



California Independent  
System Operator Corporation

## **SEAMS ISSUES UPDATE**

Board of Governors Meeting  
Executive Sponsor: Charles A. King, P.E.  
January 24-25, 2007

## BACKGROUND

### “Seams Issues” Definition

- “Seams Issues” are barriers and inefficiencies resulting from equipment limitations, differences of market rules and designs, operating and scheduling protocols, and other control area practices, which inhibit or preclude the ability to economically transact capacity, energy, and ancillary services across control area boundaries.

A FERC Technical Conference was held on December 14-15, 2006 in Phoenix, AZ to address concerns raised by Stakeholders with regard to the potential for MRTU implementation to create or exacerbate seams issues in the West.

#### Major Findings:

- No “Seams Issues” were identified that require resolution prior to MRTU implementation.
- Many “Seams Issues” in the West pre-date the formation of the CAISO and will require the efforts of all parties in the West to successfully resolve.
- There is broad support for a two-fold approach for addressing Seams Issues in the West.
  - CAISO to continue one-on-one meetings with neighboring and imbedded control areas to identify seams issues and to develop workplans and “next steps” to address. The bilateral Inter-Control Area Operating Agreements (ICAOAs) were recognized as the primary vehicle to facilitate resolution.
  - All parties in the West, including CAISO, to participate in WECC-sponsored activities, including the Seams Issues Subcommittee to collaboratively develop enhancements to West-wide market and operations.

## One-on-One Meetings with Neighboring Control Areas

- Meetings began last November and will continue as required
- A majority of concerns raised thus far relate to misunderstandings in the MRTU design; for example:
  - Procedures for managing real-time congestion on the interties
  - Provisions for curtailing exports from RA capacity in real-time,
  - Details regarding the form and function of the Full Network Model
  - Treatment of Transmission Ownership Rights.
- There is substantial support for the idea of using a West-wide network model on a day-ahead basis to facilitate data transfer and improve scheduling and hence operational certainty.

WECC “Seams Issues Subcommittee” areas for ongoing review and consideration:

1. Congestion management at the regional level, using west-wide network model, to reduce unscheduled flows,
2. Revisions to tagging requirements, in terms of both data requirements and timelines
3. Resource Adequacy capacity – how it relates to commercial import export transactions and emergency provisions
4. Congestion Revenue Rights
5. Locational Marginal Pricing
6. Parallel operations during cutover to MRTU
7. “Other Issues” including outage coordination, unaccounted for energy, and marginal losses.

CAISO to attend January 16-17 SIS meeting and future WECC/SIS meetings to support these efforts.