

Division of Planning Work Between RTO West and PTOs (RTO Performs v. RTO Coordinates)

Background

Pursuant to the Planning Work Group's Final Recommendations, the RTO has the ultimate responsibility for planning and expansion of the RTO Grid. There is discretion, however, on who performs the actual work.

Options

RTO Performs. The RTO performs all or the majority of the work. This alternative would not require all of the RTO West planners to be in one office, rather, RTO planning staff could be located in key field offices.

Pros: Market Participants might be more comfortable than if PTOs continue to perform planning functions, planning process might be more efficient and develop better alternatives given the wider geographic scope.

Cons: The PTOs have first-hand knowledge of their transmission systems that will be time-consuming and costly for the RTO staff to acquire, this option requires a larger RTO staff (but does not change the aggregate planning staff needed for the RTO and the PTOs).

RTO Coordinates. The RTO coordinates and oversees the work of individual PTOs.

Pros: When projects are being built, the lead planning engineers need to coordinate with the PTO engineers constructing the project and it would be more efficient if this coordination occurred from the beginning of the planning process.

Cons: Perception of bias, less independence from merchant interests (might not pass muster with FERC), will require significant coordination between the RTO and the PTOs.

RTO Staffing Needs

Given the Planning and Joint Expansion Work Groups' Final Recommendations providing that the RTO will have limited backstop authority and a role with respect to determining the benefits and allocating the costs of expansion decisions, the majority of the Planning Work Group believe that the number of total planning staff needed for both the RTO's staff and the PTOs' staffs will be increased from the current number of the

Filing Utilities' long-range planning staffs by at least 20 to 30 percent.¹

The Planning Work Group recommends the following allocation of the total long-range regional planning staff for each option:

RTO Performs.

If the RRG chooses to have the RTO West planning staff perform the majority of the planning functions, the overall planning staff would be allocated 60% to RTO West's planning staff, and 40% to the PTOs' planning staff.

RTO Coordinates.

If the RRG chooses to have the RTO West planning staff coordinate/oversee the implementation of planning functions by the PTOs, the overall planning staff would be allocated 30% to RTO West's planning staff and 70% to the PTOs' planning staff.

Status of Issue

The Planning Work Group has not reached agreement on which approach is appropriate. That said, of the two options identified, four work group members favor RTO Performs (BPA, Montana Power, PNGC, and Northwest Energy Coalition) and four favor RTO Coordinates (Avista, Idaho Power, Sierra Pacific/Nevada, and PacifiCorp). Several of the other work group members did not state a preference.

¹ This increase in staffing numbers is separate from the issue of the need to increase the overall long-term planning staff in the next few years given the anticipated changes in requirements regarding compliance and reporting. In addition, some work group members believe that the Filing Utilities' planning departments are currently understaffed and will need to be increased in any event.