

Description of RTO West Service

Overview to be Inserted in Tariff Part I Section 2

RTO West offers two categories of services-- Transmission Services and Ancillary Services--upon terms and conditions set forth in this Tariff. The descriptions of Transmission Services set forth in Parts II through V of this Tariff define each service to be offered by RTO West. Ancillary Services are described and their terms and conditions set forth in Part VI. The “Common Service Provisions” in this Part I set forth terms and conditions common to all the services. This section is intended to provide an overview of the types of Transmission Services offered by RTO West in general language. In the event of any conflict between the general language in this section and the terms and conditions of service set forth in Parts II-V below, the terms and conditions of service shall prevail.

[Drafters’ Note: TOA definition of “Transmission Services” states that “Ancillary Services” are not included within “Transmission Services.”]

[Drafters’ Note: Are common service provisions relevant to Ancillary Services or only Transmission Services?]

The primary service RTO West will offer is “Transmission Use Service.” All Eligible Customers of RTO West may take Transmission Use Service; however, all scheduling must be through a Scheduling Coordinator. This service provides movement of power over the RTO West transmission

grid whether the use is for (i) delivery to loads within the RTO West (including loads within “islands”¹), whether from sources within RTO West or imports, (ii) exports off the grid from sources within RTO West, or (iii) through-service transferring power to loads outside RTO West from source outside RTO West.

Two other services—Generator Interconnection and Integration Service and Load Integration Service— provide, respectively, the right to put power on the RTO West grid, or take power off the grid for consumption by loads. These services do not provide use of the RTO West transmission grid to move power. Transmission Use service must be acquired separately.

Generator Interconnection and Integration Service permits generators to physically interconnect with the RTO West transmission grid and obtain from RTO West the right to put power on the RTO West grid. Generators interconnected with non-RTO West transmission facilities [of Participating Transmission Owners/ within the RTO West grid] must acquire generation integration service in order to obtain the right to put power on the RTO West grid. Generators must execute an integration agreement with RTO West setting forth operational requirements for safe and reliable integration of the output of a generator into the RTO West grid. Generators will pay direct costs associated with interconnection as set forth in Part _____. Once a generator is interconnected with a Participating

¹ An “island” is transmission system that interconnects only with the RTO West Transmission System or with the RTO West Transmission system and other systems whose interconnections are with RTO West Transmission System. It is a transmission system within the geographic boundaries of the RTO West transmission system but its transmission facilities are not part of the RTO West transmission system.

Transmission Owner's transmission facilities and its output integrated into the RTO West transmission grid, Transmission Use service may be acquired to move power from that generator to loads within the RTO West transmission grid or off-system, and a Scheduling Coordinator may schedule power from that generator on behalf of any Transmission Customer.

Load Integration Service permits loads interconnected to transmission or distribution facilities within the RTO West grid to establish the safe and reliable integration of a load to the RTO West transmission grid and the right for that load to take delivery of power (energy and capacity) for consumption by the load. Loads interconnect with the transmission facilities of Participating Transmission Owners and "islands" must acquire this service in order to obtain the right to use the grid to deliver power for consumption by their loads. Once a load is integrated into the RTO West transmission grid, Transmission Use service may be acquired to move power to that load and a Scheduling Coordinator may schedule power from on- or off-system to serve that load on behalf of any Transmission Customer.

A fourth transmission service provides Participating Transmission Owners with transmission service necessary to fulfill the owner's obligations to its customers with pre-existing contracts that the customer has not converted to RTO service. Non-converted service is limited to the terms, conditions, amount of transmission capacity and use of facilities identified in the pre-existing contract.

[Drafters' Note: Revisit the last sentence after the Tariff definition of this service is completed.]

[Drafters' Notes: These services are subject to FERC's review and approval, based on a finding that such services are consistent with Order 2000.]

Tariff Provisions for Inclusion in Parts II-V

[Insert in Part II]

18. Nature of Load Integration Service

“Load Integration Service” provides access to the RTO West Controlled Transmission to serve Company Loads or Eligible Loads and establishes operational requirements for safe and reliable integration of Company Loads and other Eligible Loads with the RTO West Controlled Transmission Facilities. [Eligible Loads are loads interconnected with the RTO West Transmission System, the Electrical System of a Participating Transmission Owner, or an Electrical System interconnected only with Electrical Systems interconnected to the RTO West Transmission System.] This service is available to Eligible Customers with Company Loads and other Participating Transmission Owners with statutory or contractual obligations to serve Eligible Loads that execute a Load Integration Agreement

Eligible Loads receive FTR allocations as set forth in [Section ___ / Appendix ___] and pay the Company Rate, for which they will receive Load Integration Service and Transmission Use Service.

[Drafters' Note: The definition of Eligible Loads will be incorporated into the definitions and not repeated here.]

[Drafters' Notes: Whether or not some or all of the RTO Uplift Charge will be paid by Company Loads is to be determined by RTO West. Reference: "The filing utilities propose to recover all costs of ownership and operation of their transmission facilities through a load-based access charge." 10/23/00 Filing at 35. "[T]he RTO uplift charge . . . will be imposed on loads or on transactions throughout the RTO West area." 10/23/00 filing at 38. "RTO West will have absolute discretion to set its own rate with respect to uplift charges, congestion management fees and losses." 10/23/00 filing at 66. Reference: The Eligible Load definition is based on the IndeGo definition of an "Island System" but the wording has been revised. The definition should be reviewed and discussed again. Query: Whether interconnection of new loads with Executing Transmission Owner's RTO West Controlled Transmission Facilities should be excluded from the RTO West Tariff provisions? Query: Does this definition need to be amended to facilitate Canadian entities? Query: Should the term "RTO West Transmission Facilities" or "RTO West Transmission System" be substituted for "RTO West Controlled Transmission Facilities" throughout the tariff description of service? Query: Are "islands" exempt from the requirement to execute a Generation Integration Agreement?]

[Insert Part III]

23. Nature of Transmission Use Service

"Transmission Use Service" provides use of the transmission capacity on the RTO West Transmission System. This service is available to all Transmission Customers subject to payment of any applicable Company Rate, Transfer Charge or Access Charge. Transmission Customers may use transmission capacity to transmit electric energy and make available electrical capacity to others. Transmission Customers must schedule service through a Scheduling Coordinator and comply with Scheduling Requirements, including where necessary submission of FTRs, RTRs or NTRs.

[Drafters' Notes: Whether or not some or all of the RTO Uplift Charge will be paid for by users of the transmission grid other than loads is to be determined by RTO West. References re: allocation of costs: 10/23/00 Filing letter at 35; TOA—Section 14.2 and definition of Access Charge.; Ex. H for Transfer Charge. Reference relevant to choice of the term “RTO West System” instead of “RTO West Controlled Transmission Facilities”: TOA definition of RTO West System explains that the term refers to the “Transmission Facilities” of all Executing Transmission Owners, whereas “Transmission Facilities” refers to each individual Owner’s facilities. “Transmission Facilities” must include “RTO West Controlled Transmission Facilities” and may include additional facilities. Therefore, the term “RTO West Transmission System” is more inclusive than the term “RTO West Controlled Transmission Facilities.” Query: TOA definition of Executing Transmission Owner Rate Schedules suggests Company Rates are for use of “Transmission Facilities.” This suggests the Company Rate is a payment for use of the “Transmission Facilities” of a given Executing Transmission Owner only and not the entire “RTO West Transmission System.” Should this be revised in the TOA? Query: Consider whether to delete sentence making Transmission Use Service subject to payment of any applicable Company Rate, Transfer Charge or Access Charge and making such payments a requirement to qualify as an “Transmission Customer”?]

[Insert in Part IV]

29. Nature of Service Under Non-Converted Transmission Agreements of Participating Transmission Owners

“Service Under Non-Converted Transmission Agreements of Participating

Transmission Owners” provides transmission services to Participating Transmission Owners that enables such owners to fulfill their obligations under Non-Converted Transmission Agreements. This service is available to Participating Transmission Owners only to meet contractual obligations to entities not affiliated with such Participating Transmission Owners and that have not agreed to suspend or terminate existing service obligations and replace such service with Load Integration Service or Transmission Use Service with RTO West. Non-converted transmission service is limited to the specific terms of the pre-existing contract except to the extent that the Participating Transmission Owner contractually-obligated to provide the pre-existing service is able to negotiate appropriate

modifications to procedures specified in the Non-Converted Transmission Agreements to achieve consistency with RTO West operating procedures. Non-converted transmission service is also limited to the amount of transmission capacity contracted for in the Non-Converted Transmission Agreement. Non-converted transmission service only provides for use of transmission facilities of the Participating Transmission Owner contractually obligated to provide the pre-existing service subject to any limitations set forth in the Non-Converted Transmission Agreements. The scope of this service provided may not be expanded.

[Drafters' Note: This provision needs to be reviewed with the technical workgroup addressing congestion management and revisited again.]

[Drafters Notes: Reference: TOA Sections 5.2.1 and 6.3. It is not determined how the cost of this service will be recovered. For example, the RTO could charge the Executing Transmission Owner the actual cost to the RTO of providing the service with the owner retaining the contract revenues; or actual cost could be spread to all loads through the RTO uplift charge with the owner passing-through revenues received under the Pre-existing contract to the RTO.]

[Insert in Part V]

33. Nature of Generator Interconnection and Integration Service

“Generator Interconnection and Integration Service” provides interconnection of electric generation facilities to the RTO West Controlled Transmission Facilities subject to the requirements set forth in the RTO West Tariff, including execution of a Generator Integration Agreement with the RTO and a Generator Interconnection Agreement with the Executing Transmission Owner to whose transmission facilities the generation facilities are interconnecting. This service is

available to any generator interconnecting to or interconnected with the RTO West Controlled Transmission Facilities. Access to transmission capacity on RTO West Controlled Transmission Facilities for the delivery of electrical capacity and energy is not provided under this service and must be obtained under Transmission Use Service.

[Drafters Note: Only direct costs would be charged for interconnection service, e.g. application processing charge, costs for performing necessary studies, and costs of any required upgrades or facility additions. Query: Should “RTO West Transmission System” be used in place of “RTO West Controlled Transmission Facilities”?]

[Insert in Part VI]

Ancillary Services means those services that are necessary to support the use of RTO West’s Transmission Services and will include all ancillary services a transmission provider is required by FERC [or the BC Regulatory Authority] to provide, while maintaining reliable operation of the RTO West Transmission System [and the BC IGO Transmission System] in accordance with Good Utility Practice.

[Drafters’ Note: A list of Services is set forth in Attachment N to the 10/23/00 Supplemental Filing and the Ancillary Services workgroup draft Exhibit D provides a preliminary draft of the Tariff appendix.]