

Pro's for binding matching for unwinding

- 1) See an analogy to bind the defender and the SAMTS process
 - a. Wait to see if he gets all the segments and then to confirm
 - b. Confirm a segment he is then stuck with that segment and then can walk from the others
 - c. If any of the segments are counteroffered then he can walk away from it all
- 2) If you do allow for unconfirming or withdrawing the match you set up a possibility of redoing the process over and over
- 3) Do as the tariff says give the defender the right to match nothing to indicate what happens to the challenger
- 4) FERC OATT suggests that a defender that submits a matching request has made a decision to retain capacity (see Alan's work paper treatment of matching requests)
- 5) Where does the process end. Unwind the matches you need to included the confirmation time limit in the final decision.
- 6) What are the optics from the challenger's perspective if they elect to withdraw, then they see the defender withdraw and they lose queue position.
- 7) Exercising ROFR is not an auction process
- 8) This process is maximizing the reservation for the purchase of transmission capacity
- 9) FERC has approved WEQ-013-2.4.2 which binds the matching request independent of any action taken by the challenger (the challenger has no choice).

Con's

- 1) There is an equity issue since the conditions have changed because the challenger has walked away from the competition
- 2) The tariff is silent after the decision to match or when the challenger walks away
 - a. The scenario in the tariff is very specific example and does not deal with the design specifics (i.e binding, counteroffer, etc.)
- 3) Motion 20 (If capacity must be taken from Defenders in order to accommodate a Challenger, that capacity will only be taken from Defenders once the Challenger has reached a final state.)
 - a. Quite valuable for the displacement of defenders without ROFR and defenders with unmatched ROFR to make sure that their capacity is not taken if the challenger does not elect to take it in the counteroffer process.
- 4) See an analogy to bind the defender and the SAMTS process
 - a. Wait to see if he gets all the segments and then to confirm
 - b. If any of the segments are counteroffered then he can walk away from it all
- 5) The ROFR process and be viewed as an auction process
- 6) Motion 21 and 24 preclude binding
 - a. These were not adopted motion and they are not indicative of any decision.

4/23/2013

- b. When there were attempts by the OS to pass motions to bind the defender to a matching request when a challenger did not confirm a counteroffer the motions did not pass.
- 7) No relief for gaming and forcing others to match.
- 8) If we are not going to bind the challenger on a pre-confirm request, is it appropriate to bind a matching request (risk mitigation)
 - a. Motion 1 binds the challenger to take full capacity – pre-confirm –
 - b. Motion 15 means there be a viable opportunity to bind the challenger to full capacity.
 - c. Challenger is not bound to take partial capacity.

Other

- 1) TP act on challenger prior to acting on matches. This means if the challenger withdraws the TP may counteroffer allowing the TC to have an option to withdraw the pre-confirmed request since the match is not confirmed.
- 2) If the challenger confirms then the TP will accept all the feasible matches.
- 3) Either you are in favor of unwinding or totally in favor of binding, not half way.