

**RTO West Stage 2 Development Process
Backstop/Transmission Adequacy/Allocation Working Matrix
as of March 12, 2001**

TASKS

Task Number 1: Define Backstop
Task Number 2: Develop Transmission Adequacy Standards (“TAS”)
Task Number 3: Run Scenarios to Distinguish Between Congestion Clearing and Load Service Facilities (Done – is difficult and somewhat of a moving target, but not impossible)
Task Number 4: Determine Allocation Methodology

ELEMENTS OF BACKSTOP

Element	Stage 1 Approach	Stage 2 Approach	Stage 2 Issues	Stage 2 Resolution
Define Backstop	Ability of RTO West to Assure Transmission Adequacy for Load Service	Ability of RTO West to Assure Compliance with Transmission Adequacy Standards	Facilities Included within Scope of RTO West Backstop? <ul style="list-style-type: none"> ➤ RTO West Controlled Trans. Facilities? ➤ RTO West System ➤ Other? 	

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Develop TAS	Limited to assessment of transmission adequacy, not generation adequacy	Limited to assessment of transmission adequacy, not generation adequacy <ul style="list-style-type: none"> ➤ Might be used as baseline for allocation ➤ Might be used as a way to determine who is using (benefiting) from the system ➤ Might be used as a measure to determine whether a new facility has negative impacts (e.g., if a PTO's transmission adequacy suffers because of a new facility, new facility might be 	Are there existing standards that can be used? <ul style="list-style-type: none"> ➤ Should the standard simply be that the RTO uses NERC or WSCC criteria? Can we involve the states in defining standards? Need to distinguish between real-time adequacy and Artic Express How to draw the line on excluding "economics" Delineating between adequacy and security Is there a relationship between how transmission adequacy is measured and the FTR allocation? How to consider non-transmission components?	

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		<p>required to mitigate)</p>	<p>(E.g., how does load management fit into adequacy assessment?)</p> <p>Lay out loads and resources (Could be deficit generation but still adequate for transmission, need to lay out rules)</p> <p>Use of feasible dispatch</p> <p>Load</p> <ul style="list-style-type: none"> Firm Load Nonfirm Load Load Projections <p>Generation</p> <ul style="list-style-type: none"> Reserves/ Location Projected Generation Import Capability <p>How to handle loss of load projected for system?</p> <p>Relationship between emergency redispatch/TAS/Scheduling maintenance</p>	

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			<p>What facilities does TAS apply to?</p> <p>Temporal scope of TAS</p> <ul style="list-style-type: none"> ➤ Stage 1 filing contemplates 5 year planning horizon, but is this appropriate for TAS when a PTO can bring on generation in fewer years? What is the right timeframe? <p>How to apply to joint participation project?</p> <ul style="list-style-type: none"> ➤ What if participants don't agree on need for project <p>What if participants agree on need for project, but not on cost allocation</p> <p>If individual PTOs have "adequate" systems, does that ensure RTO</p>	

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			<p>“adequacy”? (Is still additional evaluation needed? If something more is needed, what authority would the RTO have to implement it? Who would pay?)</p> <p>Develop credibility test for entire system (but if generation is not tied to load, how do you weight formula?)</p> <p>Adequacy between PTOs (Idaho/PC issue)</p>	
Trigger for PTO to demonstrate adequacy	<p>RTO receives service request, provides to PTO(s)</p> <p>PTO(s) analyzes request, determines what is needed (if anything) to maintain transmission adequacy standards</p> <p>PTO demonstrates sufficient facilities to meet request</p>		<p>In response to RTO West System forecasted loads? (RTO receives forecasts from LSEs, aggregates, distributes to PTOs)?</p> <ul style="list-style-type: none"> ➤ What data should be provided to RTO West and by whom? <p>Request for transmission service? (Eligible</p>	

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			<p>Customer makes request of RTO, RTO forwards request to PTO)</p> <p>How often should PTO be required to demonstrate adequacy?</p> <ul style="list-style-type: none"> ➤ Annually? ➤ Semi-Annually? ➤ Based upon specific request? <p>How to handle joint facilities</p> <p>What if a PTO has proposed a project, but “X” (RTO West System users, public, etc.) is better served by a different project (limited corridor, projected load growth will necessitate further development within next 5-10 years, etc.), can the RTO require project specifications to be changed?</p>	

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			<ul style="list-style-type: none"> ➤ What if there is a strategic advantage to the PTO in the type of facility it constructs? ➤ Does it make a difference if there are immediate beneficiaries who can be allocated costs? 	
Process for Determining Adequacy	<p>PTO demonstrates adequacy followed by RTO review</p> <p>If RTO disagrees with PTO analysis, works with PTO to assure adequacy</p>		<p>PTO demonstrates adequacy followed by RTO review</p> <p style="text-align: center;">or</p> <p>RTO evaluates adequacy</p> <p>Who is responsible for demonstrating adequacy of joint facilities?</p> <ul style="list-style-type: none"> ➤ Would allowing each joint owner to address separately skew results of overall adequacy 	

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			analysis?	
Possible “Redflags” Indicating Transmission Inadequacy			<p>If there are not enough FTRs available with Feasible Dispatch might be a red flag re adequacy issues</p> <p>If load cannot be met through redispatch, might be adequacy issue</p>	
Process for Handling Inadequacies	If PTO fails to take action to assure adequacy, RTO can compel necessary construction	If PTO fails to take action to assure adequacy, RTO can compel necessary construction	<p>Process for seeing if RTO can procure PTO compliance short of exercising backstop?</p> <p>Second chance for compliance?</p> <p>Need for dispute resolution?</p> <p>➤ Fast track dispute resolution?</p>	
Allocation of Benefits and Costs (Allocation can occur in			Can RTO assign cost responsibility for non-transmission alternatives?	

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a number of situations, not just when RTO West has exercised its backstop authority. There is a separate matrix for Allocation)			Can RTO assign cost responsibility to (load of) PTO that meets transmission adequacy standards without backstop facility?	