RTO West—Initial Features
Draft 2

NOTE: This document is an attempt to try and arrive at the minimum features an acceptable RTO needs to have on day one, and what can be deferred until a later date as the RTO becomes up and running. It is an attempt to try and achieve broad agreement among a number of parties in the RTO West process. It is an evolving document.

1. Independence from market influence in a number of key areas.
    a. Access, transmission service requests and generator interconnection
    b. Security coordination and reliable operations of the grid
    c. The collection and use of key operational information from all grid users
    d. The determination of both total and available system capacity and the ability to assure this capacity will be available for scheduling and actual grid operations
    e. Planning and system expansion, including the ability to look at non-transmission alternatives
    f. Market monitoring and policing of market manipulation

2. Key features of an independent entity
    a. It must be fundamentally accountable to grid users for its decisions
    b. It must make unbiased decisions, not unduly influenced by economic or market interest
    c. It must demonstrate an ability to proceed in its development
    d. It must be open to all grid users
    e. It must be transparent
    f. It must have integrity that all grid users can trust

3. Essential day-one features
    a. Obtain regulatory approval
    b. Seating of an independent board
    c. Preservation of existing transmission rights
    d. Voluntary consolidation of control areas; each control area provides congestion management assets to support existing rights[1]
    e. A single OASIS for all transmission users, which eliminated transactional pancaking[2]
    f. A single "big picture" look at system capacity and utilization for both operations and planning and expansion
    g. Pre-existing rights are catalogued.
    h. A single security function that gathers information from all system users, has the ability to make operational decisions independent of market participants and has a " big picture" view of the system and the ability to operate it accordingly

[1] It is expected that at least four control areas (BPA, Idaho, Pac and British Columbia) would consolidate on day-one.
[2] ATC would be calculated on a flow-basis; transmission services would be sold on a flow-basis.

i. A single queue and process for transmission service requests
j. A single queue and process for generator interconnection
k. A single tariff for recovery of fixed system costs, which eliminates rate pancaking without causing significant cost-shifting
l. A planning and expansion process that recognizes transmission problems, looks at all solutions and has a way of financing and constructing needed system improvements
m. For the control areas that collapsed into one, the Independent Operator would be the provider of last resort for ancillary services
n. A voluntary bid-based ancillary services market (bulletin board), especially for imbalance energy
o. A proactive market monitoring function

4. Features that can be deferred post operations
    a. Collapsing control areas (continue voluntary)
    b. The congestion management system
        i. Financial model for managing congestion
    c. Full development on the ancillary services markets
    d. Seams agreements between the other RTOs in the West