



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

Coordinate Interchange SAR Drafting Team

August 28, 2002

Conference Call – Minutes

Attendees: Jim McIntosh, Doug Hils, Melinda Montgomery, Charles, Yeung, Nick Henery, Don Benjamin, Maureen Long, Tim Gallagher, Gordon Scott.

The facilitator noted that the group should follow the NERC Antitrust Guidelines in all discussions, meetings, conference calls, etc. The guidelines were attached to the conference call's agenda.

The group discussed the scope and direction of the second draft of the SAR. Don Benjamin provided a discussion of the Jim Byrd document on the reliability needs of the Coordinate Interchange SAR (**Exhibit A**). Don noted that the SAR was requested to discuss the relationship between the Interchange Authority (IA) and the coordination of operating services. The intent of the SAR is to show how the IA and BA coordinate interchange schedules.

Don suggests that we need to have the following actions in the document:

- IA and BA for schedules
- IA and TSP for transmission
- IA and RA for security

Discussion:

- The IA talks with the Source and Sink BA to ensure that the interchange transaction from the source is coordinated with the sink BA. IA must ensure the transaction is balanced between the two BAs so the BA must use the same ramp rates.
- The term transaction carries a lot of baggage; we may need to use another term in the SAR title to demonstrate what we are discussing. We may need to add the chart that we developed showing the operational functions between operating services. We assume that there is a data exchange between the market and the reliability data that is sent to the IA.

- Put a graphic in the SAR that shows the communications of the reliability data. In the FM at Technical Discussion One shows the flow of MWs.

Action: Doug Hils has provided a PowerPoint presentation that is affixed as **Exhibit B**.

Action: Doug Hils provided a revised consideration to the Calpine comment on coordination.

The Consideration: The SAR has been revised to clarify the reliability objectives. The intent of the SAR is to define the requirements placed on certain reliability functions through the coordination performed by Interchange Authority to assure that the Reliability Authorities are provided with information necessary to perform security analysis on Interchange Transactions, and the Balancing Authorities are provided with the information necessary to calculate and operate to a valid Net Scheduled Interchange. Net Scheduled Interchange is a primary component of the Area Control Error (ACE) equation used to guide the real-time balancing of resources and load, and also used in the compliance calculations for the Control Performance Standard and Disturbance Control Standard.

- We need to draw a line between where NERC and NAESB are separate.
- The SAR should contain a communication protocol between the BA and IA functions. The depth of the protocol will depend upon how far the operational piece goes into transaction management.
- The group should look back at the comments and see if we answered these comments as to their intent. Look again at the comments and responses to steer it back to the level of operations and schedules instead of a transaction.

Note: The group agreed to spend the rest of the call revising our considerations.

- The comments address the way the SAR was written when the SAR was submitted. If the SAR addressed only “operating service” then we probably would have received more comments.

Agreement: The group agreed to use the SAR Comment Form instead of a cover letter.

- We need to define the terms we plan to use e.g Interchange Transaction or Interchange Schedule as they apply to the Functional Model.
- If a definition needs to be changed for one SAR then the same definition should be considered for all SARs.

Action: Maureen Long will coordinate the terms that are used in all the SARs.

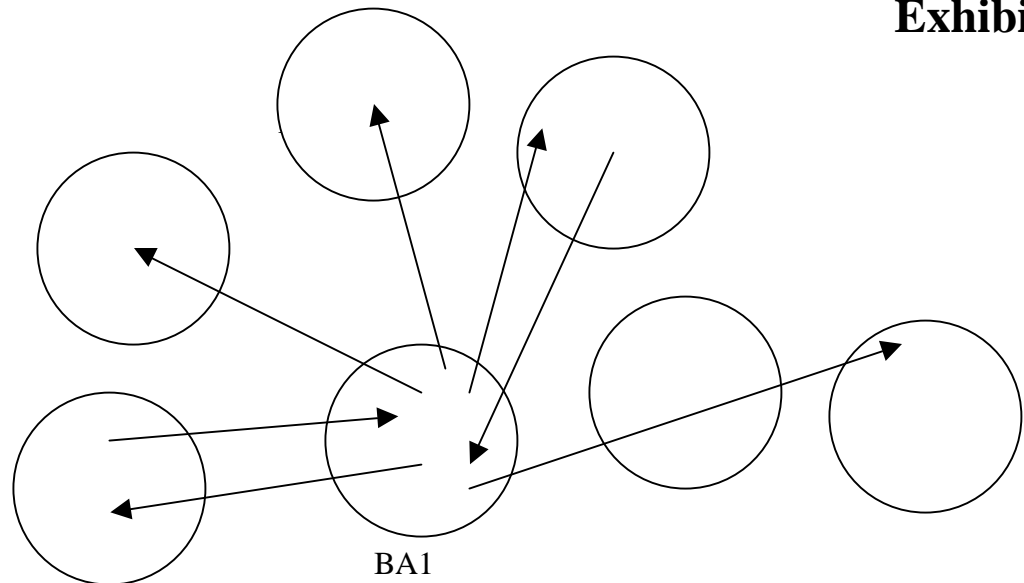
Agreement: Add language to the SAR that states we went back to the requester for clarification.

Action: Maureen Long agreed to revise the documents. The documents will be posted on August 29.

Gordon Scott

Gordon Scott
Drafting Team Facilitator

Exhibit A



Focus on BA1

As many as 7 IA's approved interchange schedules to be implemented by BA1 (other end of each schedule is separate)

BA1 has (in its EMS and @ end of hour checkout) BA1 out 325 and BA1 in 100 for a net of 225 out

Net actual interchange is 225 out – not with its adjacent CAs but with its IAs (7 in this example)

BA3 has no scheduled interchange w/IAs in this example. Meters in = meters out except for losses caused by schedule from BA1 to BA4

So, IA schedules w/transmission provider through BA3 to accommodate losses making BA3 whole either w/schedule or cash.

A similar process works for BA2, 4, 5, 6, and 7 to determine each of their net actual interchange with their respective IAs.

So, What are reliability needs?

1. Each Interchange Schedule is checked for reliability before it is implemented.
2. Bas implement exactly as scheduled- start/stop, MW, Ramp
3. Schedule information is available for reliability assessment (like in IDC)

Everything else is a business practice need.

And, Definitions are old paradigm:

- Revised Purpose – Transactions **are not** implemented between Bas – are – BA-IA
- Brief Description

- To ensure transaction can be implemented w/0 causing operating limit violations
- To ensure stop/start/ramp/MW are coordinated
- To ensure transaction identification exists for congestion mgt and/or relieve operating limit violations

Overall

- Extract few, simple reliability related needs
- Leave bulk of this to business practice definitions.

