

## **EXHIBIT B**

### **STATUS OF RESOLUTION OF SEAMS ISSUES**

The Filing Utilities are resolving seams issues through participation in the RTOs' Seams Steering Group – Western Interconnection (Steering Group) and the Western Market Interface Committee (WMIC). A summary of the Seams Resolution Process and the status of those activities follow:

#### **A. Western RTO Seams Resolution Process**

A collaborative effort was established to address seams issues among the RTOs. This effort involves the Steering Group and the WMIC. Coordination among the RTOs involving the Steering Group, WMIC and their working groups is outlined in the chart in Attachment A, "Current Seams Coordination Process."

The Steering Group is composed of policy level representatives from the California ISO, WestConnect and RTO West. Recommendations developed by the Steering Group are taken back to all the Filing Utilities for action. The Steering Group coordinates development and implementation of the Western Market Vision for RTO development in the West. The SSG-WI serves as the forum for developing and advocating recommended solutions to RTO seams issues for consideration and approval by each RTO.

Three work groups currently report to the Steering Group. The Price Reciprocity Work Group is analyzing reciprocal treatment of through and out charges; the Common Systems Interface Committee is analyzing system implementation issues; and the Market Monitoring Work Group is developing a market monitoring plan.

Additionally, WMIC, which is sponsored by WSCC and the three Regional Transmission Associations, performs technical analysis and develops options and recommendations on various seams issues. These options and recommendations are sent to the Steering Group for consideration by the RTOs. Several WMIC work groups are now active, including the Scheduling Timelines Work Group, the Congestion Management/FTR Work Group, the Market Rules Alignment Work Group, the Planned Outage Work Group and the Phase Shifter Work Group.

**B. Summary of Current Work Group Activities**

The work groups of the Steering Group and WMIC are addressing seams issues among RTO West, California ISO and WestConnect as described below:

**(1) Congestion Management**

The goal of the Congestion Management Work Group is to provide information that will help the RTOs answer the question of whether the different congestion models are compatible or whether changes need to be made in the models in order for congestion to be efficiently managed.

**(2) Price Reciprocity**

The Price Reciprocity Work Group is addressing the resolution of through and out charges. Currently three options are being considered:

- Reciprocal waiver of through and out charges;
- Transfer payments between RTOs;
- A West-wide wheeling charge.

### **(3) Phase Shifter Operation**

Phase shifters are installed within the Western Interconnection to control unscheduled power flow. The phase shifters are currently owned by several utilities and are located within multiple proposed RTOs. A FERC-approved procedure is now in place within WSCC to use phase shifters to control loopflow. With the advent of RTOs and increased involvement of the marketplace in addressing transmission congestion, the operation of phase shifters needs to be reviewed and possibly modified to establish a market driven approach common to all RTOs.

The Work Group's objective is to develop a common phase shifter operating methodology for the Western Interconnection in an RTO environment. The Work Group issued a Phase I report. The Work Group's recommendations are currently under review by the RTOs for integration into their approaches for managing transmission congestion.

### **(4) Coordination of Planned Outages**

WMIC's Planned Outage Coordination Work Group is addressing planned outage seams issues. The Work Group reviewed the proposed outage coordination procedures of each western RTO and submitted the following recommendations to the three RTOs:

- Create a high level annual planning process for inter-seams outage issues;
- Develop a common date for quarterly updates of the transmission outage plans;
- Integrate into the outage planning process, a public process for market participant input;
- Coordinate the timing of short term outage planning.

**(5) Coordination of Scheduling Timeline Deadlines**

The WMIC Scheduling Timeline Work Group is addressing Scheduling Timeline seams issues. This Work Group reviewed the proposed scheduling timelines of the three RTOs and identified scheduling differences. Recommendations were sent to the RTOs to align differences in the originally proposed scheduling deadlines.

**(6) Common OASIS/Scheduling Point**

The Steering Group's Common Systems Interface Committee (CSIC) is examining processes and systems that will be employed by the three RTOs to minimize seams issues. CSIC is monitoring FERC and NERC OASIS Phase II activities and developing a proposal that would be applied to the initial RTO operation in a multiple RTO environment. The proposal is centered on development of a single web site to provide market participants with a common entry to the three OASIS sites of the RTOs.

**(7) RTO Backup Control Centers**

CSIC is developing backup control center requirements through the work of the Backup Control Center Work Group. This Work Group is currently defining the Backup Control Center requirements in a western multiple RTO environment. From these requirements, the number, possible locations, staffing levels and responsibilities of backup control centers will be developed.

**(8) Common RTO Data and Communication Protocols**

The Protocol Work Group under CSIC is developing communication protocols for RTO interfaces. Protocols under development include bandwidth requirements, availability, and security and confidentiality requirements.

**(9) RTO Market Monitoring Unit**

The Steering Group is organizing a Market Monitoring Work Group to develop a plan for the Western Interconnection.

# CURRENT SEAMS COORDINATION PROCESS

