

**RTO West Stage 2 Development Process
Planning and Expansion Content Group**

**First Rough Draft of a
Narrative Description of RTO West
Planning and Expansion Proposal for 3/1/02 Filing
December 14, 2001**

This draft reflects the current status of the PLCG's discussions, and it has not been adopted or endorsed in its entirety by any of the RTO West Filing Utilities or other stakeholders. There is support, however, for a significant portion of the document's content, much of which has received a "you're going in the right direction (although some parties still have concerns to work through)" from the RRG.

Because of the need for further information regarding congestion management and pricing, as noted throughout the draft, the proposal will be reviewed after final decisions have been made about the congestion management model and pricing methodology to determine whether changes are appropriate. (Also still need legal input about the status of Section 211 in an "accept all schedules" world.)

Some PLCG members believe that planning staff numbers are needed in order to evaluate the proposal, and provided some initial estimates after the last PLCG meeting. As the PLCG has not had a chance to discuss these estimates, they are not being included in this draft (which will be supplemented at some point in the future.)

The PLCG is also concerned about how to handle planning before the RTO commences operations; some members have suggested it would be appropriate for the RTO to commence planning as soon as the Board has been seated.

A. Authority of RTO West

RTO West will have ultimate operational and long-range planning and expansion authority for the facilities it controls within the RTO West System.

B. Goals and Objectives

The RTO West filers and stakeholders propose a planning process that meets the following goals and objectives:

- 1) Provides a single entity with planning and expansion responsibility to ensure a least-cost outcome that maintains or improves existing reliability levels as contemplated in Order No. 2000;
- 2) Maintains and expands the RTO West System in a manner that encourages an open and competitive market;
- 3) Specific enough to be used by facility owners, transmission customers, and regulators for environmental and siting approval, financing, and rate recovery decisions;
- 4) Consistent with the RTO West pricing methodology and congestion management model;
- 5) Considers options other than construction of new transmission as part of the overall process to determine the best method of serving load requirements;
- 6) Meets transmission customers' needs in a comparable manner with least-cost operations and rates while meeting reliability, performance, operational, and efficiency goals; and
- 7) Delivers transmission service to load and meet reliability standards in a fair and consistent manner.

C. Development of Planning Guidelines

RTO West will develop planning guidelines in a public stakeholder process to govern its planning activities (for example, optimization of limited transmission corridors).

D. Planning and Reliability Standards

The RTO, in an open stakeholder process, develop applicable reliability criteria, transmission adequacy standards, and other appropriate guidelines.

E. Scope of Planning and Expansion Authority¹

1) Facilities Over Which RTO West has Planning Authority And Nature of Authority

a) RTO West Controlled Transmission Facilities (and Puget Exception Facilities)

RTO West has planning and expansion authority over the facilities it controls as set out in the Transmission Operating Agreement (“TOA”). In short, *[will need to true this up to the final TOA, which will be trued-up to the final congestion management model. At this point, same as Stage 1 – RTO West Controlled Transmission Facilities are under the planning and expansion authority of the RTO; need further clarification on the relationship of “exempt” facilities to RTO West planning authority].*

[The PLCG developed consensus on the following at their 12/10 meeting, will need to be put into recommendation to policy representatives] Additionally, while a PTO, in consultation with its customers and appropriate state entities, will have planning authority for its other facilities that are needed to serve wholesale transactions, if either the PTO or the customer is not satisfied with the results of the PTO and state processes, they have access to the RTO West dispute resolution process prior to taking their concerns to FERC (if they find that appropriate).

¹ The PLCG was asked if it had considered whether the planning and expansion provisions of existing contracts between PTOs should be suspended or left in place at the formation of RTO West. Initially, members stated that issue should be addressed during suspension discussions between PTOs, and was not a subject to the PLCG. After further discussion, the group concluded that they could develop some recommendations on categories of provisions, but only if they were asked to and the requestor provided specific examples for the group to work through.

b) Nature of Authority

As discussed in more detail below, RTO West will implement a pro-active, inclusive, least-cost, public planning process, and will make every effort to encourage and support market-based expansion decisions. In addition, the RTO will have backstop authority to ensure transmission adequacy (the ability of the RTO West System to deliver requested power, without regard to the cost of the power being delivered or the congestion costs incurred), as well as the authority to take whatever cost-effective actions it feels are appropriate if it demonstrates specific instance(s) of market failure that have precluded the cost effective elimination of chronic, significant commercial congestion.² Each PTO is equally subject to the RTO’s authority.

2) Transmission Facilities Interconnecting to the RTO West System

RTO West will require the following before allowing any new transmission facility to be interconnected to the RTO West System (irrespective of its ownership):³

a) Negative Impacts on Reliability and Transfer Capability

RTO West will perform system impact studies to identify the impacts of the proposed interconnection and require the facility’s sponsor(s) to appropriately mitigate any negative impacts to RTO West reliability and transfer capability. *[We need to fill in the blank regarding impacts of other actions (upgrades, etc.) – may need further input from CMCG];*

b) Opportunity for Participation

² After the congestion management and pricing models are complete, will need to review to see if there are any provisions for uplifting costs that could be avoided through expansion. To the extent there is, the PLCG would like to see the RTO have authority to expand and avoid those costs.

³ With respect to “other-than-transmission-adequacy” expansion, if a sponsor comes forward with a project, assumes complete financial responsibility, and satisfies the requirements stated above, the RTO will allow the project to be interconnected to the RTO West System.

During the planning of the new facility, the facility’s sponsor(s) must have offered other interested parties the opportunity to participate if they wanted to modify the proposed project⁴ to increase its transfer capability and were willing to assume a proportionate share of the cost responsibility [*need further discussion of what cost responsibility means – and input from Pricing folks*]; and

c) Meeting Other Interconnection Requirements

The facility and its sponsor(s) must meet all interconnection and integration requirements (imposed by either RTO West or the PTO pursuant to the TOA, LIA, GIA [*need more detail regarding interconnection/integration*⁵]).

3) Facilities that RTO West Considers in Fulfilling its Planning Responsibilities

When evaluating the status of the RTO West System, the RTO will consider all facilities that impact its system, whether or not they are under RTO West’s control.

F. Description of Process

RTO West, working in cooperation with the PTOs and such advisory stakeholder committees as it creates⁶, shall design, implement, and maintain a non-discriminatory,

⁴ For the purpose of this document, a project is defined as a new transmission path or a change in rating of an existing path through facility additions, or facility upgrades. A project sponsor is the party that is paying for the project and who will receive any FTOs resulting from the project irrespective of the ownership of the project.

⁵ *Generators/transmission/load interconnecting to the system will be required to pay for any necessary upgrades/additions to system necessitated by the interconnection. Further input (Provisions/Requirements/LIA/GIA) is needed regarding the interconnection process and how to determine what upgrades are required. FERC is currently involved in a rule-making involving interconnections, and it is possible that those discussions could provide useful guidance to the RTO West discussions.*

⁶ RTO West will establish advisory committees relating to planning, reliability and operational planning. Such committees will be chaired by the RTO and have members from the PTOs and other stakeholders. At a minimum, a Planning Issues Committee (“PIC”) should be established to provide input to the RTO planning staff and, in certain instances, the RTO West Board.

proactive, least-cost, public planning process that encourages market-based responses to the planning and expansion needs of the RTO West System. The process will allow for significant input from all users of the system.

1) **Role of RTO West**

At a minimum, RTO West will have the following responsibilities:

- a) Coordinating the overall design of RTO West to make sure the separate components work together (for example, the success of market-based expansion is greater if appropriate price signals are created and sent);
- b) Evaluating the status of the RTO West System (including consideration of facilities that are not controlled by the RTO but that impact its system)*[Need more definition on relationship between RTO planners and non-PTO transmission owners – what type of communication, etc.?)*
- c) Determining the capability of all paths (TTC/OTC/ATC) on an on-going basis and a five-year projected basis *[is this still applicable under CM model or does it require some modification?][need more detail regarding how to handle nomograms];*
- d) On an on-going basis (but at least annually), gathering available generator, load (PTO, LSE, UDC forecasts), and system topography information;
- e) With respect to the information gathered in 3), analyzing and further developing that information as appropriate (including

supplemental load forecasting) to provide a foundation for testing the transmission adequacy of the system as a whole;

- f) Identifying paths that are experiencing and expected to experience congestion (price, duration, etc.) and disseminating such information;
- g) Identifying opportunities for improvement (RTO will conceptually define projects, and may engage in conceptual design work, and will provide preliminary cost estimates, but will not engage in design engineering);
- h) Encouraging market sponsors to step forward to implement improvements through an open solicitation of interest (RTO acts only in public relations/escrow roles);
- i) Assessing the ability of the facilities controlled by RTO West to deliver requested power, without regard to the cost of the power being delivered (“transmission adequacy”);
- j) As requested and fully paid for by interested parties, performing detailed planning studies of expansion projects;
- k) Developing an annual transmission expansion plan that covers the subsequent 5 years (or more if additional time is required to implement the alternatives) and includes all of the above information, as well as:
 - i) Discussion of limited corridor issues in light of applicable RTO West planning guidelines
 - ii) List of Projects

- A) Proposals (with identification of who is proposing)
 - (1) Transmission adequacy
 - (2) Market sponsored congestion relief
 - (3) Potential congestion clearing projects that are identified in item c) above
- b) Committed Projects (with identification of who will pay)
 - (1) PTO sponsored transmission adequacy
 - (2) RTO ordered transmission adequacy
 - (3) Market sponsored congestion relief
 - (4) Other “RTO” projects
- l) Modifying, if appropriate, and enforcing interconnection standards;
- m) Coordinating compliance studies and system base cases; and
- n) Coordinating with other planning agencies including Western Governors’ Association, regional transmission associations, independent transmission companies, regional transmission associations, power pools, WSCC, other independent system operators (ISO) and regional transmission organizations (RTO), non-PTO transmission owners, and other affected entities, and preparation of associated reports.

2) Role of States

Ideally, state representatives (commissions, energy offices, siting agencies) will be actively involved at all stages of the RTO West planning process.

3) Role of FERC

In order to minimize regulatory and cost recovery uncertainties, it would be ideal if FERC were involved in the RTO West planning process when final decisions are being made regarding what projects will go forward. *[Will need to discuss with FERC (part of the comments regarding standardizing design for RTOs, other opportunities?)].*

4) Consideration of Non-Transmission Alternatives

RTO West will fully consider non-transmission alternatives as part of its planning process.

G. Decision-Making with Respect to New Projects/Facilities (Who Decides When Project Goes Forward/Who Pays)

1) Goal (In First Instance, Market Driven)

The overarching goal of the planning proposal is to have a dynamic market-driven planning process that results in the appropriate and least-cost expansion of the RTO West System. It is contemplated that the formation of RTO West will result in significantly more information about the RTO West System, the use of such system, and the price paid for such uses. One of the primary drivers of the congestion management model is to provide appropriate price signals such that rational and economically sound decisions are made by Market Participants about expanding the system or implementing non-transmission alternatives. The RTO planning staff will be identifying hot spots on the system, both from a transmission adequacy and congestion perspective. The staff will work with PTOs to ensure transmission adequacy. The RTO will also provide conceptual design proposals to deal with congestion (current and projected) in an open process with full participation of interested parties. The RTO will solicit interest in such proposals, and facilitate participation to the extent desired by interested parties. If the project does not become fully subscribed, the RTO shall not assume that there has been market failure; rather, the RTO should investigate to determine the cause for the failed

subscription (e.g., the project was not appropriately scoped or design, the project is not economically justifiable, etc.).

2) PTO Options When a Third Party Enhances an Existing Facility

When a third-party project is proposed that enhances an existing RTO West Controlled Transmission Facility, the PTO shall have the option to:

- a) Demonstrate that the enhancement poses a safety or reliability risk and should not be pursued (if project sponsor does not agree with a PTO's demonstration of unacceptable risk, it can ask the RTO to determine whether the concern is reasonable (in which case the project will not go forward) or whether the PTO is advantaging its affiliates or acting improperly in some other way);
- b) Take title of the enhancement; provided the project sponsor shall remain responsible for the costs of the enhancement and will receive any FTOs created as a result of the enhancement;
- c) Submit a proposal for constructing the enhancement; provided the project sponsor must give the PTO proposal due consideration but is not obligated to accept the proposal; and
- d) Coordinate the construction with the third-party contractor; provided that the PTO will timely participate in the construction activities (project sponsor has access to RTO dispute resolution for challenges involving the participation of the PTO in construction).

The PTO shall maintain and operate the enhancement and the project sponsor shall pay for such services. The project sponsor is required to maintain the PTO's transfer

capability during the construction to the extent that the PTO has an obligation to maintain transfer capability.

3) RTO Backstop Authority

In the event that the market fails, the RTO has authority to step in and cause expansion as follows.⁷

a) Transmission Adequacy

Transmission adequacy is the physical ability of the RTO West System, irrespective of the cost of energy, to serve load. RTO West has backstop authority to ensure transmission adequacy as follows.

On an on-going basis (but at least annually), the RTO will gather available generator, load (PTO, LSE, UDC forecasts), and system topography information. The RTO will analyze and further develop that information as appropriate (including supplemental load forecasting) to provide a foundation for testing the transmission adequacy of the system as a whole.

After aggregation of this information, the RTO will determine which PTO's(s') system(s) are likely to be used to serve transmission requests and other projected load requirements, and forward such information to the affected PTO(s).

PTOs (on individual or collective basis) will test the transmission adequacy of their facilities. If a PTO's system is not transmission adequate, the PTO has the option of developing and proposing a fix to the RTO or requesting that the RTO develop a fix through its planning process. (If multiple PTOs need to be involved in order to meet the load service request, RTO West should coordinate the PTOs' determination of a plan of

⁷ Given that the rate recovery mechanism is primarily a load-based access fee, the RTO should not exercise its authority to cause expansion that solely benefits users other than RTO West load. In exercising its authority, RTO West shall consider non-transmission solutions. While RTO West cannot cause generation to be built, it may accept a non-transmission solution proposed by others.

service and their respective obligations within a set timeframe. If the PTOs cannot reach agreement, RTO West has the authority to decide what should be done and to allocate the costs of such action to the PTOs.)

All PTOs submit the results of their transmission adequacy tests to the RTO, who will double-check the results (using the generator, load, and system topology information discussed above) on a simultaneous system-wide basis by assuming that all generation is on, and running a model of the physical RTO West System to see if all load is served.

If not all load is served, the RTO will determine whether this is attributable to transmission insufficiencies and where such insufficiencies exist. The RTO will then engage in dialogue with the PTO to fix the transmission adequacy issue.

If the PTO does not voluntarily fix the issue, the RTO can cause the project to be built and allocate the costs of such project to such PTO to be recovered through the PTO's Company Rate.

When there are competing PTO projects to achieve Transmission Adequacy Standards and the PTOs cannot agree which project to implement or how to share its costs, the RTO will decide which is the better solution, cause that solution to be implemented, and allocate the costs among the benefiting PTOs (to be recovered through their Company Rates).

b) Chronic, Commercial Congestion

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 is being prescribed for resolving these types of failures, *[the RTO shall develop such a process in an open forum and adopt tariff provisions for such process, including rights to ADR? - Need to test with PLCG and RRG to see if goes beyond compromise – maybe preface it*

by saying – “in the event the RTO determines that it is likely to exercise such authority, . . . J.

c) Process When RTO Causes Construction to Occur

In instances where it has exercised its authority and cause facilities to be built, RTO West will take the following steps:

- i) RTO West will first request the PTO within whose system the facility is to put out to bid, and build, finance, construct, and take title to the proposed facility using the lowest-cost qualified bid. (If the PTO wants to bid on the construction, RTO West will run the bid process and select the successful lowest-cost bid.) RTO West will review and approve the proposed construction costs.
- ii) If that PTO chooses not to construct the proposed facility, RTO West will request bids from qualified entities to finance, construct and own the facility. The lowest-cost qualified bid meeting RTO West requirements will construct and own the facility. The facility owner will be responsible for maintenance and operational costs.
- iii) In both i) and ii), the parties to whom RTO West allocates costs shall receive any FTOs that are created as a result of the facility corresponding with their payment obligation.
- iv) Disputes arising out of this process will be handled through the RTO West dispute resolution process.

H. Allocation of Benefits and Costs

RTO West has the authority to allocate costs of expansion in two instances: (i) when it has exercised its authority and caused a facility or addition to be built or requires a PTO to participate in an upgrade or expansion to ensure transmission adequacy and (ii) when a project sponsor requests an allocation and can demonstrate that its project has conferred a transmission adequacy benefit on a PTO as described more fully below. All such allocations are subject to ADR.

1) Allocation of Costs When the RTO has Exercised its Expansion Authority

When the RTO causes a project to be constructed it should allocate costs based upon the principle that costs should follow benefits. Accordingly, the RTO should (i) identify the benefits of the project, (ii) determine the beneficiaries, and (iii) allocate the costs to the beneficiaries proportionate to the benefit received. The RTO can allocate costs relating to the following benefits as set out below:

a) Transmission Adequacy Benefit

A transmission adequacy benefit is conferred when a project brings a PTO into compliance with the Transmission Adequacy Standards. The RTO will allocate the costs of a transmission adequacy project to the PTO(s) who are being brought into compliance. The PTO(s) will recover the costs of such facility through its (their) Company Rate(s).

b) Area Benefit

An area benefit is conferred when a project results in an “other-than-transmission-adequacy” benefit to a portion of the RTO West System (e.g., voltage support, general reliability, reduction of losses). The RTO will allocate the costs relating to area benefits

to the load located in the area being benefited by the area benefit. The PTO(s) of such load may include the allocated costs in its (their) Company Rate(s).

c) System-Wide Benefit

A system-wide benefit is conferred when a project results in an “other-than-transmission-adequacy” benefit to the entire RTO system (e.g., voltage support, general reliability, reduction of losses). The RTO will allocate costs corresponding with system-wide benefits to all RTO West users – not just load (e.g., add to grid management fee; develop some other mechanism to collect from all users).

d) Congestion Relief⁸

A congestion relief benefit is conferred when a project results in an increase in transfer capability [*or an avoidance of congestion costs?*]. To the greatest extent possible, the RTO should directly assign the costs of congestion relief projects to the projects’ beneficiaries (the RTO should not default to spreading the costs across the system just because it is difficult to determine specific beneficiaries). The RTO will decide how to determine the beneficiaries of congestion relief and allocate costs accordingly.⁹

(b) Project Sponsor Requests Allocation

The RTO will allocate costs of new facilities relating to transmission adequacy when a project sponsor(s) (i) requests an allocation for a project that has been developed in a public least-cost planning process and (ii) can demonstrate that its proposed project

⁸ FTOs will be created as a result of a project with congestion relief benefits. To the extent that the RTO directly assigns the portion of the costs of such project attributable to congestion relief to specific entities, those entities will also receive the corresponding FTOs. If, however, the RTO elects to spread the costs of such facilities, the FTOs will be auctioned by the RTO and the proceeds will offset the costs that are to be spread [*Need to double-check this against final congestion management model*].

⁹ While a PTO is not expressly precluded from recovering costs attributable to congestion relief benefits from its Company Rate, it is anticipated that a PTO will attribute the costs to power functions relating to a specific set of customers and directly assign the costs to power costs. Ultimately, the appropriate regulatory entity will decide who will pay for such costs.

confers a transmission adequacy benefit on a PTO(s) by deferring the need for the PTO to build a transmission adequacy facility within the RTO planning horizon (as determined by the RTO in its planning process). The costs that are assigned to a benefiting PTO cannot exceed its avoided costs. The PTO will recover the costs of such facilities through its Company Rates.

(3) Challenges to RTO Allocation Decisions

All of RTO West's cost allocation decisions will be subject to RTO West alternative dispute resolution and appealable to FERC.

I. Who is Entitled to FTOs Corresponding with New Transfer Capability

(1) New Facilities

The project sponsor of a new facility shall receive FTOs created by such facility; provided the project sponsor and RTO will discuss and agree on the points of injection and withdrawal for such FTOs. *[Needs a lot more detail, likely should wait for further input from congestion management.]*

(2) Rights Corresponding to New Transfer Capability on Existing Facilities

When a project sponsor's upgrade or new facility has created new FTOs, the party paying for the "fix" gets any corresponding FTOs; provided for a period of 3 years after the RTO commences operations, the owners of existing facilities whose transfer capability will be increased by a project has the option of participating in the project, paying its proportionate share of the costs, and receiving the FTOs resulting from increased transfer capability on its facilities. In order to fall within this window, a PTO must be committed to a project that has been fully designed, and, at a minimum, for which the project

sponsor has initiated the siting process. *[Need to talk about more in light of congestion management work.]*

J. Day One Responsibilities

1) Operational Planning (Responsible from Day One)

RTO West has responsibility for the operational planning of the RTO West System, and will assume direct responsibility for operational planning functions beginning on RTO West's service commencement date. *[Need more detail re operational planning.]*

2) Long-Term Planning (RTO Evolves – RTO Decides who does Planning Studies (assumes Initial Reliance on PTOs))

RTO West will determine how to implement its planning and expansion authority and fulfill necessary planning responsibilities consistent with the TOA. RTO West will determine what information it needs from PTOs, what use to make of such input, and whether RTO West or the PTOs (or some combination thereof) will perform studies. The PTOs anticipate that RTO West's approach will evolve over time.

ATTACHMENT A

Expansion Decisions Regarding Facilities under the Control of RTO West (Who Decides/Who Pays) *[May not need this, but left it in to help PLCG track what has happened]*

Purpose	Decision-Maker/Who Pays
<p>Category I</p> <p>Maintaining Sufficient Transfer Capability to Satisfy the Converted Pre-Existing Contracts and Load Service Obligations (Including Load Growth)</p>	<p><i>[Believe that the new congestion management model takes care of this – will need more input]</i></p>
<p>Category II</p> <p>Maintaining the Initial Transfer Capability of the Class A Facilities to the Extent such Transfer Capability Exists Beyond What is Needed to Satisfy Category I Rights and Obligations</p> <p>(For example, the transfer capability of a path that does not have FTOs might be heavily used or will be needed for future use)</p>	<p><i>[Believe that the new congestion management model takes care of this – will need more input]</i></p>

Purpose	Decision-Maker/Who Pays
<p>Category III</p> <p>Transmission Adequacy: Load Service (Including Load Growth) On All Paths</p> <p><i>“Keeping the Lights On”</i></p>	<p>Requests for load service will be made to RTO West. RTO West will analyze such requests and determine which PTO(s) could be affected by the requests. RTO West will then forward the request to the appropriate PTO(s), which is responsible for ensuring that sufficient facilities are available to provide secure service. The PTO(s) will determine what action to take pursuant to an open process that considers non-transmission and least-cost alternatives. After such planning process, the PTO(s) will submit its proposed plan to RTO West. In an open process, RTO West will determine whether the PTO’s proposed plan provides transmission adequacy consistent with RTO West’s established guidelines. If it determines that it does, the PTO will implement its plan and the costs of such facilities will be recovered in the Company Rate of those PTOs whose load benefits from the expansion.</p> <p>If multiple PTOs need to be involved in order to meet the load service request, RTO West should coordinate the PTOs’ determination of a plan of service and their respective obligations within a set timeframe. If the PTOs cannot reach agreement, RTO West has the authority to decide what should be done and to allocate the costs of such action to the PTOs.</p> <p>As part of their responsibilities under this category, PTOs are required to prepare adequacy assessments and provide them to RTO West. This is required (1) after a service request has been forwarded to a PTO and (2) on a periodic basis in the regular course of business. Regional criteria will be established by RTO West for for the PTO(s) and RTO West to apply to determine adequacy.</p> <p><i>Backstop.</i> If a PTO fails to develop a plan that RTO West determines assures transmission adequacy of the Class A Facilities in a manner consistent with RTO West’s guidelines, RTO West has the authority to remedy the problem. First, RTO West will document such inadequacy, which will be subject to ADR. Second, RTO West will develop, in an open process, a solution to the transmission adequacy problem. Third, the PTO, other PTOs, and all other</p>

	<p>market participants will have an opportunity to present alternatives (including non-transmission solutions) to RTO West’s proposed transmission solution. In the event that RTO West does not accept any of the PTO’s alternatives, RTO West has the authority to fix the transmission deficiency by causing the construction of necessary transmission facilities. (RTO West cannot cause generation to be built but may accept a non-transmission solution proposed by others, <i>in which case the RTO’s responsibilities would be reduced to ensuring conformance with interconnection standards, in the case of generation solutions, and to adjusting transmission plans to reflect new interruption or curtailment rights, in the case of DSM.</i>) ADR will be available for parties that disagree with RTO West’s decisions. The costs of such facilities subject to allocation by RTO West will be recovered through the Company Rates of those PTOs whose loads benefit.</p>
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Purpose	Decision-Maker/Who Pays
<p>Category IV</p> <p>Congestion Relief/ Market-Driven Mechanism</p>	<p>In first instance, transmission project sponsor makes decision and bears the costs of transmission expansion for rights obtained. (Transmission project sponsor could be PTO, load serving entity, or other market participant.)</p> <p>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 is being prescribed for resolving these types of failures.</p>