

or abandon the use of license plate rates at that time, but we will require the RTO to justify its choice to continue or discontinue using license plate rates, or otherwise change the method for fixed cost recovery. We believe that this approach provides participants in RTOs significant flexibility, and is consistent with the principles articulated in the open architecture requirement for RTOs.

4. Congestion Pricing

Congestion pricing and congestion management are closely related. Comments on these issues have been treated jointly, and are summarized above in the discussion of congestion management.

Commission Conclusion

With respect to congestion pricing, the Commission emphasized that it intends to be flexible in reviewing pricing innovations, and sought comments on what specific requirements, if any, best suited the Commission's RTO goals. A number of commenters agreed with the Commission's conclusion in the NOPR that "markets that are based on locational marginal pricing and financial rights for transmission provide a sound framework for efficient congestion management."⁶²⁵

We reemphasize the basic principles for congestion pricing articulated in the NOPR, *i.e.*, that proposals should "ensure that the generators that are dispatched in the

⁶²⁵FERC Stats. and Regs. ¶ 32,541 at 33,742.

presence of transmission constraints must be those that can serve system loads at least cost, and limited transmission capacity should be used by market participants that value that use most highly." ⁶²⁶

We recognize that congestion pricing, especially when complex problems associated with parallel path flows are addressed, is in its infancy. Rather than prescribe a specific method, we encourage experimentation with reasonable congestion management techniques. We would expect that such experiments be consistent with the open architecture requirements of the rule, and that information from such experiments be made widely available to all interested parties, so that other RTOs can learn from each others' experience.

5. Service to Transmission-Owning Utilities That Do Not Participate in an RTO

The Commission asked commenters to discuss the treatment by an RTO of a non-participating transmission owner in a region if the transmission owner does not participate in its region's RTO. ⁶²⁷ For example, we asked whether it would be appropriate to allow RTO members to provide transmission service at individual system rates to non-participating transmission owners located in the RTO region thereby denying non-participants the benefits of non-pancaked transmission rates.

⁶²⁶Id. at 33,754-55.

⁶²⁷Id. at 33,759.