

August 5, 2014

VIA ELECTRONIC FILING

Ellen Desmond
Director of Legal Affairs & Administration
New Brunswick Energy and Utilities Board
P.O. Box 5001
15 Market Square, Suite 1400
Saint John, NB
E2L 4Y9

**Re: Informational Filing Regarding Proposed Reliability Standards for Interchange
Scheduling and Coordination**

Dear Ms. Desmond:

On March 11, 2014, NERC filed a filing of revised Reliability Standards INT-004-3 (Dynamic Transfers), INT-006-4 (Evaluation of Interchange Transactions), INT-009-2 (Implementation of Interchange), INT-010-2 (Interchange Initiation and Modification for Reliability), and one new proposed Reliability Standard INT-011-1 (Intra Balancing Authority Transaction Identification), the associated implementation plan, violation risk factors and violation severity levels, and the retirement of certain currently-effective Reliability Standards. NERC also proposed revisions to ten definitions and four new definitions to be added to the *Glossary of Terms Used in NERC Reliability Standards*.

It has come to NERC's attention that due to a clerical error there is an inconsistency between the implementation plan and the effective date language in the following Reliability Standards: INT-004-3 (Dynamic Transfers), INT-009-2 (Implementation of Interchange), INT-010-2 (Interchange Initiation and Modification for Reliability), and INT-011-1 (Intra Balancing Authority Transaction Identification). NERC has determined that this inconsistency is the result of an administrative error and that the implementation plan contains the correct effective date language. In order to provide clarity and transparency, NERC will pursue errata changes to these Reliability Standards through the standard development process, pursuant to the Standard Processes Manual. A copy of the implementation plan is attached for reference purposes.

Respectfully submitted,

/s/ Stacey Tyrewala

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Implementation Plan

Project 2008-12: Coordinate Interchange Standards

Requested Approvals

- INT-004-3 — Dynamic Transfers
- INT-006-4 — Evaluation of Interchange Transactions
- INT-009-2 — Implementation of Interchange
- INT-010-2 — Interchange Initiation and Modification for Reliability
- INT-011-1 — Intra-Balancing Authority Transaction Identification

Requested Retirements

- INT-001-3 Interchange Information
- INT-003-3 Interchange Transaction Implementation
- INT-004-2 Dynamic Interchange Transaction Modifications
- INT-005-3 Interchange Authority Distributes Arranged Interchange
- INT-006-3 Response to Interchange Authority
- INT-007-1 Interchange Confirmation
- INT-008-3 Interchange Authority Distributes Status
- INT-009-1 Implementation of Interchange
- INT-010-1 Interchange Coordination Exemptions

Prerequisite Approvals

- None

Revisions to Defined Terms in the NERC Glossary

- **Dynamic Interchange Schedule or Dynamic Schedule:** A time-varying energy transfer that is updated in Real-time and included in the Net Interchange Schedule term in the same manner as an Interchange Schedule in the affected Balancing Authorities' control ACE equations (or alternate control processes).
- **Pseudo-Tie:** A time-varying energy transfer that is updated in Real-time and included in the Net Interchange Actual term (NI_A) in the same manner as a Tie Line in the affected Balancing Authorities' control ACE equations (or alternate control processes).

- **Request for Interchange** - A collection of data as defined in the NAESB Business Practice Standards submitted for the purpose of implementing bilateral Interchange between Balancing Authorities or an energy transfer within a single Balancing Authority.
- **Arranged Interchange** - The state where a Request for Interchange (initial or revised) has been submitted for approval.
- **Confirmed Interchange** - The state where no party has denied and all required parties have approved the Arranged Interchange.
- **Adjacent Balancing Authority** - A Balancing Authority whose Balancing Authority Area is interconnected with another Balancing Authority Area either directly or via a multi-party agreement or transmission tariff.
- **Intermediate Balancing Authority** - A Balancing Authority on the scheduling path of an Interchange Transaction other than the Source Balancing Authority and Sink Balancing Authority.
- **Sink Balancing Authority** - The Balancing Authority in which the load (sink) is located for an Interchange Transaction and any resulting Interchange Schedule.
- **Source Balancing Authority** - The Balancing Authority in which the generation (source) is located for an Interchange Transaction and for any resulting Interchange Schedule.
- **Operational Planning Analysis:** An analysis of the expected system conditions for the next day's operation. (That analysis may be performed either a day ahead or as much as 12 months ahead.) Expected system conditions include things such as load forecast(s), generation output levels, Interchange, and known system constraints (transmission facility outages, generator outages, equipment limitations, etc.).

Proposed additional Defined Terms to be added to the NERC Glossary

- **Reliability Adjustment Arranged Interchange** – A request to modify a Confirmed Interchange or Implemented Interchange for reliability purposes.
- **Composite Confirmed Interchange** – The energy profile (including non-default ramp) throughout a given time period, based on the aggregate of all Confirmed Interchange occurring in that time period.
- **Attaining Balancing Authority:** A Balancing Authority bringing generation or load into its effective control boundaries through a Dynamic Transfer from the Native Balancing Authority.
- **Native Balancing Area:** A Balancing Authority from which a portion of its physically interconnected generation and/or load is transferred from its effective control boundaries to the Attaining Balancing Authority through a Dynamic Transfer.

Background

The standards were developed under Project 2008-12, Coordinate Interchange Standards. The drafting team revised the existing approved standards and grouped the requirements in distinct groupings within each standard. The drafting team developed a new standard, INT-011-1, Intra-Balancing Authority Transaction Identification, in response to a FERC directive in Order 693, paragraph 817:

In addition, e-Tagging of such transfers was previously included in INT-001-0 and the Commission is aware that such transfers are included in the e-Tagging logs. In short, the practice already exists, but if this Requirement is removed from INT-001-2, no Reliability Standard would require that such information be provided. We therefore will adopt the directive we proposed in the NOPR and direct the ERO to include a modification to INT-001-2 that includes a Requirement that interchange information must be submitted for all point-to-point transfers entirely within a balancing authority area, including all grandfathered and “non-Order No. 888” transfers.

The transfers within a Balancing Authority Area using Point to Point Transmission Service can impact transmission congestion, and this standard ensures that these transfers are communicated and accounted for in congestion management procedures.

The proposed revision to the definition of Operational Planning Analysis addresses a FERC Order 693 directive:

866. Accordingly, the Commission approves Reliability Standard INT-006-1 as mandatory and enforceable. In addition, the Commission directs the ERO to develop a modification to INT-006-1 through the Reliability Standards development process that: (1) makes it applicable to reliability coordinators and transmission operators and (2) requires reliability coordinators and transmission operators to review energy interchange transactions from the wide-area and local area reliability viewpoints respectively and, where their review indicates a potential detrimental reliability impact, communicate to the sink balancing authorities necessary transaction modifications before implementation. We also direct that the ERO consider the suggestions made by EEI and TVA and address the questions raised by Entergy and Northern Indiana in the course of the Reliability Standards development process.

The Reliability Coordinator and Transmission Operator are required to perform an Operational Planning Analysis in existing IRO-008-1, Requirement R1 and in TOP-002-3, Requirement R1 which was filed with FERC on April 16, 2013. By including the term “Interchange” explicitly in the definition, the drafting team has addressed the directive.

Applicable Entities

- Balancing Authority
- Transmission Service Provider
- Load-Serving Entities
- Purchasing-Selling Entity

Effective Date

First day of the second calendar quarter beyond the date each standard is approved by applicable regulatory authorities, or in those jurisdictions where regulatory approval is not required, the standard becomes effective on the first day of the second calendar quarter beyond the date each standard is approved by the NERC Board of Trustees, or as otherwise made effective pursuant to the laws applicable to such ERO governmental authorities.

Standards for Retirement

Midnight of the day immediately prior to the Effective Date of the new standards in the particular jurisdiction in which the new standards are becoming effective.

Implementation Plan for Definitions

Entities shall use all proposed definitions when implementing any requirements within the new standards which use the defined term(s).

Implementation Plan for INT-004-3, Requirement R3

Requirement R3 is intended to ensure that a Pseudo-Tie is properly established prior to its implementation. A request to revise the NAESB Electric Industry Registry has already been submitted for implementation. This requirement will become effective on the first calendar day two calendar quarters after the NAESB Electric Industry Registry is able to accept Pseudo-Tie registrations. All existing and future Pseudo-Ties are to be registered in the NAESB Electric Industry Registry.