

ATTACHMENT P

DESCRIPTION OF RTO WEST PLANNING AND EXPANSION

- A. Operational Planning. RTO West is responsible for the operational planning of the facilities it controls beginning on its service commencement date.
- B. Long-Range Planning. RTO West is responsible for the long-range planning of the facilities that it controls and will develop a non-discriminatory process that allows for significant input from all users of the system. RTO West has the discretion to determine how to fulfill its planning responsibilities. In other words, RTO West will determine what information it needs from Participating Transmission Owners (“PTO”), what use to make of such input, and whether RTO West or the PTOs (or some combination thereof) will perform studies. The PTOs anticipate that RTO West’s approach will evolve over time.
- 1) Facilities Under the Control of RTO West. RTO West’s planning responsibilities for facilities under its control include the following:
- a) Determining the capability of all paths (TTC/OTC/ATC) on an on-going and five-year projected basis
 - b) Identifying paths that are experiencing congestion and the current/historical specifics (price, duration, etc.)
 - c) Identifying opportunities for improvements (in a general way, not through detailed studies)
 - d) Assessing the ability of the facilities controlled by RTO West to deliver requested power, without regard to the cost of the power being delivered (“transmission adequacy”)
 - e) Modifying, if appropriate, and enforcing interconnection standards
 - f) Providing the information developed above to the market, including communicating opportunities for improvements and offering to facilitate discussion of whether the opportunities should be acted upon
 - g) Coordinating compliance studies and system base cases
- 2) PTO Facilities Not Under Control of RTO West. RTO West’s only role with respect to PTO facilities not under its control is to analyze new or modified facilities to determine their impact on the transfer capability of facilities under RTO West control and ensure that the project sponsor has appropriately mitigated any negative impacts. Conversely, if the new facilities have created transfer capability on facilities under the control of RTO West, the PTO will be given any corresponding FTRs.

C. Expansion Decisions Regarding Facilities under the Control of RTO West (Who Decides/Who Pays)

| Purpose | Decision-Maker/Who Pays |
|--|--|
| <p style="text-align: center;"><u>Category I</u></p> <p>Maintaining Sufficient Transfer Capability to Satisfy the Converted Pre-Existing Contracts and Load Service Obligations (Including Load Growth)</p> | <p>The PTO is obligated (1) to maintain the transfer capability that exists on Day One that is needed to satisfy converted pre-existing rights or obligations or (2) to address a degradation of needed transfer capability to the satisfaction of the right-holders through another approach, including non-transmission solutions (<u>e.g.</u>, buy-back of long-term firm rights).</p> <p><i>Exception.</i> When the degradation results from the following causes there is not an automatic obligation to maintain transfer capability, and the affected parties should look to the terms of pre-existing contracts to determine the appropriate action and, if there is not a contract (or a contract with relevant provisions), RTO West should facilitate a discussion to determine how the degradation should be addressed:</p> <ul style="list-style-type: none"> * RAS, to extent it is system-wide RAS that is being provided by RTO West * Something outside of the control of the PTO (for example, (NERC changing criteria, changing load or generation, line/path derating, operations of other RTOs) <p><i>Backstop.</i> If a PTO fails to maintain transfer capability as required above, RTO West has the authority to require the PTO to restore the transfer capability. Alternative dispute resolution (“ADR”) will be available for parties that disagree with RTO West’s decisions. The PTO’s costs for maintaining transfer capability will be recovered through its Company Rate.</p> |
| <p style="text-align: center;"><u>Category II</u></p> <p>Maintaining the Initial Transfer Capability of the Class A Facilities to the Extent such Transfer Capability Exists Beyond What is Needed to Satisfy Category I Rights and Obligations</p> <p>(For example, the transfer capability of a path that does not have FTRs might be heavily used or will be needed for future use)</p> | <p>Through its planning process, RTO West will assess the adequacy of the Class A Facilities and determine, based upon established criteria, whether and when the transfer capability of existing facilities should be maintained to serve RTO West’s on-going commitments (other than FTRs relating to pre-existing contracts and load serving obligations). While the general approach will be to maintain the transfer capability, in some instances it might be appropriate to allow degradation. To allow this, prior to RTO West’ formation, criteria will developed with the goal of ensuring that reasoned and sound economic decisions are made. (For example, it may be appropriate to allow degradation on a path that is not heavily used.) If RTO West has determined that transfer capability should be maintained, a PTO is required to undertake any necessary replacements, reinforcements, or non-transmission solutions. The costs of such replacements, reinforcements, and non-transmission solutions will be recovered through the PTO’s Company Rates.</p> |

| Purpose | Decision-Maker/Who Pays |
|--|---|
| <p style="text-align: center;"><u>Category III</u></p> <p>Transmission Adequacy: Load Service (Including Load Growth) On All Paths</p> <p><i>“Keeping the Lights On”</i></p> | <p>Requests for load service will be made to RTO West. RTO West will analyze such requests and determine which PTO(s) could be affected by the requests. RTO West will then forward the request to the appropriate PTO(s), which is responsible for ensuring that sufficient facilities are available to provide secure service. The PTO(s) will determine what action to take pursuant to an open process that considers non-transmission alternatives. After such planning process, the PTO(s) will submit its proposed plan to RTO West. In an open process, RTO West will determine whether the PTO’s proposed plan provides transmission adequacy. If it determines that it does, the PTO will implement its plan and the costs of such facilities will be recovered in the Company Rate of those PTOs whose load benefits from the expansion.</p> <p>If multiple PTOs need to be involved in order to meet the load service request, RTO West should coordinate the PTOs’ determination of a plan of service and their respective obligations within a set timeframe. If the PTOs cannot reach agreement, RTO West has the authority to decide what should be done and to allocate the costs of such action to the PTOs.</p> <p>As part of their responsibilities under this category, PTOs are required to prepare adequacy assessments and provide them to RTO West. This is required (1) after a service request has been forwarded to a PTO and (2) on a periodic basis in the regular course of business. Regional criteria will be established for the PTO(s) and RTO West to apply to determine adequacy.</p> <p><i>Backstop.</i> If a PTO fails to develop a plan that RTO West determines assures the transmission adequacy of the Class A Facilities, RTO West has the authority to remedy the problem. First, RTO West will develop, in an open process, a transmission solution. The PTO will have an opportunity to present alternatives (including non-transmission solutions) to RTO West’s proposed transmission solution. In the event that RTO West does not accept any of the PTO’s alternatives, RTO West has the authority to fix the transmission deficiency by causing the construction of necessary transmission facilities. (RTO West cannot cause generation to be built.) ADR will be available for parties that disagree with RTO West’s decisions. The costs of such facilities will be recovered through the Company Rates of those PTOs whose loads benefit.</p> |

| Purpose | Decision-Maker/Who Pays |
|---|---|
| <p style="text-align: center;"><u>Category IV</u></p> <p>Congestion Relief/ Market-Driven Mechanism</p> | <p>Transmission project sponsor makes decision and bears the costs of transmission expansion for rights obtained. (Transmission project sponsor could be PTO, load serving entity, or other market participant)</p> <p>The specifics of the market-driven mechanism need to be developed. Such details should ensure that the market-driven mechanism has the highest probability of success. A number of proposals have been developed that attempt to treat transmission like generation. For example, one proposal creates value by allowing a transmission project sponsor to withhold the FTRs for a time, another suggests that a reserve price should be set for the auction of those FTRs.</p> <p>Other proposals address:</p> <ul style="list-style-type: none"> • How to handle a situation where a state regulatory body requires that a congestion relief project be expanded “for the public good” (RTO West would set a reserve price for the “extra” FTRs created from the expansion of the original proposal); • Specifics of soliciting interested sponsors; • What to do when too many transmission project sponsors come forward; and • How to handle competing project proposals. |

D. Allocation of Benefits and Costs. At the request of a Category I, II, or III project sponsor, RTO West will determine the benefits of the project and proportionally allocate its costs to the Company Rate of the PTO(s) of the benefiting loads. (PTOs will determine how to collect the allocated costs of such project in their individual rate proceedings.) The PTOs will develop objective criteria for RTO West to apply and the other details of the allocation process prior to RTO West’s formation. A Category IV project sponsor can ask RTO West for an allocation to load that receive a reliability benefit; however, RTO West will not allocate costs to parties that benefit from congestion relief. In all of the above cases, if additional transfer capability is added that results in the creation of Firm Transmission Rights (“FTR”), the parties that paid for the additional transfer capability will receive the corresponding FTRs. This should provide incentives for both transmission and non-transmission solutions. Challenges to RTO West’s allocation can be raised in RTO West ADR.

E. Analyzing Impacts of Interconnections. RTO West will perform system impact studies to analyze proposed interconnections of new transmission facilities, new generation and new load and will determine what action is appropriate, if any, to mitigate negative impacts on the operational transfer capability of all Class A Facilities. If transfer capability is added and FTRs result, the party interconnecting will receive such FTRs.

- F. Further Development of Planning and Expansion Specifics. After formation, RTO West, in consultation with the PTOs, will develop its general planning process. The following will be developed before RTO West's formation: (1) criteria to be applied by RTO West in determining the level of transfer capability that should be maintained from existing facilities, (2) transmission adequacy standards, (3) further definition of the market-driven mechanism, (4) the allocation procedure, including objective criteria, (5) interconnection standards, and (6) the details of the relationship/participation of RTO West with appropriate interconnection-wide and regional reliability organizations.