



**Federal Energy Regulatory Commission
December 21, 2006
Open Commission Meeting
Talking Points of
Commissioner Suedeen Kelly**

**California MRTU Seams Technical Conference ([ER06-615-002](#))
December 14-15, 2006**

- I'd like to mention last week's very successful technical conference in Phoenix to address any concerns about seams issues in the West, and to discuss whether the CAISO's Market Redesign and Technology Update (MRTU) will exacerbate or alleviate seams issues.
- The primary reason the conference was so successful is because staff did a superb job of identifying the key stakeholders, and putting together panels that represented all the diverse points of views on seams issues. Moreover, I thought the panelists, in spite of their diverse views, were cordial and respectful of one another's views.
- The panelists addressed the commercial, financial and operational aspects of the market, and I was pleased, but not surprised, to discover that no panelist clearly identified any specific seams issues that must be resolved before MRTU implementation. That is not to say there aren't some seams issues that do need to be addressed, but the overwhelming majority of panelists believe that any seams issues identified can be resolved through collaborative work among the parties.
- In fact, a number of panelists encouraged one-on-one meetings between CAISO and its neighbors to resolve seams issues. We also heard from many that seams issues could be resolved via interconnecting control area agreements. We also heard from an overwhelming number of panelists that most seams issues are west-wide seams issues, and are more appropriately addressed by WECC, not CAISO.
- I believe that these are appropriate avenues for resolving any seams issues, and look forward to continued progress from the parties. As we required in our MRTU order, CAISO and others with seams issues continue their ongoing meetings, and we expect and encourage these meetings.
- As for next steps, we expect to issue a notice today—if indeed it hasn't already been issued—asking for written comments on the technical conference. Staff also recommended that we hold a Resource Adequacy for Import in California conference in late January or early February, and I expect we will soon issue a notice to that effect.
- Pursuant to our MRTU order, we also received the first quarterly status report on how CAISO is dealing with neighboring control areas on seams issues. I believe these reports will be very helpful to all concerned.

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- Finally, although I have privately expressed my sincere thanks to staff on its extraordinary work on the seams conference, I would now like to do so publicly. So: special thanks to:
 - Saeed Farrokhpay
 - Udi Helman
 - Heidi Nielsen
 - Steve Rodgers
 - Harry Singh
 - Jennifer Shipley
 - Mike McLaughlin