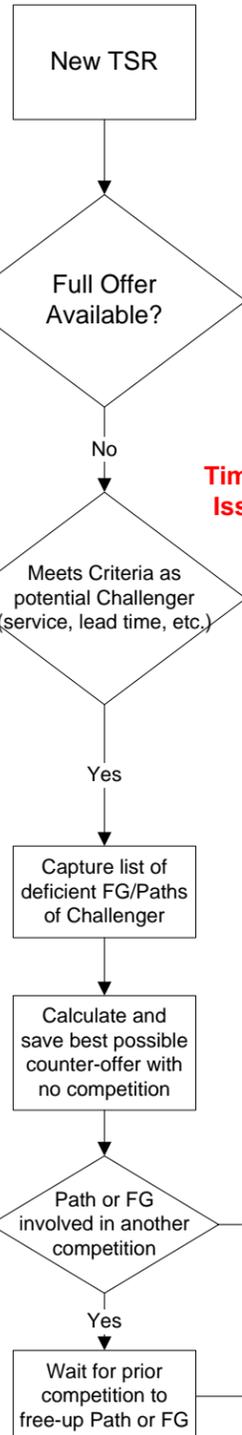


Determine if New TSR is Eligible to be a Challenger

Determine Challengers and Defenders

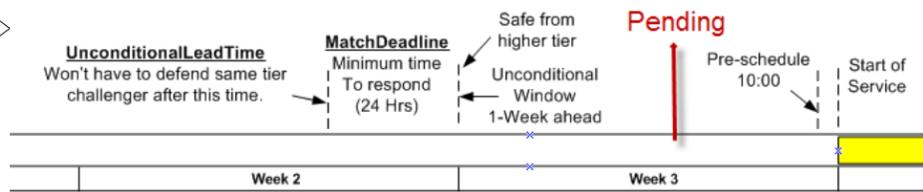
Determine which existing TSR's are Eligible to be a Defender



Do not preempt/compete. Do normal processing

Timing Issue

- 1) Must be Pre-confirmed
- 2) Must have time enough time to compete.
  - a. What is enough time by product?
  - b. Compete against who? (Confirmed/Pending)

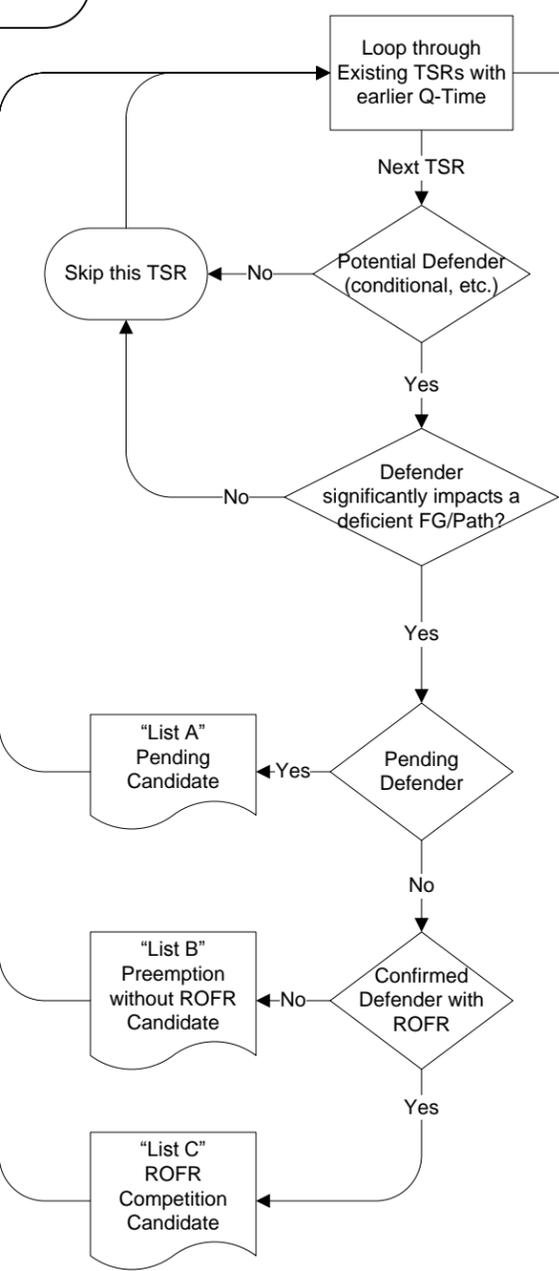


	FG 1	FG 2	FG 3	FG 4	FG 5
ATC	50	50	50	50	40
Challenger	100	100	100	100	100
Capacity Needed	50	50	50	50	60

40 due to FG 5

Timing Issue

- 1) How long do you wait?
  - a) Until not enough time remains to compete?
  - b)
- 2) What information would you need to decide if you want to wait?
  - a. Number of competitions ahead of you?
  - b. Constrained paths?



- 1) Eligible Transaction Type (ORIGINAL, MATCHING, REDIRECT)
- 2) Is it confirmed but still conditional?
- 3) If confirmed and conditional, does it have enough time to compete.
- 4) If defender is still pending, is it ever safe? Motion 10 says "confirmed".
- 5) Is defender a shorter duration (Same Tier Competition only).
- 6) Other? (parent of pending redirect WEQ-001-9.4, others)

- 1) What is significant? OATI says de minimis (10%).
- 2) Do multiple insignificants add up to a significant?
- 3) Helps FG/Path, or improves the offer?

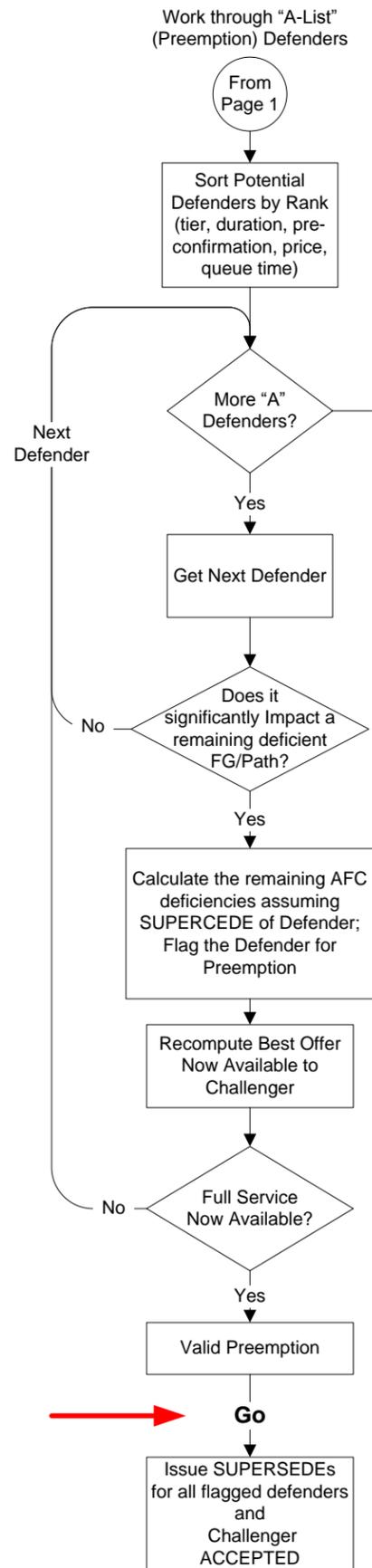
- Must have a shared path – Two options
  - Defender must free up capacity on one of the constrained paths.
  - Defender must actually enable an improved offer to the challenger

Simplified AFC Only Example					
	FG 1	FG 2	FG 3	FG 4	FG 5
ATC	50	50	50	50	50
Challenger	100	100	100	100	100
Capacity Needed	50	50	50	50	50
TSR 1	50	50	50	50	Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 1 and 5
TSR 2	50	50	50	50	Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 2 and 4
TSR 3	20	30	10	40	20
TSR 4	30	30	60	20	40

If the challenger is a higher tier (NT), then the lower tier defender (PTP) has no ROFR and is on the "B" list.

For Tier 1 Network challengers, there will be no "C" list ROFR defenders. For Tier 2 PTP challengers, here will be no "B" list non ROFR defenders.

Evaluate Pending and Non ROFR Defenders



- 1) For pending defender, what is significant? OATI says deminimis.
- 2) Do multiple insignificants add up to a significant?
- 3) Helps FG/Path, or improves the offer?
- 4) Should pending defenders be treated different than ROFR defenders? Motion 10 covers "confirmed".

Must have a shared path – Two options

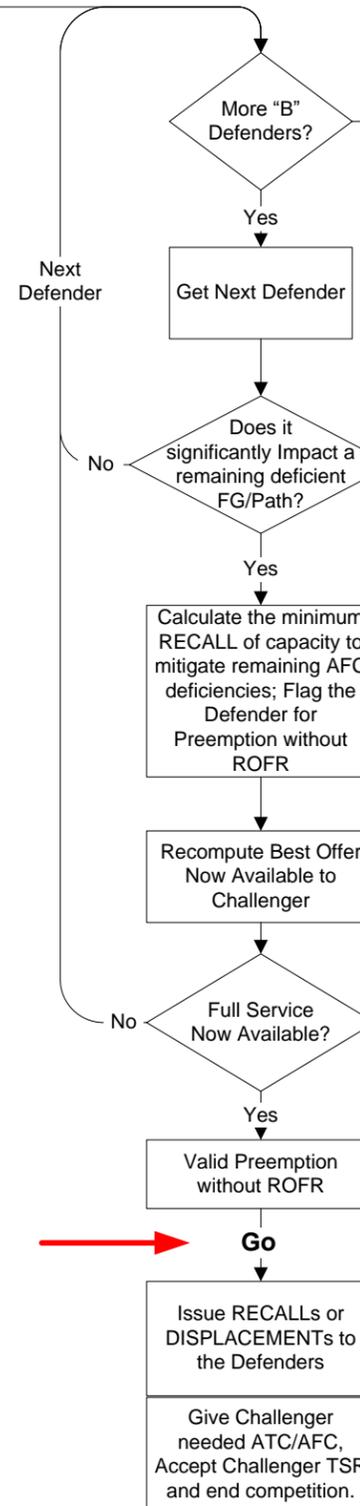
- Defender must free up capacity on one of the constrained paths.
- Defender must actually enable an improved offer to the challenger

Simplified AFC Only Example

	FG 1	FG 2	FG 3	FG 4	FG 5	
ATC	50	50	50	50	50	
Challenger	100	100		100	100	Option 1 - Improve the Offer Option 2 - Relieve Congestion
Capacity Needed	50	50		50	50	
TSR 1	50		50		50	Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 1 and 5
TSR 2		50		50		Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 2 and 4
TSR 3	20	30	10	40	20	Option 1 - Yes, it improve offer Option 2 - No, Need has been met
TSR 4	30	30	60	20	40	Option 1 - Yes, it improve offer Option 2 - No, Need has been met

Competition Ends with only Pending Defenders impacted.

Work through "B-List" (Preemption without ROFR) Defenders. Primarily PTP being challenged by NT.



Keep this step in mind for later.

Competition Ends with only Pending and non-ROFR Defenders impacted.

To Page 3  
Move to ROFR defenders

Work through "C-List" (ROFR) Defenders

More "C" Defenders?

Get Next Defender

Does it significantly Impact a remaining deficient FG/Path?

Calculate the minimum RECALL of capacity to mitigate remaining AFC deficiencies; Flag the Defender for Competition

Recompute Best Offer Now Available to Challenger

Full Service Available?

Remove all higher priority Defenders from the "C-List"; Loop back through remaining "C-List" Defenders in order for MATCHING feasibility test

Get Next Defender

Compute minimum required MATCHING request necessary to exercise Defender's ROFR

Is granting of the MATCHING request feasible?\*

More "C" Defenders?

Valid Competition

Go

No viable Preemption and Competition; Restore impacts of all Defenders on AFC

Recompute Best Offer Available to Challenger

Grant Remaining Capacity to Challenger

Do you want an improved offer if there are no ROFR defenders who can walk away from a counter offer?

- 1) Where do deficiencies remain given prior defenders?
- 2) Do multiple insignificants add up to a significant?
- 3) Helps FG/Path, or improves the offer?

Must have a shared path – Two options

- Defender must free up capacity on one of the constrained paths.
- Defender must actually enable an improved offer to the challenger

**Simplified AFC Only Example**

	FG 1	FG 2	FG 3	FG 4	FG 5	
ATC	50	50	50	50	50	
Challenger	100	100		100	100	Option 1 - Improve the Offer Option 2 - Relieve Congestion
Capacity Needed	50	50		50	50	
TSR 1	50		50		50	Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 1 and 5
TSR 2		50		50		Option 1 - No, doesn't improve offer Option 2 - Yes, it helps FG 2 and 4
TSR 3	20	30	10	40	20	Option 1 - Yes, it improve offer Option 2 - No, Need has been met
TSR 4	30	30	60	20	40	Option 1 - Yes, it improve offer Option 2 - No, Need has been met

Pares down the defender list to just those needed to provide a full offer to the challenger, then loops through remaining defenders checking for the feasibility of their ability to extend (enough AFC).

Do all defenders need to be able to match simultaneously?

Assume ATC is 50 for all days

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
Challenger	100 for three days					
Defender 1	50	→	→			
Defender 2		50	→	→		
Defender 3			50	→	→	

Do you stop when you find the first defender who can't match?

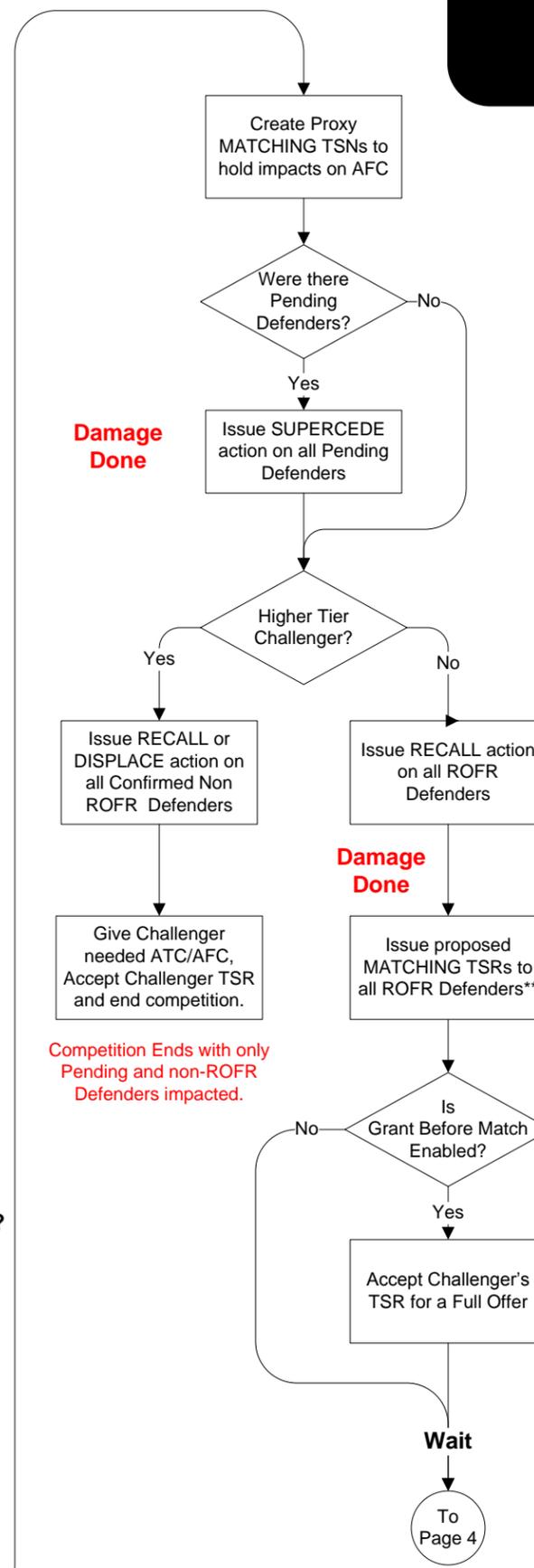
**Simplified ATC Only Example**

	Day 1	Day 2	Day 3	Day 4	Day 5
ATC	50	50	50	50	40
Challenger		100	100	100	
TSR 1		25	25		
TSR 2			75	75	
TSR 3			25	25	
TSR 4	50	50			

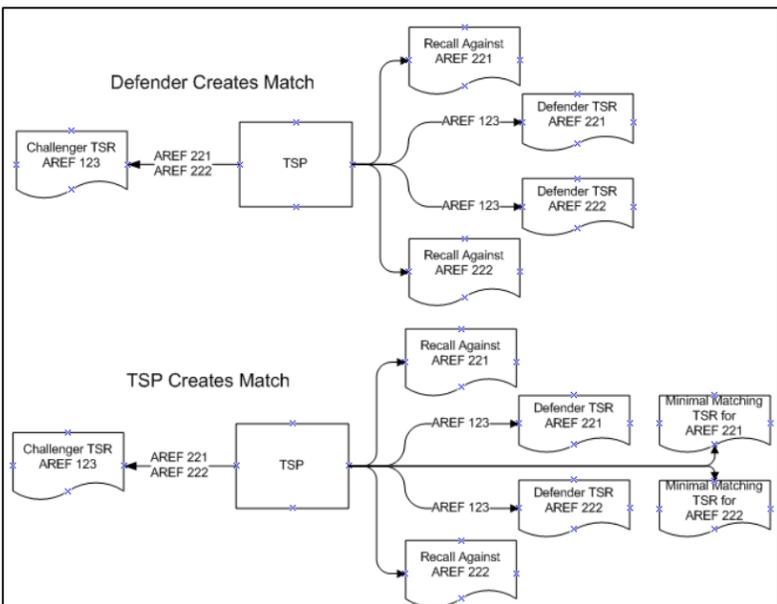
Remove current Defender and all higher priority Defenders from "C-List"; Restore AFC impacts of current and all remaining "C-List" Defenders; Loop back through remaining "C-List" Defenders in order.

No longer able to provide a full offer to the challenger.

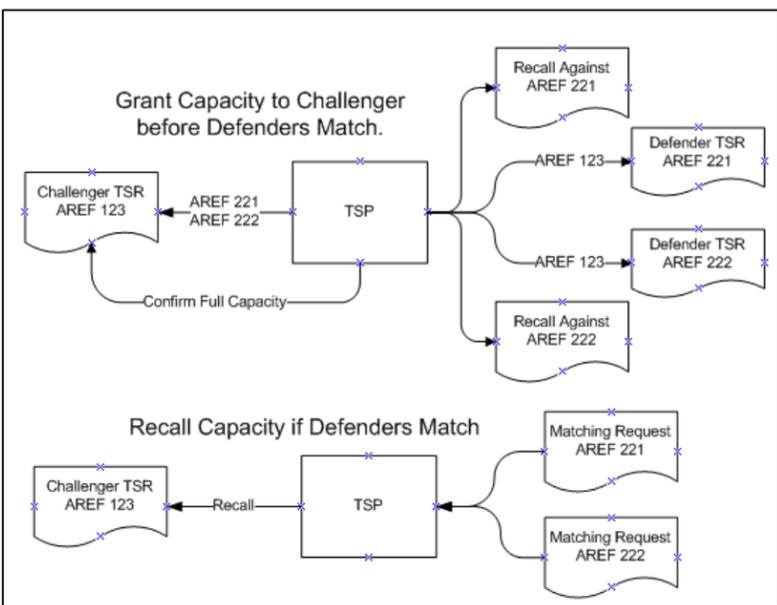
Evaluate ROFR Defenders



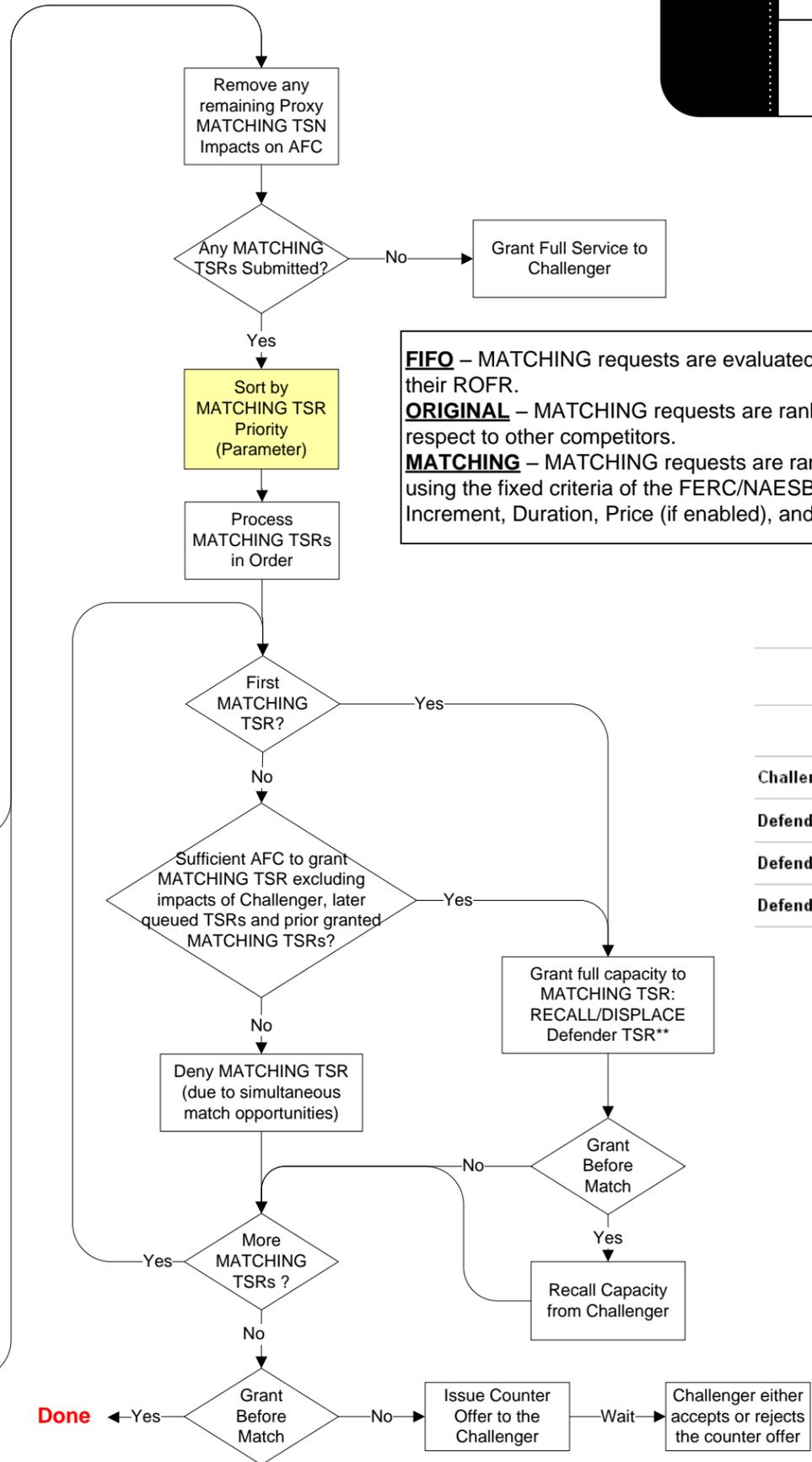
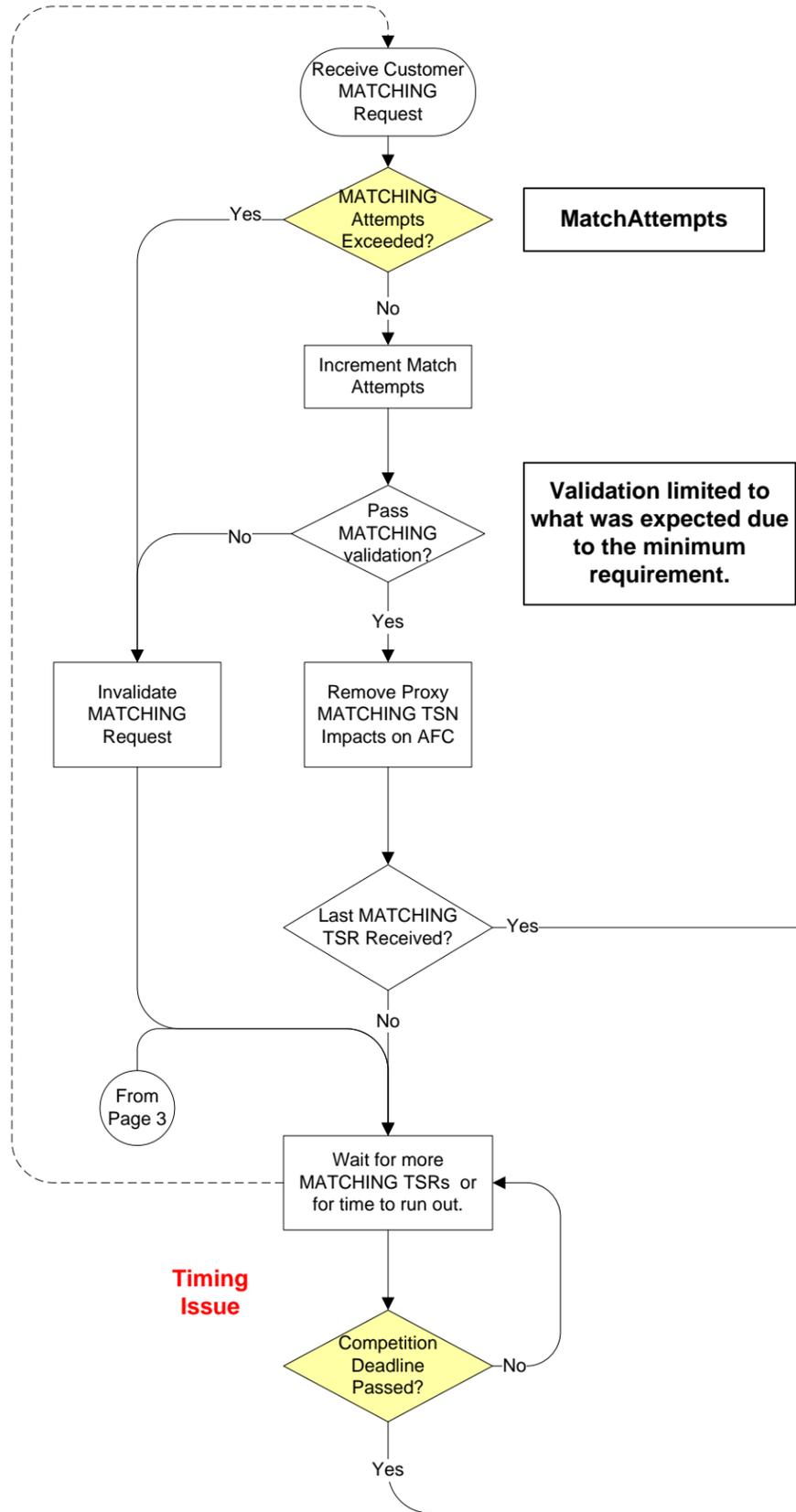
AUTO\_MATCH



GRANT\_BEFORE\_MATCH



### Process Matching Requests



**FIFO** – MATCHING requests are evaluated in strict first-come-first-served fashion for exercising their ROFR.  
**ORIGINAL** – MATCHING requests are ranked in order of the rights they originally held with respect to other competitors.  
**MATCHING** – MATCHING requests are ranked based on their relative priority to one another using the fixed criteria of the FERC/NAESB defined standard priority scheme, which is Service Increment, Duration, Price (if enabled), and Queue Time.

	Assume ATC is 50 for all days					
	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
<b>Challenger</b>	100 for three days					
<b>Defender 1</b>	50	→	→			
<b>Defender 2</b>		50	→	→		
<b>Defender 3</b>			50	→	→	

**Does TP issue a counter offer to the defender if his matching request is rejected due to AFC?**  
**If TP does and defender accepts it, does that count as a valid match attempt?**  
**What time limits would apply?**

**Sandbox?**  
**Time in Limbo vs. clean competition. Does defender get a choice if the challenger walks?**

**Damage is done even if challenger walks**

**Competition over here ..... Or here?**

**Timing Issue**

From Page 3