



Seams WG
Recommendations
to RRG
August 2, 2000



Topics

- Seams Work Group Scope/Activities
- Summary of Recommendation Areas
- Review Recommendations
- Work Group Future Activities



Scope - Asked To Address

- Price Reciprocity
- Operations, Scheduling, Congestion across Seams
- Canadian Integration/Coordination
- Internal Seams
- Reliability



Activities/Approach

- Reviewed extensive list of potential issues
- Directed many to other work groups
- Used WMIC/RTO West Workshops to understand issues and options
- Expect Internal Seams issues to be clarified
- Internalized BC/US Seam



Recommendations Summary

- Begin Dialog with Neighboring Entities
- Establish Process for Addressing Seams Issues with Neighbors
- Put Business Relationship In Place



Begin Dialog with RTO Neighbors

- Include Calif, DSTAR, RM, Other Interconnected Entities
 - Designate Group to Conduct Discussions
 - Shape Direction of Relationship With New Entity and Promote Relationship With Existing Entities
 - Identify Issues and Work To Resolve
 - Take advantage of WMIC 8/15 Status Mtg



Recommended Process (Tailored for each neighbor)

- Initiate Dialog
- Seek Commitment to Resolve Seams Issues and Coordinate Changes At The Seams (i.e. MOU)
- Commit Resources To This Ongoing Process
- Establish Business Relationship (i.e. interconnection type agreement)



Seams Issues To Be Addressed

- Congestion and FTRs at Seams
- Coordinated Outage Planning
- Commercial Practices at Seams
- Settlement at the Seams
- Coordinated Changes at the Seams
- Coordinated RT Curtailments
- Price Reciprocity



Seams Issue

Congestion Management and FTRs

- FTR Design, Timing, % Release, etc.
- Congestion Management Process and Timing For DA, HA and RT Processes
- Coordinated Transfer Capability Determination and Posting
- Congestion Model Coordination



Seams Issue

Coordinated Outage Planning

- Coordinated Process Between RTOs
- Advance Notice To Market Participants
 - Annual Plan
 - Shorter Term Update For Comment
- Assure Ability To Perform Critical Maintenance and Mitigate Market Impacts



Seams Issue

Commercial Practices

- Includes Scheduling, Information Sharing and Settlements
- Market Participants Would Benefit From Standardization
- Regional Issue and Solutions



Seams Issue

Settlement at the Seams

- Existing Approach – Replacement In Kind
- Recommended Approach – Monetize
- Apply to both Internal and External Seams



Seams Issue

Coordinated Changes at the Seams

- Ongoing Commitment Between Neighbors
- Includes Both Policy Development and Implementation
- Requires Permanent Coordination Structure and Process



Seams Issues

- **Real Time Curtailments**
 - Provide For Equitable Outcome
 - Avoid “Double Cutting”
- **Price Reciprocity**
 - Several Options Possible
 - Hand Off To Transmission Pricing



Establish Business Relationship

- Interconnection type agreement
- Required Between RTOs
- To Be Required For All New Interconnections
- Work With Remaining Entities To Put In Place New/Revised Agreement
- Minimum Provisions
 - Reliability Standards
 - Settlements
 - Dispute Resolution



Work Group Future Activities

- Catalog Issues/Options
- Work With Other Work Groups To Complete Issue Handoff
- Clarify/Resolve Potential Internal Seams Issues
- Support Discussions/Preparations As Requested
- Work with Legal WG On “Interconnection Agreement” Issues
- Work On Canadian Issues As Requested
- Clarify RTO Reliability Roles Remaining Work



Seams Work Group Recommendations

- Questions/Comments