was explained that the recommended approach is designed to incent transmission owners to release unused FTRs and, thus, enhance the liquidity of the market.

**The parties agreed that it is acceptable for the money to be credited as provided in 6.c. on page 21.**

#### *Exports*

Marcus Wood explained that the majority of export revenues are paid by merchant functions for their cost of transmission facilities. Currently there are about \$10 million of exports. The majority of transfer payments are not for export, but for wheeling internal to the RTO West system (approximately \$3 million in export revenues).

Wayman Robinett stated that the current recommendation might have some merit with respect to the California market (lots of players, lots of competition), but it does not work for exporting to Canada where the single customer (BPA/PBL for the return of the Canadian Entitlement) and the recipient (BC Hydro) have market power. How can Puget justify throwing in its 15% of the North/South capacity where the only users will never pay a congestion charge, never pay a fee for going across the system, and Puget will never get a credit for the revenue that it would have received in a non-RTO environment? Does the proposed export paradigm work in the situation where there is not a workable market?

Bill Pascoe noted that in the future, there will be more players in that market. Wayman is not sure if this is true. Bill noted that if Puget’s capacity is currently being used, it would

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<sup>1</sup> Electronic copies of the attachments were not available to the notetaker; however, hard copies are available upon request (kristiwallis@sprintmail.com).

receive a transfer payment. If Puget's capacity is not being used, while the RTO might mean that it will be used more in the future (parties will make better use of uncongested paths), this is one of the purposes for forming a RTO.

Bill Pascoe referenced the fact that as the parties are worried about market power in the area of ancillary services they have provided for a transition of cost-based services until there is workable market. He asked whether it would be appropriate to modify the proposed export treatment to deal with market power issues.

### Montana Issue

Bill Pascoe proposed a solution to the "Montana Issue." Bill described the issue of how to deal with the marketer revenues that are being given up (no mechanism for transfer payments), which is analogous to the short-term issue. (It was clarified that this is the loss of current revenues, not a mechanism for the recovery of lost future opportunities.)

Bill proposed that the RTO establish a set of transfer payments from the RTO to PTOs with such lost revenues and credit FTR revenues (first use of unencumbered FTR revenue) to the RTO's transfer payments. If there is not sufficient FTR revenue to fully reimburse the RTO, the remaining expense would be put into the uplift charge. Bill acknowledged that there would likely not be enough FTR revenues in Montana to fully reimburse the RTO, but while the impact of the lost revenue to Montana is significant, is de minimis to the RTO.

### **The parties adopted Bill Pascoe's proposal.**

After a break, Bud Krogh asked the Filing Utilities whether, now that a number of the remaining pricing issues were resolved (numbers 8, 9, 10, 11, and a piece of 3), whether Attachment 6 (a global and integrated solution) was acceptable to the parties.

Carolyn Cowan stated that Sierra Pacific could not agree to free exports for new generators and marketers (other than congestion costs). She noted that there is not a FERC mandate to eliminate pancakes between RTOs – and she asked why go one step further and eliminate pancake at seams when there is a negative impact. (Sierra Pacific, as a wires company, will no longer get lost congestion revenues, and if enough local generation is exported, its Company Rate won't go down because generators are using the system to get to California, not serving load in Nevada.) Some parties stated that while reciprocity had not yet been negotiated, that politically, the Filing Utilities couldn't do anything else.

**It was agreed that the pricing proposal state that the Filing Utilities assume that there will be reciprocity and if there is not reciprocity, some other treatment will need to be provided for exports.**

**When the question regarding the acceptability of Attachment 6 (with an amendment for the Montana fix and other decisions made in the last two days), the parties**

**agreed it was acceptable, with the following exceptions. Dennis Metcalf noted that issues 1 and 3 are still open. Kimberly Harris indicated that Puget still has issues with the export fee and the retail access issue (where the principle of maintaining the status quo be – how will Eligible Customer be defined in the tariff?). Carolyn confirmed her discomfort with the treatment of exports. Frank Afranji also is concerned about the export treatment and would rather see a volumetric export fee.**

**The parties who have an issue with the treatment of exports were invited to come back with a specific proposal.**

### **Agenda Item No. 3 – Facilities Inclusion**

Chuck Durick distributed and reviewed his modified write-up regarding Facilities Inclusion. Some minor edits were suggested and agreed upon.

The parties discussed the logistics of dealing with disputes over what facilities are being turned over prior to the formation of the RTO, as there won't be a RTO ADR process in place. It was suggested that a dispute could be resolved by FERC, but some parties need to know what facilities that are going to be required to turn over before they decide whether they are going to join the RTO. It was agreed that if a PTO wants an exception from the applicable criteria, the PTO would ask FERC to make an exception to the criteria in the initial filing with FERC. Any disputes over a proposed exception or a PTO's application of the criteria will be resolved at FERC.

It was also clarified that transmission owners will be allowed to turn over B Facilities for all of A Facilities purposes.

### **Agenda No 4 – Congestion Management**

Materials: Congestion Management Briefing Paper (Attachment A)

Brian Silverstein provided an overview, and explained that there are still a lot of congestion management issues that are not still well defined, but that are not required for purposes of the 10/16 filing. The eight issues being presented today must be resolved for the filing.

#### **1. Entitlements to Firm Transmission Rights (FTRs)**

The parties reviewed the relevant briefing materials. Brian Silverstein explained that in the last few days a number of other additional approaches have been discussed.

Carl Imparato is very concerned that a customer's rights to system transfer capability under Order No. 888 not be restricted and, to this end, Carl has suggested another approach that would have the RTO offer redispatch at cost, which would allow more access through the system. Brian Silverstein drew a chart of total system transfer capability (TTC), and explained that on top of the TTC is ATC and on the bottom is a

utility's encumbered capability (UTC). Frequently, in the middle, something can be done to redispatch generation and allow more access through the system. Under Carl's suggestion, before the annual FTR auction, PTOs would declare what it is needed to serve their own load after they have exhausted existing capabilities (UTC). If there is not enough ATC to meet potential requests for the annual auction, the non-incumbents could request a redispatch before the auction. The RTO would redispatch, recalculate the amount of ATC and sell it at cost.

There was a general discussion about FERC's current requirements. ATC is for sale at embedded cost, redispatch is for sale at the higher of embedded cost or opportunity (redispatch) cost, UTC is not for sale (if an eligible customer's request can not be accommodated, a transmission provider builds another wire). The parties have different understandings of their obligations regarding redispatch. Chris Reese and Stan Berman noted that while a transmission provider has an obligation to redispatch for network service, that there is not an obligation for PTP service. Brian Silverstein stated that while Bonneville does not post redispatch on its OASIS, a customer can request it. Carolyn Cowan stated that FERC does not require a transmission provider to offer redispatch except for reliability purposes.

Brian Silverstein reviewed the strawman in the briefing materials, and stated that it divides TTC into two pieces and is not clear about where the line should be drawn between ATC and UTC. (The RTO would provide for a reasonable, feasible dispatch, determine what is available, and put ATC into the auction. In essence, the paper describes how to translate the old world to new world, with no mention of redispatch, which is why Carl Imparato believes it's a takeaway from Order No. 888.)

Chuck Durick suggested a modification to the strawman that would (1) place ATC in the auction, (2) have the RTO calculate the maximum, favorable dispatch (while still meeting reliability criteria), auction the redispatch, and have the auction revenues go straight to the PTO).

The parties were concerned that it could be difficult to implement Carl Imparato's proposal. Dennis Metcalf stated that while redispatching might free up capability on some paths, at the same time it could encumber other previously unencumbered paths. Chuck Durick noted that the RTO would only be redispatching on a hypothetical basis, but he agreed implementation could be difficult.

Carolyn Cowan asked whether the PTO's market affiliate would set the incremental price of redispatch, and Brian Silverstein responded that a methodology would have to be filed with FERC and there would be a case by case determination.

Stan Berman suggested that it may be possible to figure out how to do a redispatch using a sophisticated method and charge those prices in the auction. It was noted that if Carl Imparato's proposal is the same as the current situation, someone could dispute the price.

Brian Silverstein then reviewed a phase-out alternative also proposed by Carl Imparato (Attachment B). The alternative transitions Carl's original proposal to monetize FTRs over a period of time. There is not a lot of detail about how the phase out works.

Chris Reese stated that market participants can always approach the holder of FTRs and ask to purchase them (can develop a vigorous secondary market) and he is not sure about requiring that FTRs be sold through the auction.

Brian stated that there are still a couple of assessments that the Filing Utilities should make, including getting guidance from Mike Coleman about what would be acceptable to FERC, before deciding what to do.

Don Furman agreed and said that he doesn't accept Carl Imparato's statement that the strawman would reduce rights currently available under Order No. 888.

Rich Bayless stated that the concept of monetization is difficult for PacifiCorp when it will have to deal with 7 states and doesn't know where the money is and where it will go.

Stan Berman stated that he'd like to work on whether there is a way to build redispatch into one of the current alternatives. Chuck Durick noted that that is what alternative 4 attempts to do.

**The parties adopted the strawman recommendation (entitlement-holding transmission customers may elect to receive either the FTRs or the auction revenues associated with those FTRs.)**

## **2. Duration of PEC or LSO Obligation**

The parties reviewed the briefing material, and reconfirmed that they were not attempting to undo the right of first refusal contained in the Order No. 888 pro forma tariff. It was noted that if a contract deals with rollover explicitly, the contract language would govern.

**The parties modified the strawman to make clear that it was not limited to statutory requirements loads, and adopted the modified strawman.**

## **3. Treatment of Load Growth for PECs and LSOs**

The parties walked through the alternatives presented in the briefing materials. Rich Bayless suggested an additional alternative – granting FTRs for contracts that explicitly provide for load growth. Brian Silverstein stated that that was already accommodated as pre-existing contracts will be honored, and Dennis Metcalf pointed out that network customers state that they should be provided the same treatment (protect capability for loads within a planning horizon).

Randy Cloward stated that one possibility was to provide FTRs for load growth and modify the previous decision regarding *Entitlement to FTRs* (adopt alternative 3 rather than the strawman).

**The parties decided to come back to this issue after further consideration (maybe package with *Entitlement to FTRs*).**

#### **4. Over Allocation of Flowpaths**

The parties identified concerns about over allocation of flow paths during two time periods – at the time of the initial allocation of FTRs and during actual operations.

The parties clarified that the alternatives they were evaluating related to over allocation experienced in operations. An additional alternative was added for consideration – pro rate FTRs that were initially allocated based upon PECs/LSOs and, if some of the pro rated FTRs are not used, give priority use of the unused capacity to holders of the other pro rated FTRs.

The parties emphasized that the issue of over allocation of PECs/LSOs will be a big issue during the conversion process, and not all parties have worked through that issue at the present time. The issue is how to work through the transition – getting existing rights to fit within existing capability. Most of the parties agreed that there should only be one type of FTR. Brian Silverstein noted that over allocation might only be a problem during a limited timeframe during the year, and perhaps that could be addressed in the conversion process.

**The parties agreed to add in “after initial mapping of FTRs” to the strawman and adopted the strawman for the issue of operational over allocation.**

**The parties need to return to the issue of how to handle over allocation of flowpaths at the time of the initial conversion.**

#### **5. Feasible Dispatch**

The parties reviewed and discussed the briefing materials. It was noted that alternative 2 captures various scenarios in pre-existing contracts, but other non-obvious rights might not be covered. There will be one dispatch for all of the flowpaths, and customers will use the results to determine what FTRs they need. Chris Reese expressed concern that this takes away a lot of Puget’s current flexibility (some of their contracts currently provide bi-directional rights) and will result in huge power cost increases. The work group had not previously considered the issue of flowpaths that reverse direction, and the parties considered doing the same number of dispatches in the opposite direction.

**The parties agreed to Alternative 1 with the addition that where a PEC/LSO provides rights for two directions on one path, another set of dispatches may be used (within the limits of the underlying contract).**

**6. Proposed Process for Appeal**

**The parties reviewed the briefing materials and, after a short discussion, adopted the recommended compromise.**

**7. Non-Converted Rights (NCRs)**

The parties reviewed the briefing material. It was noted that someone has to be responsible to make sure legacy service is provided. The strawman proposal gives the RTO the choice of whether it or the original transmission provider will provide the service. When asked why a NCR would want to deal with the RTO, it was noted that this is how it is handled in California.

**The parties adopted the strawman recommendation.**

**8. Monthly Blocks**

The parties reviewed the briefing materials. The purpose of the proposal is to provide an incentive for customers to convert to RTO service, and to encourage a robust secondary market. If customers convert to RTO service they will be allocated FTRs based on their noncoincident peak loads and will be able to sell unused FTRs (encourages more efficient use of the system).

**The parties adopted the modified straw proposal.**

**Agenda Item No. 5 – Export Charges**

Sierra Pacific, PGE and Puget are very concerned about the current treatment of exports. They proposed that there be an export fee on every megawatt that leaves the system, although imports and exports could be netted out. They have two schools of thought about the distribution of the export fees that are collected (whether the distribution should be socialized or paid to the PTOs whose system are being used to export.) This proposal provides for equity in the future, unlike the current proposal which will allow newcomers to take advantage to the detriment of existing users.

Bill Pascoe noted that if Sierra, PGE and Puget are concerned about the Canadians, even if the Canadians do not join the RTO, they will be paying for their current use of the system through transfer charges. Frank Afranji agreed, but only to the extent that future use tracks with historical use (Frank does not believe that will be what happens).

Don Furman commented that the current proposal provides sufficient protection. Generation will pay congestion rents and, if generation wants export capacity to be expanded, it will have to pay for the expansion, not the transmission provider.

Marcus Wood also noted that if the treatment of exports is changed, every component of the pricing proposal will have to be modified, it would likely result in cost shifts, and that it is difficult to do all this and make the 10/16 filing deadline.

Chris Reese stated that changing the export treatment would not redefine the entire pricing model, and that exports could be treated as loads on the system and charged a fee.

Bill Pascoe noted that there is a fairly well defined difference of opinion, and he isn't sure that there is much to be gained by continuing to debate the issue. He asked how the issue should be handled in the filing – majority/minority reports? Frank Afranji responded that whatever the parties agree to should go into the filing materials, and what they disagree on should be argued separately to FERC. Both Ted Williams and Don Furman noted that without a pricing proposal there wouldn't be much of a filing. Carolyn Cowan noted that the Filing Utilities have expended a lot of effort to make sure that they retain the status quo in other areas, and wondered why it wasn't just as important to retain the status quo on exports.

**The parties agreed to leave the issue for the day, explain the split in opinion at the RRG meeting, and revisit the issue next week.**

#### **Agenda Item No. 6 – Facilities Inclusion**

Vickie Van Zandt reported on the negotiations involving Puget and Bonneville on a possible exception to the facilities inclusion rules agreed to yesterday for some of Puget's facilities. The exception involves distribution facilities that meet the definition of Class A facilities. (Attachment C).

Puget and Bonneville agreed that the RTO (1) would be responsible for planning the grid, and (2) could perform studies to determine whether Puget's facilities should be upgraded to create transfer capability or to make the existing system more usable and, pursuant to the allocation process that hasn't been defined yet, that (3) the RTO would allocate the costs of such upgrades to the parties that benefit. The RTO would also determine (i) the total TTC of its system, including these excluded A facilities and (ii) a RTO outage coordinated process, including these excluded A facilities, and would have approval authority for the switching of these excluded facilities. As a result, the RTO would have sufficient visibility of such facilities so that it could determine TTC in real-time.

Bill Pascoe asked whether this was an exception specific to Puget or whether all transmission owners could opt for the same treatment. A number of parties stated that it should extend to other parties similarly situated, and it was suggested that this be described as an example of an exception to be presented to FERC. It was noted that these types of agreements will avoid ADR.

At the RRG meeting, Chuck Durick will present the facilities agreement, and Vickie Van Zandt will speak to the exception.

## **Agenda Item No. 6 – Planning**

Marv Landauer provided an overview of the briefing material. (Attachment D)

### **1. How Is Long Term Planning and Expansion Accomplished?**

Chris Reese recommended, given the existing planning mechanisms and the current expertise/capability of PTO planning staffs, that the Filing Utilities agree to RTO Coordinates, rather than RTO Performs. The RTO can make sure that the PTO planners all work together and coordinate whatever results come in, but there is no need for RTO Performs.

Marv Landauer described the other two approaches – RTO Coordinates and the adaptive approach (the adaptive approach was adopted by the RRG at its last meeting.) The adaptive approach is a middle ground – the RTO develops a study process and determines what resources are available to complete the process and assigns responsibility (quite possibly to a number of PTOs). The assumption is that on start up, the planning staff stays with the PTOs, but that the RTO would decide what makes sense over time. Order 2000 gives the RTO three years to develop the process. It is possible that the RTO will decide that having the PTOs perform planning functions works, and that will not be changed. It was also noted that if the RTO sees that leaving planning functions with the PTOs does not work, it would have an obligation to step in and fix the problems. Ted Williams noted that the measure of whether the planning mechanism is working will be if systems that are needed are being built (although he suspects in the future there might be an issue with overbuilding rather than underbuilding.)

It was noted that operational planning must be at the RTO (so, even in the adaptive approach, calculation of TTC and some seasonal studies would be performed by the RTO).

Wayman Robinett asked how this would work with the ITC open architecture language. Malcolm McLellan responded that the ITC would have an opportunity to do planning work as a contractor.

It was noted that the planning approach is silent regarding the planning efforts of non-participating transmission owners.

**The parties confirmed that RTO West would use the adaptive approach.**

### **2. How Should the RTO Perform Its Backstop Role**

The parties reviewed the briefing materials, and the recommendation that the RRG backstop role be modified such that the RTO identifies problems, communicates them to PTOs and, if a PTO fails to address the problem, the RTO isolates the impact of the problem to the PTO (their lights are cut off).

**After a short discussion, the parties agreed with the proposed modification to the backstop role.**

**3. Should the RTO Develop Reliability Criteria?**

**The parties agreed that the RTO should develop reliability criteria.**

**4. Items that Need to Be Developed After RTO is Formed**

**The parties agreed that the items detailed in the briefing materials would be developed prior to RTO formation, and that all of the planning processes would be developed with PTO involvement.**

Bill Pascoe noted that the policy representatives need to give more thought to who pays for expansion, although as it is so late in the day the group should come back to that issue.