

## **RTO West Stage 2 Development Process**

### **Planning and Expansion RTO Backstop Authority (Transmission Adequacy and to Relieve Chronic Congestion)**

#### **Annotated Compromise Proposal November 28, 2001 (Assumes RTO West Achieves Goal of Becoming an Independent and Highly Capable Entity)**

1. Grant the RTO ultimate planning and expansion authority;
2. Design a proactive, inclusive, least cost public planning and expansion process based upon market-driven expansion principles;
3. Detail the backstop process for transmission adequacy;
4. Recognize that the RTO has the authority to take whatever cost-effective actions it feels are appropriate if it demonstrates specific instance(s) of market failure that precluded the cost effective elimination of chronic, significant commercial congestion; no backstop process will be prescribed for resolving these types of failures;
5. Develop more detail on cost allocation principles;
6. With respect to other than transmission adequacy expansion, if a sponsor comes forward with a project and assumes complete financial responsibility, (i) if the RTO determines that the project does not negatively impact the reliability or transfer capability of the RTO West Transmission System, (ii) if the project sponsor has provided other interested parties the opportunity to make it a larger project and participate, and (iii) if the project sponsor meets all other interconnection/integration requirements, the RTO will allow the project to be interconnected to the RTO West system;
7. Acknowledge that the RTO has the authority to modify the planning process as it finds appropriate; and
8. Provide that all PTOs will be subject equally to the authority of the RTO as it is developed, clarified, or exercised by the RTO.