



PLANNING AND EXPANSION

November 30, 2001



Recap of Stage 1 Decisions

- RTO West has ultimate responsibility for planning and expansion of RTO West Controlled Transmission Facilities
 - Distinction between “p”lanning (identifying and evaluating problems, developing solutions, informing the market) and “P”lanning (decision-making authority for going forward with a project)



Recap of Stage 1 Decisions

- Distinguishes between “transmission adequacy” and “congestion relief”
 - Transmission adequacy assures that, irrespective of the cost of energy, there is sufficient transmission to deliver energy to serve load
 - Distinction may be difficult to make, but content group has developed transmission adequacy test for RTO to apply



Recap of Stage 1 Decisions

Transmission Adequacy

- PTOs have front-line responsibility to meet transmission adequacy criteria for their systems (so, initially, PTOs have both “p” and “P” planning responsibility with respect to transmission adequacy) and must demonstrate to the RTO that it has met the criteria
- The RTO independently evaluates a PTO’s demonstration of compliance with transmission adequacy criteria and, if necessary, has backstop authority to compel the PTO to expand to satisfy unmet criteria



Recap of Stage 1 Decisions Congestion Relief

- RTO has “p”lanning responsibility for expansion to relieve congestion – Identify, Evaluate, Develop Solutions, Inform
- Marketplace (including transmission owners) has “P”lanning Decision Making Authority



Recap of Stage 2

Additions/Modifications: Planning Process

- RTO West will have an open planning process that:
 - Involves all interested parties
 - Considers non-transmission solutions and other least-cost considerations



Planning Process

- Provides information and analysis regarding the entire RTO West system (both with respect to current and projected transmission adequacy and congestion)



Planning Process

- In order to provide the greatest likelihood that the market will step forward and expand the system as appropriate, RTO West will be proactive with respect to:
 - Identifying and anticipating problems related to congestion;
 - Developing potential solutions to those problems (including specific proposals); and
 - Facilitating/Encouraging market sponsors to step forward and implement solutions through an open season subscription process



Annual Plan

- The RTO will have an annual plan containing:
 - RTO West’s evaluation of the RTO West System
 - Transmission adequacy
 - PTO’s demonstration of adequacy
 - Further Input from PTOs/LSEs/Marketers
 - Review by RTO
 - Reliability issues (including notification to non-PTOs of issues identified on their system)
 - Congestion “hot spots” irrespective of ownership (both current and projected)
 - Limited corridor issues



Annual Plan

- Project Proposals
 - PTO Project Proposals to Meet Transmission Adequacy Criteria
 - RTO Project Proposals
 - Congestion Relief Proposals (Includes RTO Authorized Proposals and Open Season Proposals)
 - Transmission Adequacy Backstop Proposals
 - Other Sponsored Proposals
- List of Committed Projects



Expansion to Relieve Chronic Commercial Congestion

- RTO has authority to expand to relieve chronic commercial congestion in instances of market failure
- RTO will define market failure
- RTO will determine how to implement authority if needed



Remaining Recommendations (12/19/01 RRG Meeting)

- Allocation
- Right of First Refusal
- Claim Jumping
- More Details Regarding Process (Including Expansion Incentives, Details on Transmission Adequacy Backstop)
- Treatment of Pre-existing Contract Provisions Regarding Planning