

**RTO West Stage 2 Development Process
Planning Principles Group
Facilitator's Very Rough Draft Strawdog**

June 27, 2001

Part One

RTO Takes Proactive Role in
Identifying/Anticipating Congestion Issues and Developing/
Facilitating Expansion Solutions

RTO develops information about existing and anticipated future congestion

Information gleaned from long-term FTR market
RTO might forecast transmission use/value of congestion

When intrazonal congestion costs hit "trigger" under congestion management model, the RTO will actively consider whether the congestion should be addressed through expansion (as well as whether the zone should be split or other solutions implemented)

RTO pulls together least cost plan to "fix" congestion through open process

RTO actively shops plan

Akin to gas pipeline "open season," the RTO will solicit participants for a particular project (it may not be necessary for 100% participation to be secured in order for project to go forward)

Part Two

Ability of RTO to Cause Expansion if Insufficient
Number of Subscribers

Identify those situations where it might be appropriate for the RTO to step in and compel construction and allocate costs even if there are not enough "volunteers." (For example, certain critical paths might be identified as being appropriate for action by the RTO.)