

For discussion purposes only

Regional Transmission Organization Functions Under FERC Order No.2000

Terms and Acronyms:

ATC: Available Transfer Capability

CBM: Capacity Benefit Margin

NERC: North America Electric Reliability Council

Open Access Path: Interconnections of commercial interest, i.e. posted paths

TIER 1: Pertains to regional grid operator characteristic or functional responsibility

TIER 2: Pertains to the local grid operator characteristic or functional responsibility, i.e. control area or utility level.

T/M: Transmission

TTC: Total Transfer Capability

TRM: Transfer Reliability Margin

TRR: Transmission Revenue Requirement

WSCC: Western Systems Coordinating Council

PART A: Characteristics	Responsibilities
A.3 Operational Authority	
<ul style="list-style-type: none"> • Operate the Control Area 	<p>TIER 1: Develop standards for and ensure compliance with open access path reliability and operational control.</p> <p>TIER 1: Provide energy scheduling services (E-tag); determine (inter- and intra-RTO) net in/outs and advise Tier 2</p> <p>TIER 1: Develop consistent terms and conditions for longer term deployment of ancillary services market within RTO region</p> <p>TIER 2: Operate control area - responsible for net (intra- and inter-RTO) tie line schedules, switching, security measures, and shorter term deployment of ancillary services within the RTO region</p>
<ul style="list-style-type: none"> • Schedule T/M Outages 	<p>TIER 1: Authorizes T/M and contracted generation outages that affect Open Access Path postings</p> <p>TIER 2: Implements T/M and contracted generation outages that affect Open Access Path postings</p> <p>TIER 2: Authorize and implement all other T/M and contract generation outages</p>
<ul style="list-style-type: none"> • Respond to Forced Outages 	<p>TIER 1: Develops protocols for timely response to forced outages that affect Open Access Paths.</p> <p>Tier 1: Coordinates ultimate mitigation of the outage.</p> <p>Tier 1: Develops related RTO-RTO protocols.</p> <p>TIER 2: Adopts protocols into operating orders and rectifies Open Access Path forced outages; keeps TIER 1 informed.</p> <p>TIER 2: Develops and implements operating orders for response to all other paths.</p>

A.4 Short Term Reliability	
<ul style="list-style-type: none"> • Security Coordinator Function 	<p>TIER 1: Working in conjunction with WSCC and others, develops and communicates standards to TIER 2; monitors compliance.</p> <p>TIER 2: Incorporates standards into its operating practices. Reports to TIER 1.</p>
<ul style="list-style-type: none"> • Setting Reliability Standards 	<p>TIER 1: Interfaces at the policy level with WSCC, NERC, etc. to ensure the development of consistent reliability standards.</p>
PART B: Functions	
<p>B.1 Tariff Administration and Design</p> <ul style="list-style-type: none"> • Terms and Conditions • Rates • Billing and Settlements • Business Practices 	<p>TIER 1: Develops and administers Open Access transmission tariffs. Authorizes uniform business practices associated with tariff.</p> <p>TIER 2: In the short term, economic conditions will dictate that certain administration functions (billing and settlements, applying terms and conditions the domestic customers) be done by Tier 2.</p> <p>TIER 2: Aggregates TRR and implements the uniform terms & conditions of the transmission tariff established by the TIER 1</p> <p>TO: Develops and allocates its respective TRR</p>
<p>B.2 Manage Congestion</p> <ul style="list-style-type: none"> • Congestion Relief/Redispatch Process • Compliance Monitoring • Business Practices 	<p>TIER 1: Develops and administers congestion management procedures for Open Access Paths.</p> <p>Tier 2: Implements congestion management procedures (redispatch) for Open Access Paths.</p> <p>TIER 1: Provides a Dispute Resolution process</p>
<p>B.3 Parallel Flow Issues</p> <ul style="list-style-type: none"> • Rules for • Compliance Monitoring • Operations Mitigation • Planning Mitigation 	<p>TIER 1: Develops procedures and administers inter- and intra-RTO parallel flow management</p> <p>TIER 2: Implements TIER 1 decisions</p>
<p>B.4 Supplier of Last Resort for Ancillary Services</p> <ul style="list-style-type: none"> • Regulation and Frequency Response • Operating Reserve • Supplemental Operating Reserve • Energy Imbalance • Losses • Reactive Supply/Voltage Control 	<p>TIER 1: Develops/administers the provision of ancillary services</p> <p>TIER 2: implements TIER 1 procedures and, in the short term, is provider of last resort at Tariffed prices. In the longer term, would be provided under efficient A/S markets.</p>
<p>B.5 Operate Single OASIS Site for T/M Under TIER 1 Control</p> <ul style="list-style-type: none"> • Administer Single Site – real time, hourly, daily, monthly, yearly T/M reservations • Calculate ATC 	<p>TIER 1: Responsible for establishing and administering uniform business practices for reserving transmission</p> <p>TIER 1: Provides OASIS site</p> <p>TIER 1: Calculates ATC</p> <p>TIER 2: Administers TIER 1 practices to determine TTC and reports obligations for native load</p> <p>TIER 1: Provides Dispute Resolution Process</p>

<p>B.6 Monitor Markets</p>	<p>TIER 1: Monitors market behaviour and files reports on opportunities for efficiency improvement, market design flaws, and market power abuses in the RTO region affecting operation of the RTO</p>
<p>B.7 Plan and Coordinate Necessary T/M Additions and Upgrades</p>	<p>TIER 1: Develops and administers system (generation and T/M for congestion relief) planning and expansion procedures for Open Access Paths.</p> <p>TIER 2: Implements system plans for Open Access Paths and has primary transmission planning responsibility for domestic loads.</p> <p>TIER 1: Compensates TO or Generator for dispatch costs or investments required for Open Access Paths.</p>
<p>B.8 Conduct Interregional Coordination</p> <ul style="list-style-type: none"> • Responsibility for MORC compliance, etc. • Liaison with other RTOs 	<p>TIER 1: Develop interregional coordination guidelines. Coordinate operations and planning issues with other RTOs.</p>