



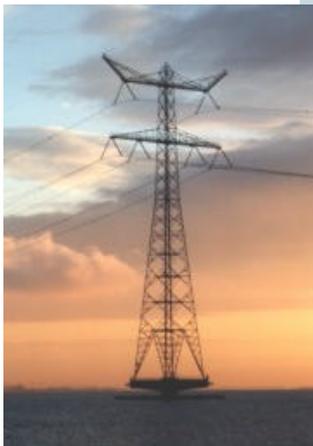
RTO WEST Planning Proposal

**Substantive Changes to 12/14/01
Planning Narrative**



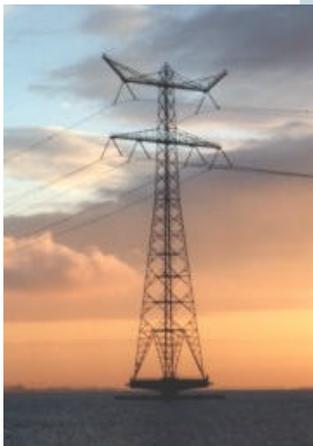
RTO WEST Planning Proposal

- Dispute resolution for PTO planning of non-RTO West Controlled Transmission Facilities used for wholesale service – RTO West ADR available upon parties' agreement (p. 2)
- Added references to Tribes (p. 8)
- Provided more detail about expected roles of FERC, States, Tribes, PTOs and Non-PTOs (pp. 8 and 9)
- Clarified intent that RTO West must encourage market-decisions and cannot preempt market (throughout expansion authority section)



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- With respect to RTO authority to mitigate chronic, commercial congestion resulting from market failure, added requirement that when the Market Monitoring Unit identifies that chronic commercial congestion results from specific instances of market failure, with a demonstration of such market failure, the RTO has authority to implement an appropriate solution (which could include a non-expansion alternative, for example, changing market rules, as well as expansion) (p. 14)



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- PTO's options when there is third-party construction (including that "caused" by RTO) has been substantially modified to require that RTO cannot get involved in "construction business" (Three basis elements: PTO has right to submit bid; PTO or successful third-party contractor must act as project manager; PTO has a right to be involved in construction (at a minimum, in a coordination role)) (p. 15)
- Clarified limitations on ability of RTO West to allocate costs of third-party initiated and sponsored projects (throughout allocation section)
- Different treatment of rights corresponding to new transfer capability on existing facilities (p. 19)



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What to Expect in Next Draft

- More detail regarding least cost planning (in particular whether RTO has ability to implement non-wires solution when exercising backstop authority)
- More detail regarding TOA Exemption for “Certain Distribution Facilities”
- Further work on requirement to mitigate negative impacts resulting from an interconnection to serve load
- More detail regarding property rights resulting from expansion of system