

Potential Phasing of RTO West Congestion Management Implementation

Background

The Stage 1 filing identified the filing utility's intention to assess the need for a phased implementation of the flow path based congestion management approach developed in Stage 1. Now that we are ten weeks into the Stage 2 process, the filing utilities believe it is time to make that assessment. We have been receiving a lot of feedback about the complexity of the flow path based model. The filing utilities would like to review with the RRG the status of the current flow path based development effort and a possible concept for the first step of a phased implementation of the flow path based congestion management approach.

Current Status

Work on the current flow path approach by the Congestion Model Content Group is currently about 3 weeks behind schedule. A filing utility effort to prepare data and process for eventual use by the Content Group in the FTR Initial Allocation processes is approximately 6 weeks behind schedule. In both cases the groups are finding that the flow path approach represents a complex set of issues that must be dealt with because of the many parallel paths in RTO West. This ground breaking model is taking longer than anticipated to develop. It will likely be difficult to implement on day one.

First Step Model Description

The filing utilities have brainstormed a concept for a first step in implementing a flow path based congestion model that we invite comment from the RRG. Any first step model must meet the Order 2000 Functions and Characteristics. Specifically, it must manage congestion management on day one, and within a year, use market based mechanisms to clear congestion. It must also address parallel path flows. The filing utilities think the concept described below would meet these requirements.

Your thoughts and comments would be appreciated.

First Step Model Highlights

- ◆ Limited set of Flowpaths, “scheduling paths” and Congestion Zones (CZs), based on current managed paths. (Note: “scheduling paths” and Flowpaths may be the same)
- ◆ Rights defined on “scheduling paths” between CZs
 - SCs schedule over “scheduling paths” from CZ to CZ within their rights (*looks like contract path*)
 - Rights on “scheduling paths” represent either existing rated system path rights or a set of flow-based rights on the Flowpaths
 - Transactions can be linked from one CZ to an adjacent CZ across the RTO system
 - Rights can be traded
 - Unencumbered rights are auctioned by RTO
- ◆ Managing Residual Congestion
 - Model
 - High thresholds
 - RTO may withhold capacity for margins
 - Residual intra-zonal congestion
 - Market-based redispatch or potential limited obligation for PTOs to provide cost-based redispatch (or purchase redispatch) up to some amount within specific Congestion Zones
 - Residual inter-zonal congestion
 - Depends on circumstance (e.g. annual outage coordination plan events, forced outages, etc.), as developed by the CMCG
 - RTO relieves congestion, costs spread as per RTO Uplift
 - Buy back FTRs
 - RTO purchases congestion redispatch
 - Pro rata curtailment
- ◆ Steps to develop would include:
 - Define Phase I congestion management model for Tariff
 - Define list of initial Flowpaths and Congestion Zones (possibly limited set)
 - Allocate ownership interest in flowpaths
 - Translate preexisting contracts between PTOs into FTRs and develop mitigation to the extent that problems appear, such as:
 - Negotiate to replace some wheeling obligations with exchanges
 - Negotiate redispatch
 - Build to fix congestion
 - Other?
 - Develop method for implementing non-converted rights