



# NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

---

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Coordinate Interchange SAR Drafting Team Meeting  
August 6, 2002 — 0800–1600  
Chicago, IL

**Agenda:**

- 0800 – Welcome and Administrative Items
- 0815 – Review of Duties and Tasks of SAR Drafting Team Members
- 0830 – Discuss Comments Submitted on SAR & Draft Responses
- 1200 – Lunch
- 1300 – Discuss Comments Submitted on SAR & Draft Responses
- 1500 – Revise SAR
- 1330 – Summarize Meeting Action Items & Identify Next Meeting Date
- 1400 – Adjourn

**Attachments:**

- Summary Comments on “Coordinate Interchange” SAR
- Industry Response to Question – Is there a reliability-related need for a “Coordinate Interchange” Standard?

## **Expand the Scope**

### ***NIPS (Northern Indiana Public Service Co.)***

specific reliability-based rules governing tagging energy to exactly match energy flow (i.e. not allowing "gaming" the integrated MW-value for the hour).

### ***Reliant Resources***

Specific measurable boundary conditions. The SAR lacks a description of the objective of this standard - only refers to "maintain system reliability". What are the aspects of reliability it is intended for? Real-time balance? Frequency? System stability?

## **Reduce the Scope**

### ***Calpine***

a lack of coordination will not directly impact grid reliability. Reliability is only threatened when a grid operator reacts inappropriately when coordination is lacking. (e.g. Operating limits)

### ***California ISO***

Re-write description to include "..and timing requirements among Reliability and Balancing Functions."

### ***Illinois Power Company***

All references to HOW this standard would be met such as data, communications, and timing. These tend to be issues as to HOW to achieve the standard not what the standard should be.

### ***Mirant Americas Energy Marketing***

references to commercial/business processes

## **Other Comments**

### ***Allegheny Energy Supply***

Items such as data, communications and timing requirements should be defined in this SAR. However, establishing requirements for defining, assessing, confirming and implementing interchange transactions standards be developed in a process which takes into account market and reliability interests.

### ***Ameren Services -Energy Delivery Technical Services***

The scope is too general. Interchange information should be coordinated at multiple levels including planning, scheduling, and balancing.

### ***American Electric Power***

To the extent that this SAR is transitioning an existing standard from the old world to the new world (Functional Model), then the standard should not go beyond the original scope. Consistent with our general comments, once the clarity is achieved on Standard Market Design and RTO formations, then this standard should be revisited and reevaluated.

***American Transmission Company***

(1) The requirements in this standard should not conflict with the timing requirements, etc, in the FERC approved tariffs.

This standard should also apply to the Generator and Load-Serving Entities functions since those functions are the ultimate source and sink on interchange transactions.

Reliability Principle #6, "Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions," should be applied to this standard.

(2) Emphasize developing coordinated methods for determining how to handle roll-over rights and partial path reservations in planning models.

***Baltimore Gas & Electric***

The promulgation for comment of these SARs is premature. The industry "standard making process" is in a transition phase and it is overly burdensome to devote resources at this time. Once legislation or FERC firmly determines which entity(ies) is responsible for standards it will make sense to move forward with said entity.

Even if NERC wants to cover reliability standards, almost all standards have a reliability and commercial impact; thereby, necessitating developing a single process that incorporates both commercial and reliability aspects of standards development. The current NERC process risks being changed soon, discounts commercial aspects, and is not part of a finalized overall industry process.

Waiting a short while to move forward on a new standards setting process is acceptable and prudent given that NERC standards are currently in place and the industry can continue to use these standards until the new process and standards setting organization(s) are firmly set.

***Bonneville Power Administration - Power Business Line***

This one needs a lot of work. Don't ignore the E-tag documentation nor the work of the ESC. Also must stay on top of the upcoming work of NAESB.

***Calpine***

This is NOT a reliability standard. It is purely commercial and should be the subject of a NAESB action. NERC, in its participation in the NAESB process can manage the indirect reliability issues as a part of that process.

***Dairyland Power Cooperative***

This SAR and its scope should be clarified as to the extent to which it addresses "Interchange." It appears that its purpose is to address SCHEDULED Interchange only, but it is simply not clear. We would like to have the title clarified to express the intent of the purpose of the SAR. The resulting scope of measures will be greatly affected by this clarification.

***Duke Power***

Clarify in description that this applies to tagging and scheduling in the real time environment.

***Dynegy, Inc.***

The purpose/industry need section should start with: The purpose of this standard is to ensure that a consistent, uniformly applied standard is developed for ...

***Electricity Consumers Resource Council (ELCON)***

The establishment of this SAR is premature. All commercial implications of the SAR should be identified and mitigated prior to the drafting.

***Entergy Services***

This SAR is to "ensure that the implementation of transactions are coordinated" by establishing requirements for defining, assessing, confirming and implementing interchange

transactions. This shall include items such as data, communications, and timing requirements among Reliability Functions." This SAR is really the details for "how" to coordinate interchange and will define a "process" through business rules, E-Tag, data needs and timing requirements. This SAR is really part of "how" the industry will meet the SARs "Balance Resources and Demand" or "Coordinate Operations". However, we believe this is not a "core reliability" Organization Standard.

***ERCOT***

This SAR and the other posted SARs provide an appropriate framework for transitioning existing NERC Operating Policies and Planning Standards into new, NERC Organization Standards. Multiple compliance measures may be defined and developed for each of the eleven proposed Organization Standards. The Organization Standards and related compliance measures should focus on what functions must be performed for reliability, on who is responsible for each compliance measure for each required function and not, on how the compliance measure is achieved. The compliance measure must be measurable or demonstrable to ensure compliance. It is necessary that there be a standard addressing interchange between Source and Sink Balancing Authorities. Interchange must be controlled and coordinated so that unscheduled flows are minimized to facilitate balancing of resources and demand (ref. SAR ID# BAL\_RES\_&\_DEMND\_01\_01).

The Standard developed should recognize the different characteristics of interchange over free flowing synchronous ties and those over controlled interfaces (i.e. DC ties) between Balancing Authorities. These differences may justify different requirements for interchange over these interfaces.

***Exelon Corporation***

The SAR needs to focus strictly on setting reliability measures related to coordinating interchange. The effort must be coordinated with any commercial standards which are developed.

***FirstEnergy Corp***

The creation of a standard for the effective coordination of the interconnection is needed to address the way transmission business is conducted in our industry. Currently NERC policy 3 defines the interchange protocol that most of the industry subscribes to. But this protocol is not followed, defined, and implemented uniformly throughout the interconnection. This leads to isolated areas of confusion when balancing the interconnection and conducting business. We need consistent criteria that can be applied to large geographical areas, such as the three basic interconnections. Standards that address the implementation of One-Stop-Shop business, common timing requirements, products, and operational time need to be reviewed.

***Illinois Power Company***

There is inadequate detail in the SAR to determine if the scope of the SAR is appropriate and adequate. What is the reliability objective of coordinating interchange? The description of this Standard presumes the HOW without clearly defining the WHAT.

***Independent Electricity Market Operator (IMO)***

Coordinating interchange should consider Automatic Generation Control (AGC) and Generation Rejection Schemes and their impact on interconnected systems. This indicates that in the Reliability Functions matrix, this Standard should also apply to generators.

**MAAC**

There is a need to coordinate 'basic' transaction information (magnitude, start/end times, ramping duration) and those can be handled as part of the standard to Coordinate Operations.

Leaving this as an ad hoc proposal will lead to the creation of Business procedures and tools that should be outside the scope of Organization Standards.

**Manitoba Hydro**

Manitoba Hydro believes that the scope of this SAR as defined above, although required, is not a reliability requirement but a Business Standard one. The main concern here is inadvertent flows which is a Business Standards issue. We believe a SAR is required to address reliability requirements related to SCHEDULED Interchange; any monitoring and data requirements related to this function.

The Industry Need has not been defined for this SAR.

**MAPP Reliability Council**

This SAR and its scope should be clarified as to the extent to which it addresses "Interchange." It appears that its purpose is to address SCHEDULED Interchange only, but it is simply not clear. We would like to have the title clarified to express the intent of the purpose of the SAR. The resulting scope of measures will be greatly affected by this clarification.

**Michigan Electric Coordinated Systems (MECS)**

The Planning Authority has a role in that long term transactions factor into the planning for the transmission system.

**Mirant Americas Energy Marketing**

The standard should only define the requirement to be met to maintain reliability. How the affected entities comply with the standard are business process issues that should be addressed by NAESB.

**Nova Scotia Power Inc.**

Specification of data, communications, data could go beyond principles and expected results.

Avoid descriptions on "how to do it".

Caution should be taken to define the principles, but not describe the operation of the ESC system.

**Powerex**

Eliminate elements that overlap with the ESC.

**Progress Energy - Carolina Power & Light Company and Florida Power Corp.**

This is a process that should be part of Coordinate Operation. Even if this is kept as a SAR, additional entities such as the Generator and LSE should be included.

**Public Service Electric & Gas**

It is premature to continue development of this SAR until FERC has specified the organization to be responsible for the development of wholesale electric standards.

**Reliant Energy HL&P**

HL&P supports ERCOT's comments regarding the appropriate scope and characteristics of this standard, if a standard is developed.

***Reliant Resources***

The description assumes a solution to a problem that is not clearly defined. "...requirements for defining, assessing, confirming, and implementing interchange transactions.." are possible means to achieve some reliability objective. They are not the reliability objectives themselves and should not be presumed to be the only solutions to achieving an underlying reliability objective that is not clearly stated in this SAR. This standard as proposed will be difficult to measure and enforce. There are numerous procedures and requirements that may be required to facilitate the reliability needs, however, not all of them fall under the definition of a core Organization Standard that is measurable. NERC must distinguish these requirements from core Organization Standards and apply an appropriate standards development process for them.

***Reliant Resources***

The existing NERC standard Policy 3 includes procedures for market participants to identify commercial transactions for reliability information. These procedures have profound impacts on market activity and should be developed with the NAESB process and filed at FERC for approval.

***SERC Compliance Subcommittee***

This is a process that should be part of Coordinate Operation. Even if this is kept as a separate SAR, additional entities such as the Generator and LSE should be included.

***Southern Company***

Many of the aspects discussed in SAR#7 seem to involve commercial business practices associated with scheduling transactions (or requesting transactions to be scheduled). We agree that there is a need to standardize the process by which interchange authorities implement interchange schedules. However, any attempt to standardize scheduling requirements to be imposed upon market participants would have significant commercial implications and should be vetted through the NAESB commercial business practice standards process. Hence, the standard should be modified to limit its scope to the purely reliability aspects of implementation of interchange schedules between interchange authorities.

Industry Response to Question - Is There a Reliability-related Need for a Coordinate Interchange Standard?

Company	Yes	No	Notes
Allegheny Energy Supply	1		
Allegheny Power	1		
Ameren Services -Energy Delivery Technical Services	1		
American Electric Power		1	
American Transmission Company	1		
Arizona Public Service	1		
Baltimore Gas & Electric	1		
Bonneville Power Administration - Power Business Line	1		
Bulk Power Operations Southern Company	1		
Bulk Power Operations Southern Company	1		
California ISO	1		
Calpine	1		
Cinergy	1		
Consumers Energy		1	no trust
Dairyland Power Cooperative	1		
Dayton Power & Light	1		
Dominion Virginia Power	1		
Dominion Virginia Power		1	combine with coord ops
Duke Power	1		
Duquesne		1	merge with balance
Dynegy	1		
East Kentucky Power	1		
ECAR	1		
Elcon	1		
Entergy Services	1		
ERCOT	1		
Exelon Corporation		1	"How" not what
FirstEnergy Corp	1		
FirstEnergy Solutions	1		
Hoosier Energy REC, Inc.	1		
Hydro One Networks Inc.	1		
Illinois Power Company	1		
Independent Electricity Market Operator (IMO)	1		
Indianapolis Power & Light		1	Ferc
Interconnected Operations Services Subcommittee, NERC		1	combine with coord ops
ISO New England	1		
LG&E	1		
MAAC	1		
Manitoba Hydro		1	
MAPP Reliability Council	1		
Michigan Electric Coordinated Systems (MECS)	1		
Mirant	1		
National Grid	1		
NIPS (Northern Indiana Public Service Co.)	1		
NorthWestern Energy	1		
Nova Scotia Power Inc.	1		
Ohio Valley Electric Corporation	1		
Pacific Gas and Electric Company	1		
Powere1	1		
Progress Energy - Carolina Power & Light Company and Florida Power Corp.	1		
Public Service Electric & Gas		1	Ferc
Reliant Energy HL&P	1		
Reliant Resources	1		
Salt River Project	1		
SERC (Contact = Nancy Fallon)	1		
Southeastern Power Administration	1		
Southern Company	1		
Tenaska	1		
TXU Energy	1		
Vectren	1		
WECC Remedial Action Scheme Reliability Task Force	1		
WECC Technical Studies Subcommittee		1	commercial
Westar Energy	1		
	53	10	