

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

Note – This form is to be used to comment on version 1 of the Coordinate Interchange Standard.

Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name	Ev Lucenti
Organization	Power Decisions Consulting Inc.
Industry Segment #	
Telephone	905-281-3494
E-mail	powerdc@rogers.com

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative:	
	Representative Phone:	
	Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Verification and agreement to implement a schedule between sending and receiving parties must be done in the hour before the schedule change takes place.

Reason: The problem today is that once transactions are approved, the schedules get implemented without final agreement between the receiving and sending parties. When the system is in a precarious loading situation, schedules are taking place that aggravate the loading or in some cases one of the parties (sending or receiving) implements the schedule while the other party does not due to problems within their system. These schedules would not take place if verbal agreement has to be reached prior to implementation.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged

Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

ADD – Confirmed Schedule Change – Schedule changes to be confirmed between sending and receiving parties within 1 hour of the schedule change.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: If “implement Confirmed Interchange” refers to implementing the schedule change, then there needs to be a time frame of 1 hour before the schedule change to verify and confirm the upcoming “implantation of Confirmed Interchange.”

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comment: Check by investigation as the result of a complaint. Verify process is document during on-site reviews.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: There needs to be a penalty matrix that includes penalties for any sending or receiving parties that implement schedule changes without verification and agreement with the other party.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: No Comment

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: : No Comment

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: : No Comment

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments: : No Comment

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: : No Comment

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: : No Comment

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: : No Comment

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: : No Comment

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: : No Comment

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: : No Comment

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: : No Comment

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: 401 states that confirmed interchange must be implemented exactly as agreed to in the interchange confirmation process. Does this extend to the situation described above? If the parameters are changed, is it a new "interchange"?

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: Not required if schedule changes are confirmed.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: No further comments

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SAR Commenter Information (For comment from individual entities)

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Organization	Tennessee Valley Authority
Industry Segment #	
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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
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	Representative Phone:	
	Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Ed Forsythe</i>	<i>TVA</i>	
<i>Rocky Roberts</i>	<i>TVA</i>	
<i>Patrick O'Conner</i>	<i>TVA</i>	
<i>Sue Mangum-Goins</i>	<i>TVA</i>	

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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: The method by which you would achieve these requirements still leaves questions

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: TVA supports the request for regional difference based on the above statements provided.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The industry should reserve the right to review any request for regional differences on a case-by-case bases.

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: The current timing guidelines provide for a fair and equitable structured process, which allows for reliable operations to all parties while accommodating for real time operations.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Interchange:

Arranged Interchange:
Confirmed Interchange:
Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: Pending clarification the word "evidence".

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: The words "balance and evidence" should be clearly defined in this SAR. TVA feels that 402(b)(1)(vii)(1) should be changed to 402(b)(1)(viii), and should state that at a request for a reliability related change by a Reliability Authority, no other entity approvals are required.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: TVA feels that section 403 should have the same levels of non-compliance as sections 401 and 402.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: The Coordinate Interchange Reference Document does not agree with standard 400-Coordinate Interchange section 404. The statement "all parties involved" is used in the reference document, and the statement "all entities involved" is used in the SAR. The SAR and the reference document need to be consistent with terms and words. Also, the SAR needs to explicitly state what parties or entities are to be contacted by the Interchange Authority.

Note: Under the current policy the adjacent control areas are "all parties" that we confirm interchange transactions. The sink control area having the responsibility to confirm the entire transaction. If these "parties" are the ones referred to as being "all parties" then we can agree to this section.

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: Same comment as question 15.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This statement also needs to reflect that losses may be handled by this or other approved methods.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Pending an explicit definition of the term dynamic schedule.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: This statement addresses the reliability requirements as depicted in Figure 4 of the Coordinate Interchange Reference Document.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: The BA and PSE should be active in confirmed acknowledgments because any change or delay in the state of the transaction could directly affect resources of which they are responsible.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

- TVA would prefer that this SAR is field tested prior to implementation.
- This SAR appears to require extensive communication between all participants involved. So, depending upon the clarification of terms, in all the commented sections, development of communication protocols and appropriate tools that all participants must have to carry-out the intent of the SAR may-be required.
- Coordinate Interchange Reference Document...pg 12 of 18. The statement sufficient information for all approval entities is a broad statement and needs clarification. What information required for one company may be defined as different for another.

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SAR Commenter Information (For comment from individual entities)

Name	Gerald Rheault
Organization	Manitoba Hydro
Industry Segment #	1,3,5,6
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Key to Industry Segment #'s:

- 1 – Trans. Owners
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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

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- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: Because ERCOT operates asynchronous to both the eastern and western interconnections, they will not have a significant adverse impact on reliability or commerce in other interconnections, therefore their Regional Difference should not be denied.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This will allow each scheduling region or market to dictate the timing requirements best suited to their needs.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:
Confirmed Interchange:
Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

- Yes
 No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

- Yes
 No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

- Yes
 No

Comments: Manitoba Hydro agrees with the percentages proposed but suggests that the wording of "Levels of Noncompliance" be changed from "corresponding Interchange Authority Interchange" to "corresponding Interchange Authority Confirmed Interchange" to clarify the intent.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: Manitoba Hydro agrees with the concept of using percentage compliance for this item; however the wording of the "Levels of Noncompliance" is unclear as to exactly how this percentage is to be determined and over what time frame (a year ,a month, etc). This should be clarified.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: The wording for this section is ambiguous. When using the term "Evidence not available or provided", is it supposed to mean that the entity could not provide evidence because the requirement was not being done or because even if the requirement was being met the entity was not maintaining acceptable records so the performance could be monitored. This is not clear from the wording. The level of non compliance for not fulfilling the requirements should be more severe than for not having adequate records

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: same comment as in #15 above.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Compensation for losses is a financial transaction and should be regulated by the business standard process (NAESB responsibility), not the reliability process. This could be handled using either a financial settlement or return of energy.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: A procedure requiring the BA and PSE to acknowledge receipt of Confirmed Interchange should not be included in the Standard. The compliance review process will determine whether proper notification was provided. If there is a need to have an acknowledgement process it should be part of the normal business practices related to this activity.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

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Yes

No

Comments:

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- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Verification and agreement to implement a schedule between sending and receiving parties must be done in the hour before the schedule change takes place.

Reason: The problem today is that once transactions are approved, the schedules get implemented without final agreement between the receiving and sending parties. When the system is in a precarious loading situation, schedules are taking place that aggravate the loading or in some cases one of the parties (sending or receiving) implements the schedule while the other party does not due to problems within their system. These schedules would not take place if verbal agreement has to be reached prior to implementation.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged

Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

ADD – Confirmed Schedule Change – Schedule changes to be confirmed between sending and receiving parties within 1 hour of the schedule change.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: If “implement Confirmed Interchange” refers to implementing the schedule change, then there needs to be a time frame of 1 hour before the schedule change to verify and confirm the upcoming “implantation of Confirmed Interchange.”

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comment: Check by investigation as the result of a complaint. Verify process is document during on-site reviews.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: There needs to be a penalty matrix that includes penalties for any sending or receiving parties that implement schedule changes without verification and agreement with the other party.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: No Comment

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: : No Comment

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: : No Comment

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments: : No Comment

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: : No Comment

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: : No Comment

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: : No Comment

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: : No Comment

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: : No Comment

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: : No Comment

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: : No Comment

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: 401 states that confirmed interchange must be implemented exactly as agreed to in the interchange confirmation process. Does this extend to the situation described above? If the parameters are changed, is it a new "interchange"?

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: Not required if schedule changes are confirmed.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: No further comments

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name

Organization

Industry Segment #

Telephone

E-mail

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: Operating Reliability Working Group – Southwest Power Pool	Group Representative: Scott Moore Representative Phone: 614-716-6600 Representative Email: spmoore@aep.com	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Matt Bordelon</i>	<i>CLECO</i>	<i>1</i>
<i>Dan Boezio</i>	<i>AEP</i>	<i>1</i>
<i>Bob Cochran</i>	<i>SPS</i>	<i>1</i>
<i>Keith Comeaux</i>	<i>CLECO</i>	<i>1</i>
<i>Mike Gammon</i>	<i>KCP&L</i>	<i>1</i>
<i>Allen Klassen</i>	<i>Westar</i>	<i>1</i>
<i>Connie Osthermann</i>	<i>Westar</i>	<i>1</i>
<i>Robert Rhodes</i>	<i>SPP</i>	<i>2</i>

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

The purpose of the standards is to ensure compliance. That being the case, the tolerances for noncompliance should be fairly tight. The ranges for the different levels of noncompliance in the proposed standard may be too large. For example, Level 1 should be higher, perhaps 98-99.999%, instead of the proposed 90-99%.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

See response to Question 4.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

See response to Question 4.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

Why couldn't the levels of noncompliance parallel those of 401 and 402 in utilizing percentages of responses to requests for evidence?

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

See the response to Question 15.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

While dynamic schedules are bilateral interchange, the handling of losses and their true-up is significantly different from typical bilateral interchange. The standard and the reference document are silent on the treatment of losses for dynamic schedules.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

If there are passive approvals in the process, then the lack of acknowledgement can become a reliability issue.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

In the DC Tie section of the reference document:

Regardless how the BA models the DC ties in his control algorithm, if the DC tie is an interconnection between two BAs, the DC ties should be incorporated into this standard. For example, a BA could model the tie as a load/generator and still use it as a connection to another BA.

In the Terminology section of the reference document:

To prevent confusion, the entire ACE equation should be used in the reference document or a disclaimer stating that the omitted components are not relevant to this issue should be included.

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Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name	Ed Davis
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Industry Segment #	1 – Transmission Owner
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E-mail	edavis@entergy.com

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative:	
	Representative Phone:	
	Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
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- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

ERCOT may have a regional exemption except for interchange transactions scheduled to through the DC Ties to entities outside of ERCOT. Interchange transaction schedules to entities outside ERCOT should conform to these NERC standards.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Parties involved in the Interchange should be required to conform to timing requirements contained in industry-wide existing in business practices, which today is E-TAG.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: NO

Arranged Interchange: NO
Confirmed Interchange: NO
Implemented Interchange: NO

7. Do you agree with the proposed requirements and measurements in section 401?

- Yes
- No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

- Yes
- No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

- Yes
- No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

"The concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange" is misleading and does not conform to the examples contained in the CI Standard Reference Document Appendix C. This concept is reasonably close only when the transmission service losses of all intermediate Transmission Service Providers are settled financially. However, Interchange from the source BA is increased by the amount of losses provided in-kind and that loss provision must be identified as being associated with the original Interchange. Even the Reference Document identifies this loss provision as a "component" of a larger "composite" interchange.

Also, separating the provision of losses from the principal Interchange will complicate the business practices associated with Interchange and cause the industry to incur additional unnecessary expense. Implementing this concept will increase the number of required Arranged Interchanges dramatically to accommodate the loss provision in-kind and will complicate the tracking of the Arranged Interchange and the associated losses provided in-kind.

Finally, implementation of this concept is a change to existing business practices. We believe the existing business practice works well. This reliability standard should only reference existing business practices and should not attempt to implement new business practices. New business practices should be developed by NAESB.

Therefore, we think this new business practice for provision of losses in-kind is without merit and an unnecessary complication to these NERC reliability standards.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: NONE

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name	Steven C. Cobb
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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
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- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative: Representative Phone: Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team's philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

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- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

SRP suggests the CI Standard include clarification of the relationship between the IA and PSE.

The role of the PSE in coordinating Interchange is described in the SAR. However, the role of the PSE is not defined in the Standard. The CI Standard needs to explain where the 'proposed' Interchange originates. Standard 404 states The Interchange Authority shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to *all entities involved in the Interchange*. Based on the CI Standard, one would not know who *all entities* are.

The PSE's role in coordinating interchange is defined in the CI Standard Reference Document. However, it is unknown the final form that the CI Reference Document will take. The Compliance section of the Standard itself states that the PSE's data will be utilized to determine the IA's compliance. Based on the Standard, it is unknown where that data comes into play. The information provided by the Functional Model defines the relationship between the PSE and IA. It also defines most of the IA responsibilities included in the CI Standard. The CI Standard should reiterate the PSE-AI relationship.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

"Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability."

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: We believe the form meant to request reasons for checking "Yes."

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The CI Standard lacks significant detail that will be required for its practical implementation and day-to-day operation. It is assumed that the individual Reliability Councils must develop supplemental business practices to fill these voids. SRP assumes that the WECC will build upon the requirements stated in the approved version of the CI Standard. Until the Standard is in its final form, it is difficult to determine what regional differences or additions there might be.

The WECC's current Reliability Management System program establishes measures and sanctions for non-compliance to standards. SRP believes that the WECC will continue to develop and enhance its Reliability Management System own compliance program.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

As stated in #3 above, the Standard lacks operational detail in many areas. Timing issues are but one of those issues.

Arranging/Confirming/Implementing Timelines:

The merchant and reliability functions will constantly be at odds over the timing of the submittal and approval of Interchange information. We believe standard timelines will benefit reliability by

ensuring there is an adequate and consistent time period for trading, arranging, confirming, and implementing transactions. Regional variations can be provided as required. NAESB could also be responsible for establishing these set timelines. Regardless, of who takes responsibility, the timelines must be established.

Ramping Timelines:

SRP believes a standardized hourly ramp schedule concept should be identified in the CI Standard. This approach is a benefit to reliability and to the energy markets. Regional variations can be developed as required. As with the scheduling timelines previously mentioned, NAESB could also be responsible for establishing the ramp timelines.

A standard hourly window for interchange ramping results in predictable transients on the transmission system followed by primarily static system conditions for most of the hour. The interconnection is permitted to "settle" after the ramp is complete and establish a baseline condition. The predictability of the ramp facilitates more efficient monitoring of system conditions and permits effective corrective action to be taken. This does not mean that ramps outside the Standard window should be prohibited. These ramps are currently permitted, but constitute a small percentage of Interchange. Therefore, they have limited impact to the condition of the system.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Comment:

It is unclear whether all four proposed definitions above are referring to the total planned Interchange between two BAs or individual Interchange Transactions (or Interchange Schedules).

Interchange:

The NERC term "Interchange" in this standard would seem to include "Actual" and "Scheduled" Interchange. These Interchange values are separated into two components in the ACE equation. One would assume that the CI Standard is dealing with the Scheduled Interchange* component because it can be arranged, confirmed, and implemented. Actual Interchange cannot be directly coordinated in a parallel electric system by virtue of the provisions in this proposed Standard. We suggest that "Interchange" and its definition be kept. We also suggest the NERC term "**Interchange Transaction**" be redefined and used as follows: An individual planned INTERCHANGE transfer between a SOURCE BALANCING AUTHORITY and a SINK BALANCING AUTHORITY. This term would be consistent with the way "Interchange" is used in the "Purpose" section point #(1) of the CI Standard.

* Note that SRP considers ALL Dynamic Transfers to be "Scheduled Interchange" because

they are coordinated and controlled between Balancing Authorities regardless of what side of the ACE equation they affect.

Other Definitions:

With the exception of "Interchange," the definitions in the CI Standard refer to conditions ("states"), not names for discrete values. This causes a problem in the Standard's text when it refers to "Arranged, Confirmed, or Implemented Interchange." Example: 401.b.1 "The Balancing Authority shall provide evidence that Implemented Interchange matches Confirmed Interchange as submitted by the Interchange Authority. Two "States" or conditions can't "match." However, two defined values can.

SRP suggests the definitions in the CI Standard be changed as follows:

Arranged Interchange:

A planned energy transfer between a Source Balancing Authority and a Sink Balancing Authority that has met all requirements necessary for submittal to the Interchange Authority.

Confirmed Interchange:

Arranged Interchange that has been verified by the Interchange Authority to meet all requirements for submittal to the Source and Sink Balancing Authorities.

Implemented Interchange:

Confirmed Interchange that has been entered into the Source and Sink Balancing Authorities' Area Control Error (ACE) equation

Additional definitions:

We suggest that the following definitions be added:

Source Balancing Authority

The Balancing Authority in which the generator of a specific Interchange Schedule is located.

Sink Balancing Authority

The Balancing Authority in which the load for a specific Interchange Schedule is located.

"Source" and "Sink" are used throughout the document. In most cases they are accompanied by "Balancing Authority." In at least one case they aren't (402.b.1.i). We suggest that defining and utilizing Sink BA and Source BA terms will ensure clarity and consistency.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: The WECC currently has a Reliability Management System in place for monitoring reliability Standard and Policy compliance and assigning sanctions for non-compliance. SRP believes that compliance monitoring and formulation of non-compliance sanctions should be the responsibility of the local Reliability Council. The CI Standard should state that the Regional Council's monitoring and sanction program shall be comparable to, or at least as restrictive, as those defined by the NERC Standard.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: The Regional Councils should establish the levels of non-compliance as long as the levels are comparable to, or at least as restrictive, as those defined by NERC.

The CI Standard does not define the assessment period for which sanctions will be calculated. Is it intended that this period be monthly?

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: See point #2 under question #23.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: See comments under question #8

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: See comments under question #9

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: See comments under question #8

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: See comments under question #9

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: See comments under question #8

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: See comments under question #9

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

SRP strongly recommends that all Dynamic Transfers be subject to the Assessment, Confirmation, and Implementation processes defined in the Coordinate Interchange Standard. We believe that Dynamic Schedules and Pseudo Ties are identical in their function and their impacts to the interconnected system.

The only difference between Dynamic Schedule and Pseudo Tie type Dynamic Transfers is that they affect different variables in the ACE equation. The argument that Pseudo Ties impact the Actual Interchange side of the ACE equation and should be excluded for this Standard exploits a technicality that compromises system reliability and places those entities that use Dynamic Schedules at a reliability and market disadvantage. If Dynamic Schedules provide visibility for a coordination and curtailment process that excludes Pseudo Ties, the user of the Dynamic Schedule will be subject to curtailments that may be exacerbated by Pseudo Ties that aren't curtailed. This type of process is contrary to SAR Market Interface Principle #2 "An Organization Standard shall not give any market participant an unfair competitive advantage."

As with Dynamic Schedules, Pseudo Ties are not strictly limited to use by adjacent Balancing Authorities. They may extend across the boundaries of several Balancing Authorities and require contiguous transmission arrangements. As a result, Pseudo Ties must undergo the same kinds of reliability assessment given to Dynamic Schedules and other types of planned Interchange. Exempting Pseudo Ties from this Standard would indicate that existing Dynamic Schedules could be converted to Pseudo Ties and also be exempted from the Coordinate Interchange Standard process without impacting system reliability. This is simply not the case. Excluding Pseudo Ties from this Standard would seem to contradict the Standard's name: "Coordinate Interchange."

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: See note #5 in question #23.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

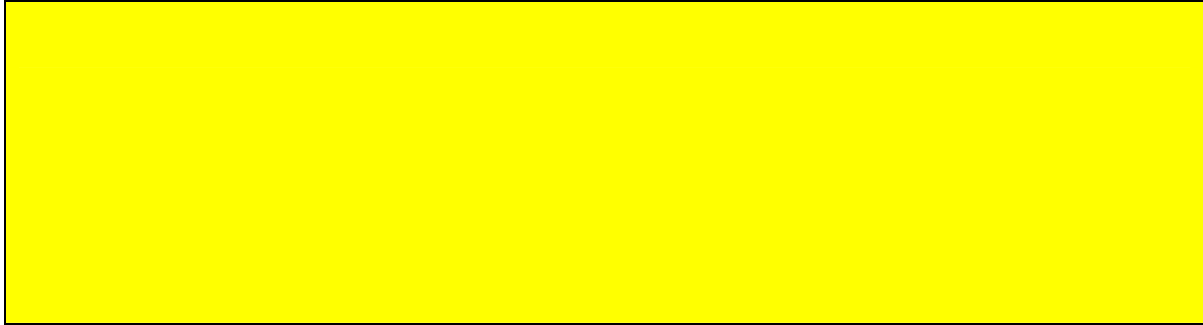
Comments:

BAs and PSEs must acknowledge the receipt of Confirmed Interchange. How can Interchange be confirmed when the confirmation process does not include the entities that will implement said Interchange?

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. The CI Standard does not include a methodology for Assessment, Confirmation, and Implementation, of '**Intrachange**' Schedules that may impact parallel paths in Adjacent Balancing and/or Reliability Authority Areas. These schedules impact Interchange and should be coordinated.
2. The CI Standard does not address processes, responsibilities, or ramifications associated with the correct or erroneous denial of an Interchange Transaction. Being "Held Hostage" by the Coordinate Interchange process can impact Balancing Authorities in several ways (Reference Document Page 5). Delaying the approval of an Interchange Transaction can compromise the ability of a Balancing Authority to know if its loads will be balanced during the next scheduling period.
3. 402.a.1. states: "The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange." We suggest the terms "balanced and valid" either be defined or replaced with a more definitive explanation. Is this statement referring to a single Interchange Schedule between two discrete BAs, or Net Scheduled Interchange between two BAs? How does the IA "balance" the Interchange?
4. In the Reference Document, page 8, the second bullet in the 402 Standard Measurement states: "Interchange is implemented by the source Balancing Authority and the sink Balancing Authority." The Standard itself states: "Interchange is between a source Balancing Authority and a sink Balancing Authority." Which statement is correct?
5. 402.b.1.vii.1 states: "For a reliability related change requested by a Reliability Authority, no other entity approvals are required." We suggest that the parties making the change **MUST** confirm emergency changes even though their approval is not required.
6. 404.b.1 states: "For **each** Arranged Interchange, the Interchange Authority shall provide evidence that it has communicated the appropriate **final** status to **all entities** involved in the transaction." What do "each", "final", and "all entities" mean? Could it be stated: "The Interchange Authority shall provide evidence that it has communicated to the Reliability Authority(s), Balancing Authority(s), and Transmission Service Provider(s) involved with the Interchange Transaction that the Interchange Transaction has been confirmed and it is approved for implementation." The term "Interchange Transaction" is used above based on its current NERC definition.



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Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative: Representative Phone: Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team's philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: Could the SDT provide some additional insight in determining this way of measuring non-compliance? In trying to treat small and large companies equitably in terms of non-compliance does it satisfy the larger purpose in requiring a reliable interconnection?

In the example given above, the small company and large company were being treated equitably in terms of the non-compliance but the larger entity may have been able to use the system in their favor more than, and possibly to the disadvantage of, the smaller entity.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: With timing being decided by the entities this could lead to a very confusing and complex system. In the attached reference document, the IA may get a conditional approval from an RA but the IA also needs to check with the TSP and BA. If either of those entities delays a decision the IA may lose the approval from the RA.

Lastly, the IA may be dealing with multiple RA's, BA's and TSPs that could each have different and possibly conflicting time schedules.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange.

Implemented Interchange:

The suggested change was to clarify the definition. The original definition had the Confirmed Interchange as something ready to be submitted but not yet submitted to the BA. The concern was in the definition of Implemented Interchange were the BA enters the Confirmed Interchange but per the original definition a Confirmed Interchange has not been sent to the BA.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: How should lack of Implemented Interchange evidence be counted?

What should be done with a BA that has no complaints against it but is unable to produce 20% worth of positive evidence? Positive evidence being something other than the fact that no other entities have filed a complaint with the audited BAs compliance monitor.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: The way this requirement reads is that the IA shall verify that Arrange Interchange is balanced and valid.

Suggestion

The Interchange Authority shall submit Arrange Interchange's to the required Reliability Authority, Balancing Authority and Transmission Service Provider for the purpose of consideration of the Arrange Interchange.

The Interchange Authority shall transition an Arrange Interchange to a Confirmed Interchange when and if the required Reliability Authority, Balancing Authority and Transmission Service Provider provide their approval.

Measures:

Measure (1)(vii)(1) seems out of place in this standard.

This requirement focuses on Arranged Interchanges coming from a PSE. This measure should either be included in a stand-alone standard or the requirements in this standard should be expanded. (Please see comment for question 21)

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: Number (5) list the Purchasing/Selling Entity but there is no requirement currently in this standard that requires the PSE to retain any evidence. What evidence does the SDT expect the Compliance Monitor to get from the PSE?

Requirement 403 states that the RA, BA and TSP need only to provide evidence that they responded to a request from the IA. What evidence does the SDT expect the Compliance Monitor to receive from the necessary RAs, BAs and TSPs? If a RA, BA or TSP only retains the minimum amount of evidence then all they would have is evidence showing a response, which might not include information about the request.

12. Do you agree with the proposed levels of noncompliance in section 402?

- Yes
 No

Comments: Is the following example correct.

An Interchange Authority transitions 10 Arrange Interchanges to Confirmed Interchanges in the audited 3 months and 1 of those 10 is missing "Interchange duration is defined". That one would be counted against the IA and that IA should receive a level one non-compliance.

13. Do you agree with the proposed requirements and measurements in section 403?

- Yes
 No

Comments: The way this currently reads, the RA, BA and TSP would be required to approve all Arrange Interchange requests submitted by the IA.

Suggestion:

The RA, BA and TSP shall respond to Arranged Interchange submitted by an IA. The RA, BA and TSP shall notify the IA if the submitted Arranged Interchange has their approval or denial with respect to their functional responsibilities.

14. Do you agree with the proposed compliance monitoring process in section 403?

- Yes
 No

Comments: Why in number (4) is the PSE included? The PSE is not listed in the requirements for this standard.

What information would the Compliance Monitor expect to get or be required to receive from a PSE?

15. Do you agree with the proposed levels of noncompliance in section 403?

- Yes
 No

Comments: Is the following assumption correct:

If the BA, RA or TSP reviewed 100 Arranged Interchanges and 1 out of that 100 has no positive evidence that they responded to the Arrange Interchange that that RA, BA or TSP would be given a level four non-compliance. Positive evidence is evidence provided by the RA, BA or TSP. The IA could have evidence that they received a response but that would not benefit the RA, BA or TSP.

16. Do you agree with the proposed requirements and measurements in section 404?

- Yes
 No

Comments: This requirement seems to place a heavy burden on the IA. The IA receives a request from a PSE and then solicits the necessary RA's, TSP's and BA's for rulings. Once all the required rulings have been received it seems that they should only have to notify the submitting PSE and the approving RA's, TSP's and BA's. The requirement would force them to also notify all other entities that were playing a role in the submitted interchange. It seems reasonable that once an interchange has gotten a ruling, the IA should notify the submitting PSE along with the RA's, TSP's and BS's that were solicited, but it should be the role of the PSE to notify all other involved entities.

You use the word "interchange" in the Requirement but change it to "transaction" in the Measures. What is the difference? If no difference exists then it would be beneficial to use only one word.

What does the SDT mean by "Final Status"? It seems that the requirement has the IA notifying entities if the submitted Arrange Interchange was approved or not. The words "final status" seems to imply something more than that.

17. Do you agree with the proposed compliance monitoring process in section 404?

- Yes
 No

Comments: Why in number (4) is the PSE included? Nowhere in this standard does the PSE have to maintain and collect evidence?

What does the SDT expect the Compliance Monitor to receive from the RA, BA and TSP? (The PSE is not included because the PSE's responsibilities are not part of this standard.) Reviewing standard 403, the RA, BA or TSP does not have to collect evidence that they received confirmation back for the IA once they have approved an Interchange. So how can an IA say that they have performed something when those entities that they need to communicate with are not required to save the communication?

18. Do you agree with the proposed levels of noncompliance in section 404?

- Yes
 No

Comments: Please reference question 15. The question asks how much lack of evidence is needed before a level four non-compliance is assigned to a IA.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: This standard fails to address changes to a Confirmed Interchange or Implemented Interchange determined necessary by a Reliability Authority. Changes from a PSE seem to align with this standard except for the above comments.

Requirement 404 only requires communication with entities when an Interchange has transitioned from an Arrange Interchange to a Confirmed Interchange. There is no requirement for the IA to make additional notification about changes.

The SDT should add additional requirements to this standard to address changes to Confirmed Interchange or Implemented Interchange.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative:	
	Representative Phone:	
Representative Email:		
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
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- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: However, AE does have some concerns that timing differences could result in some seams issues between organizations.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: The standard is unclear. Appendix B in the reference document does clarify what should happen. I personally do not like depending on an addition document to explain the standard. The standard should include all the information needed as a stand-alone document.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: AE would recommend any associated business practice standard be in place and implemented at the same time this standard is implemented.

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Name

Organization

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Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>WECC Interchange Scheduling and Accounting Subcommittee (ISAS)</i>		Group Representative: <i>Robert Schwermann</i> Representative Phone: 916-732-5519 Representative Email: bschwer@smud.org
List of Group Participants that support these Comments:		
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Steve Cobb	SRP	
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Scott Coe	BPAP	
Bob Floyd	CDWR	
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Judy Fregoso	TEPC	
Robert Gumm	IPCO	
Mark Hackney	AZPS	
Brett Hallborg	BCHA	
Don Lacer	PNM	
Matt Mcgrath	PACW	
C Moon	SER	
John Pespisa	SCE	
Mike Sinowitz	SCL	
Gerry Stellern	TSGT	
Robert Sullivan	CAISO	
Bill Kirby	PGE	
Rich Brugger	NWMT	
James McFall	MID	
Janelle Battles	NEVP	
Bob Harshbarger	PSEI	

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

<i>Doug Frazier</i>	<i>Chelan PUD</i>	
<i>Hamid Esfahani</i>	<i>MWD</i>	

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- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes
 No

Comments: The Standard excludes the Purchasing-Selling Entity’s obligations to submit the reliability oriented transaction data as identified on Page 5 of the SAR. The WECC recommends that this step be included to insure the information handoff is completed between the market and reliability processes.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an

Interconnection-wide basis shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: NERC and FERC Policies allow for regional differences.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The CI standard lacks significant detail that will be required for implementation and day-to-day operation. WECC reserves the right to make their standards more stringent than NERC standards as applicable. It is assumed that individual regions must develop supplemental business practices. WECC, through the RMS Standards Phase 3, has E-Tagging standards. These adopted standards provide sanctions with the current E-Tag product as supported in NERC policy 3. If the NERC CI standard eliminates Policy 3 in its present form, WECC may propose to continue its standard, develop a new standard, or ask for a regional difference.

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: Yes, without sanctions enforcement would be useless. With Percentage methodology this standard is more equitable and reasonable. WECC RMS uses percentage basis as well.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: WECC feels that coordinated timelines are an essential part of the process and need to be coordinated within the interconnections.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Suggested WECC Definitions:

Interchange: A planned energy transfer between a source BA and a sink BA

Arranged Interchange: A planned energy transfer between a source BA and a sink BA that has met all the requirements necessary for submittal to the IA.

Confirmed Interchange: An Arranged Interchange that has been verified by the IA to meet all

requirements for submittal to the source and sink BA.

Implemented Interchange: Confirmed Interchange that has been entered into the source and sink BA's ACE equation.

Additional definitions:

We suggest that the following definitions be added:

Source Balancing Authority

The Balancing Authority in which the generator of a specific Interchange Schedule is located.

Sink Balancing Authority

The Balancing Authority in which the load for a specific Interchange Schedule is located.

“Source” and “Sink” are used throughout the document. In most cases they are accompanied by “Balancing Authority.” In at least one case they aren't (402.b.1.i) We suggest that defining and utilizing Sink BA and Source BA terms will ensure clarity and consistency.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: Yes, we agree with the requirement as written, but feel that due to the fact that we are not sure what the interchange process is it is difficult to set a specific requirement. WECC would suggest that a defined process with timelines and a central process be defined. If NERC declines to give specific methodology in the development of Standards, WECC would reserve the right to develop such specific methodology that may or may not be compatible with other interconnected NERC regions.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: The WECC currently has a Reliability Management System in place for monitoring reliability Standard and Policy compliance and assigning sanctions for non-compliance. WECC reserves the right to apply sanctions that are equivalent to or more restrictive than NERC standard sanctions.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

As stated in #8 The Regional Councils may establish the levels of non-compliance as long as the levels are comparable to, or at least as restrictive, as those defined by NERC.

The CI Standard does not define the assessment period for which sanctions will be calculated. Is it intended that this period be monthly? 11&12, 14&15, 17&18.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: Yes we agree, but who is the authority and the process. It goes back to the statement in #7. We think that NERC needs to define who specifically will be responsible for what function. Currently the Control area has specific functions relegated to them and we feel that NERC needs to continue to assign responsibility to specific functions for specific entities. As stated earlier, if NERC departs from its present mindset then this should be well stated and the reliability regions should be encouraged to develop their own specific methodologies.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: See comments under question #8

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: See comments under question #9

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments: See comments #7 & #10

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: See comments under question #8

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: See comments under question #9

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: Same comments as #7, #10, #13

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: See comments under question #8

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: See comments under question #9

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: We agree as this is present methodology that is successful

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: We have no specific Yes/No answer. Dynamic Schedules need to be handled by the local reliability region. This is a difficult issue and needs to be handled on a regional basis with regional standards.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: As we have stated earlier it tells us what, but does not tell us how. Is the emergency functionality covered in another standard? If not there should be specific emergency direction. Also refer to the previous comments about a general departure from present NERC specific directives

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: How can Interchange be confirmed when the confirmation process does not include the entities that will implement said Interchange? A requirement needs to be included for reliability purposes; a tool such as the current E-Tag methodology is a must for reliability purposes.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. It is the WECC Interchange and Scheduling and Accounting Subcommittee (ISAS) view that the functional model throughout does not set parameters for the market to be held accountable for reliability criteria. We say it is a NAESB problem. We need to have specific language in the standards that states that ALL entities are accountable for complying with standards in order to participate in the interchange process.
2. NERC for many years has promoted standardization of rules for all reliability regions. NERC, in this standard, departs from that policy and opts for a more generic approach. It is the WECC view that the reliability and market operating entities need specific guidance such as the guidance that the current Policy 3 provides. If NERC is departing from this policy please state this in some form of statement that would create the necessity for regions such as WECC to develop their own standards based on the NERC new general specifications.

3. The CI Standard does not include a methodology for Assessment, Confirmation, and Implementation, of '**Intrachange**' Schedules that may impact parallel paths in Adjacent Balancing Authority Areas. These schedules impact Interchange and should be coordinated.
4. The CI Standard does not address processes, responsibilities, or ramifications associated with the correct or erroneous denial of an Interchange Schedule.
5. 402.a.1. states: "The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange." We suggest the terms "balanced and valid" either be defined or replaced with a more definitive explanation. Is this statement referring to a single Interchange Schedule between two discrete BAs, or Net Scheduled Interchange between two BAs? How does the IA "balance" the Interchange?
6. In the Reference Document, page 8, the second bullet in the 402 Standard Measurement states: "Interchange is implemented by the source Balancing Authority and the sink Balancing Authority." The Standard states: "Interchange is between a source Balancing Authority and a sink Balancing Authority." Which statement is correct?
7. 402.b.1.vii.1 states: "For a reliability related change requested by a Reliability Authority, no other entity approvals are required." We suggest that the parties making the change **MUST** confirm emergency changes.
8. 404.b.1 states: "For **each** Arranged Interchange, the Interchange Authority shall provide evidence that it has communicated the appropriate **final** status to **all entities** involved in the transaction." What do "each", "final", and "all entities" mean? Could it be stated: "The Interchange Authority shall provide evidence that it has communicated to the Reliability Authority(s), Balancing Authority(s), and Transmission Service Provider(s) involved with the Interchange Transaction that the Interchange Transaction has been confirmed and it is approved for implementation." The term "Interchange Transaction" is used above based on its current NERC definition.

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

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Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name James Spearman/Florence Belser

Organization Public Service Commission of South Carolina

Industry Segment # 9

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>Public Service Commission of SC</i>		Group Representative: <i>James Spearman</i> Representative Phone: 803.896.5142 Representative Email: james.spearman@psc.state.sc.us
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
James Blake Atkins	Public Service Commission of South Carolina	9
C. Robert Moseley	Public Service Commission of South Carolina	9
H. Clay Carruth, Jr.	Public Service Commission of South Carolina	9
Nick Theodore	Public Service Commission of South Carolina	9
Randy Mitchell	Public Service Commission of South Carolina	9
Mignon L. Clyburn, Chairman	Public Service Commission of South Carolina	9
William Saunders	Public Service Commission of South Carolina	9

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: The standard only implies that the IA has confirmed the approvals from all involved entities. While this may be a reasonable assumption and is discussed in the related Reference Document, it would have been better to spell out this requirement in the standard.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: PSCSC response assumes the DC ties are handled consistent with provisions in the Coordinate Interchange Standard Reference Document.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: It must be recognized that **any** problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT appears to be compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

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Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: The term "Compliance Monitor" should be better defined within the Standard itself. This applies to the IA, BA, etc. functions as well. Considering the variety of grid operating configurations in place (vertically integrated utilities, RTOs, etc.), some concepts for who will actually perform the functions outlined should be provided.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: It must be recognized that **any** problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: It must be recognized that **any** problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: It must be recognized that **any** problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: No proposed levels of noncompliance provided.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: It must be recognized that **any** problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: No proposed levels of noncompliance provided.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: While the Standard references the Standard Reference Document, the PSCSC is concerned users may not hold the Reference Document in the same high regard that they hold the Standard itself. The PSCSC would prefer the key provisions of the Reference Document be rolled into the Standard itself.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: The PSCSC believes the IA would certainly want such acknowledgement.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. While the Standard references the Standard Reference Document, the PSCSC is concerned users may not hold the Reference Document in the same high regard that they hold the Standard itself. The PSCSC would prefer the key provisions of the Reference Document be rolled into the Standard itself.
2. The Standard Reference Document states the Standard is performance-based. The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working. It seems there should be some additional penalty for reliability issues which arise from process transgressions.

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SAR Commenter Information (For comment from individual entities)

Name

Organization

Industry Segment #

Telephone

E-mail

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- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>Mapp Regional Reliability Council, assisted by the MAPP Operating Subcommittee (members listed below)</i>		Group Representative: <i>Lloyd Linke</i> Representative Phone: 605-882-7500 Representative Email: Lloyd@wapa.gov
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Darrick Moe</i>	<i>WAPA</i>	<i>2</i>
<i>John Swanson</i>	<i>Nebraska Public Power District</i>	<i>2</i>
<i>Paul Koskela</i>	<i>Minnesota Power</i>	<i>2</i>
<i>Larry Larson</i>	<i>Otter Tail Power</i>	<i>2</i>
<i>Dick Pursley</i>	<i>Great River Energy</i>	<i>2</i>
<i>Martin Trence</i>	<i>Xcel Energy</i>	<i>2</i>
<i>Todd Gosnell</i>	<i>Omaha Public Power District</i>	<i>2</i>
<i>Robert Coish</i>	<i>Manitoba Hydro</i>	<i>2</i>
<i>Joe Knight</i>	<i>MAPPCOR</i>	<i>2</i>

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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

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- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: Perhaps not denied, but clarified/modified. ERCOT may still have interchange (as outlined in the definitions) with the other interconnections. For interchange that crosses the interconnection boundary, ERCOT must follow this standard or it would have a significant adverse impact on the reliability of the other interconnections.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: The MAPP Regional Reliability Council has no comment on this aspect of the Standard.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed

Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: It is not clear that Item 4(i) will provide the information required to monitor compliance. It could be interpreted as simply providing the information that was provided by the IA to the BA and not what the BA actually implemented. The correct measure would be to verify that the actual Implemented Interchange entered into the BA's ACE equation was the same as that sent to it by the IA.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: The MAPP Regional Reliability Council has no comment on this aspect of the Standard.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: There are no levels of compliance specified.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: **There are no levels of compliance specified.**

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Implemented Interchange changes also need to be adequately communicated and acknowledged by BA adjacent to but not in control of DC Ties between interconnections.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: The MAPP Regional Reliability Council has no comment on this aspect of the Standard.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

Particular care should be taken in determining impacts to BA's adjacent to DC Ties between interconnections. Communications affecting both Interconnections need to be verified.

Provisions should be made to address Interchange supplied by a reserve sharing pool using CBM or TRM. During an emergency, the normal approval process takes too much time and should not be used.

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name

Organization

Industry Segment #

Telephone

E-mail

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>Southern Co. Generation & Energy Marketing (SCGEM)</i>	Group Representative: <i>Roman Carter</i> Representative Phone: 205.257.6027 Representative Email: jrcarter@southernco.com	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Roman Carter</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Lucius Burris</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Lloyd Barnes</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Clifford Shepard</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Joel Dison</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Tony Reed</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Mike Smith</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Steve Lowe</i>	<i>SCGEM</i>	<i>5,6</i>
<i>Terry Crawley</i>	<i>SC Generation</i>	<i>5</i>
<i>Roger Green</i>	<i>SC Generation</i>	<i>5</i>

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

X No

Comments: The SDT has done an admirable job covering the reliability issues associated with a bilateral interchange. However, I would like to make the following comments:

Under Requirement 404 (a), the IA shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange.

Under the Coordinate Interchange SAR, it is required "the IA shall communicate implementation status to all parties (with which the Interchange Transaction must be coordinated".

Under the Functional Model, the IA Function is responsible for communicating the Interchange Transaction information into the Reliability Assessment Systems (e.g. IDC). One could make a convincing argument that the IDC (for the Eastern Interconnect) is an involved party of the transaction since the Functional Model requires the transaction information be provided to it.

Therefore, it is suggested that the Requirement 404 be revised to include communication to the IDC by including it into the Requirement: "***The Interchange Authority shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange, including the Reliability Assessment System***".

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

"Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability."

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: We do not currently know of any other Regional differences at this time. However, during the initial phasing in of standards, each region may find adopting or developing a different approach provides increased reliability. Therefore, we believe that differences should be considered as they are identified in the future.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: By waiting until the last 5 minutes prior to ramping, for example, to approve a transaction that was requested yesterday is unacceptable to Business. There needs to be adequate time (as provided for in the current Policy 3) for alternative plans on the Business side if the transaction is not actively approved for implementation. Furthermore, is NERC

willing to accept a Business Practice Standard enforced by FERC which provides a minimal (less than what current Policy 3 now provides) timeframe to assess reliability. It would be in NERC's best interest to prescribe certain submission and approval timing requirements as a backstop for these transactions. The most practical place is in the Coordinate Interchange Standard.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Comment: The definition for Arranged Interchange leaves a void in the Interchange transaction process. It merely states that all business arrangements have been made. What about the state where the IA actually receives the request for interchange? It is not covered in any of the definitions below. In Figure 1 of Appendix B, it clearly shows the IA receives the data while still in the Arranged Interchange period. Therefore, it is suggested that the definition be modified to read as follows:

Interchange:

Arranged Interchange: ***The state where completed and required information from the necessary business arrangements is provided to and received by the Interchange Authority.***

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: As stated in question 1, it is suggested that IA communication be provided to the IDC (an involved party to the transaction for Eastern Interconnect) for the Arranged Interchange to transition to a Confirmed Interchange.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: It is recommended that ramp rate be added as required reliability data. Since there is no standard stating a default ramp rate (as Policy 3 prescribes), it is recommended the rate be a required piece of data supplied to the IA for the BA to check in its approval process. If a Standard is established providing a standard ramp rate for the Eastern and Western Interconnect, the ramp rate would only be required in a "Request for Interchange" if it was different from the standardized rate.

Also, the SAR specifically mentions which reliability data is required as a minimum. This Standard just verifies that certain data is provided for. Are we to interpret that this verifiable data is the minimum amount acceptable?

It is suggested that Requirement 402 (b) (1) be reworded to say "For each Arranged Interchange transitioned to Confirmed Interchange, the Interchange Authority shall show evidence that it has verified ***the following minimum amount of required data:***"

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: As stated previously, it is suggested the IA shall communicate with the IDC.

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: According to the CI Standard Reference Document for self-provided losses, the IA will serve as the loss distributor by setting up individual transactions with the "intermediary" BAs on behalf of the Purchasing-Selling Entity.

Are these individual transactions with the Intermediary BAs separate and independent from the original "Request for Interchange"? In today's terms, is the IA making separate "tags" with each TSP for the losses or is the IA simply asking the TSP to confirm the mw loss amounts indicated by the PSE for each TSP along the path in the original "Request for Interchange"? If it is the last scenario, which I believe to be so, the explanation for this needs to be more definitive and specific.

Finally, are settlements (either financial or self-provided) for transmission losses a reliability issue? It appears to be a better topic for NAESB to establish the Standard for loss allocations.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name	Richard Kafka
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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

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- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

In concept, a percentage may be more equitable to large and small participants, but that begs the issue. The proposed percentage bands are far too large. As a practical matter, interchanges must match and the goal is 100%.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

Again, this goal should be 100%. Much smaller ranges and a higher "low limit" for level 3.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

Again, I do not understand why such a large percentage of "incorrect" would be allowed.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
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- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

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- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional

Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: Assuming that the ERCOT Region will be a single Balancing Authority, then there is no Interchange within ERCOT, so this Standard does not apply within ERCOT. By definition, Interchange is energy transfers that cross BA boundaries.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This adheres to the concept that Reliability Standards should cover the “what”, not the “how”.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: Add "Bilateral" before "Energy" (E becomes e). Add definition for "Bilateral: Between a source and a sink, occurring at the same time in equal and opposite directions".

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

X Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

X No

Comments: Section 401 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.

9. Do you agree with the proposed levels of noncompliance in section 401?

X Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

X Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

X No

Comments: Section 402 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.

12. Do you agree with the proposed levels of noncompliance in section 402?

X Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

X Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

X No

Comments: Section 403 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.

Section 403 (d) (2) requires that subsequent to the initial compliance review, compliance is verified only as the result of a complaint. At a minimum, compliance should also be verified by audit at least once every three years, similar to the verification requirements in Section 401 (d) (2) and Section 402 (d) (2).

15. Do you agree with the proposed levels of noncompliance in section 403?

X Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

X Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: Section 404 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.

Section 404 (d) (2) requires that subsequent to the initial compliance review, compliance is verified only as the result of a complaint. At a minimum, compliance should also be verified by audit at least once every three years, similar to the verification requirements in Section 401 (d) (2) and Section 402 (d) (2).

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

X Yes

No

Comments: Standard is adequate

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

X No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: None.

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SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

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- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: I have no information to suggest that ERCOT’s request for a Regional Difference is in violation of any of the stated criteria for denying their request.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: I agree in part with the sanction philosophy, but I think that an additional level of gradation needs to be added. It strikes me that an entity that achieves 90% compliance on 1000 records has a greater negative impact on reliability than the entity that achieves 90% compliance on 10 records. As such the entity with the greater negative impact on reliability should be more severely sanctioned than the entity whose non-compliance results in less of an impact on reliability. I don't know where the breakpoints should be, but I believe consideration should be given to creating a few buckets (for example 0-100, 101 – 500, >500) and utilizing the four sanction levels within each bucket.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: I agree that the timing of data exchange is primarily a business issue and is outside the scope of this standard. However, I believe that minimum/default time limits should be specified in the companion business standard being developed by NAESB. Therefore, I think consideration should be given to officially linking the two standards by referencing the NAESB companion standard in both the paragraphs describing the Effective Period and Clarifying documents. This standard should not take effect until the NAESB companion standard is ready.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: Okay with the definition, but believe that the term should be "Interchange Transaction" to be consistent with version 2 of the NERC functional model and the Operations Manual.

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: Okay with the requirement, but have a couple of questions about the measures section. First it's unclear to me what is meant by the phrase "...or the system that calculates the area control error equation." When would this not be the BA? Secondly, if evidence is allowed to be provided on a net basis (instead of individual), fail to see how compliance can be measured.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: Think its okay, but wondering whether the BA's 90 day data retention requirement is sufficient given that complaints can be lodged up to 60 days after an incident. Doesn't seem to leave the compliance monitor with a lot of time to take action.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: Please see response to question #4.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: Process may be okay but have a couple of questions. One, if under part (2)(iv) complaints can be lodged up to 60 days after the incident is the requirement for the IA to retain data for 90 days (3 months) sufficient? Secondly, under part (5) the compliance monitor is to verify IA data by comparing to entities including the PSE and TSP. However, I didn't observe any data retention requirements in the standard for either the PSE or TSP. Shouldn't there be so that the compliance monitor can do its job?

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: Please see response to question #4.

13. Do you agree with the proposed requirements and measurements in section 403?

- Yes
 No

Comments: The last part of requirement 1 is not clear. Propose replacing "... reliable with respect to their functional responsibilities" with "...will result in no adverse reliability impact with respect to their functional responsibilities."

14. Do you agree with the proposed compliance monitoring process in section 403?

- Yes
 No

Comments: Process may actually be okay, but wanted to point out a couple of things. One, I think the data retention requirement is unclear. The three-month requirement is listed as a subpart of part (3), which is directed at entities found to be non-compliant. This can be interpreted to mean that there is no data retention requirement for compliant entities. Structuring the section in a fashion similar to part (d) of section 402 could clear this up. I'll also raise the 60-day complaint period versus 90 days of data as a concern. Finally, under part (4) the compliance monitor is to verify BA, RA, PSE and TSP data by comparing to the IA's data. However, I don't see in the standard any data retention requirements in the standard for the PSE.

15. Do you agree with the proposed levels of noncompliance in section 403?

- Yes
 No

Comments: If we're going to measure and monitor compliance for this requirement, there should be a penalty for non-compliance.

16. Do you agree with the proposed requirements and measurements in section 404?

- Yes
 No

Comments: Think that all entities that could be a party to the Interchange should be specifically mentioned (e.g., RA, BA, TSP, PSE) instead of using the phrase "all entities" such that it is not left up to interpretation as to whom the IA must communicate with.

17. Do you agree with the proposed compliance monitoring process in section 404?

- Yes
 No

Comments: My concerns are similar to those expressed in response to question 14. In addition, I think item (3)(i) is incorrectly written. I propose replacing it with the following: "Rolling three months worth of hourly Interchange records that indicate that the status of each Arranged Interchange was communicated to the BA, RA, TSP and PSE as appropriate."

18. Do you agree with the proposed levels of noncompliance in section 404?

- Yes
 No

Comments: If we're going to measure and monitor compliance for this requirement, there should be a penalty for non-compliance.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

- Yes
 No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

- Yes
 No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: From a reliability standpoint, I think the coordination is covered. However, the standard doesn't cover getting the changes back to the PSE, which I believe it should.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: Believe it would help to "complete the loop" and provide the compliance monitor with data to help it in performing its function.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: Overall, the drafting team has put together a very good document. The Reference Document is very helpful as well. The one area that may need additional debate is with respect to the Arranged Interchange cycle of the Interchange life cycle. The standard doesn't fully address activity occurring during this cycle, although it is considered to be part of the reliability period and not the market period (hence a NERC issue to resolve). I assume this was intentional since the reference document states that this standard covers the reliability related aspects of the Confirmed Interchange and Implemented Interchange cycles (p 4 of 18). That being the case, it seems that we need another standard developed within NERC to address this cycle. That would result in three separate standards/practices (2 in NERC, 1 in NAESB) to address the interchange transaction process. As an observation, it seems that we're heading down the wrong track to reach greater efficiency.

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Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This standard must provide guidelines to the parties involved in interchange for specific timing for requesting, approving or implementing interchange schedules from the reliability standpoint. As proposed, this standard requires PSEs to submit interchange schedules tag directly to IAs only, The IA, in turn, processes this information and sends the tag information to other entities involved in the schedule. This serial notification process will add time to the approval process. As a PSE, we would prefer that minimum notification time of 20 minutes be maintained and not increased. We suggest that IA be kept in the loop, however, same as today, when a tag is submitted by the a PSE, this information must go out to all involved entities in parallel. This will minimize the notification time.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: See comments under #5.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: If timing requirement is too restrictive, it could affect the reliability. The standard should recommend or provide a guideline as to what is acceptable from the reliability standpoint.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: In order to keep proper accounting.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: ERCOT may still have interchange (as outlined in the definitions with the other interconnections. For interchange that crosses the interconnection boundary, ERCOT must follow this standard or it would have a significant adverse impact on the reliability of the other interconnections.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This standard must be coordinated with the business practices to be sure they are implemented so there is no adverse impact on reliability. For example, if the business practices have timing requirements that are too tight, it may not be able to implement all interchange if the information due to the tight timeframe. It may be necessary to promote reliability to set minimum timing requirements for BA's to implement interchange once it has been confirmed.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange: If this definition is approved, it will require changes to the ACE equation to include this (or reference it in the definition of NSI). There are a lot of different variations of "interchange" in the proposed standard. I don't believe this will eliminate any confusion. As an added note, the ACE equation in the CI Standard Reference Document is also incorrect.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: It is not clear that Item 4(i) will provide the information required to monitor compliance. It could be interpreted as simply providing the information that was provided by the IA to the BA and not what the BA actually implemented. The correct measure would be to verify that the actual Implemented Interchange entered into the BA's ACE equation was the same as that sent to it by the IA.

Please clarify the terms block or ramp schedule.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments: The measure is very ambiguous without a timing requirement. It could be interpreted that a response within a year meets the standard. At a minimum there should be a minimum time prior to the start of the interchange that the various entities need to respond by in order to meet the standard.

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: There are no levels of non-compliance specified.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: See below. Either the standard needs to require a response from each BA or the compliance monitoring process needs to change.

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: Item (3) (i) in the compliance monitoring process requires IA's to keep three months of data showing that each interchange request was responded to, but there is no requirement in the standard for a BA to respond.

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: **There are no levels of non-compliance specified.**

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Implemented Interchange changes also need to be adequately communicated and acknowledged by BA adjacent to but not in control of DC Ties between interconnections.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: Acknowledgement of BA's should required to provide positive feedback that the IA successfully notified the BA of a Confirmed Interchange

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: Definition and scope of the Interchange Authority should be clarified in the functional model.

Particular care should be taken in determining impacts to BA's adjacent to DC Ties between interconnections. Communications affecting both Interconnections need to be verified.

Provisions should be made to address Interchange supplied by a reserve sharing pool using CBM or TRM. During an emergency, the normal approval process takes too much time and should not be used.

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)
Name
Organization
Industry Segment #
Telephone
E-mail

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- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: MAAC	Group Representative: Albert DiCaprio Representative Phone: 610 666-8854 Representative Email: dicapram@pjm.com	
List of Group Participants that support these Comments:		
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Bruce M. Balmat	PJM	2
Joseph D. Willson	PJM	2
Mark A. Heimbach	PPL	5
Albert M. DiCaprio	PJM	2

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document.

The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

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Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;

Would have a significant adverse impact on reliability or commerce in other Interconnections;

Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or

Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

All schedules must be properly implemented. Allowing any number or % can be a potential serious problem. As a Reliability Standard the goal is 100%. The fact that errors may occur points to the issue of sanctions. The standard should relegate sanctions to the Regions or the the RTOs to deal with and not tie them to some arbitrary number or %.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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. **Implemented Interchange:** The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

Yes, BAs must implement what the IA has verified.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

It would seem inconsistent to have a standard that requires all schedules be implemented as agreed to, but then allow a 20% margin of error.

Regions should decide compliance levels for interchange.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

Yes, NERC needs the standard to obligate IAs to validate the Arranged Interchange that they receive.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

It would seem inconsistent to have a standard that requires all schedules be implemented as agreed to, but then allow a 20% margin of error.

Regions should decide compliance levels for interchange.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

Yes, at a minimum all Reliability entities must be obligated to respond to the IA, since they ensure the integrity of the transmission system.

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

By handling changes (changes for commercial or changes for emergencies or changes for any other interchange-related activity) all in the same way (i.e. that all parties agree) is an appropriate NERC standard.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

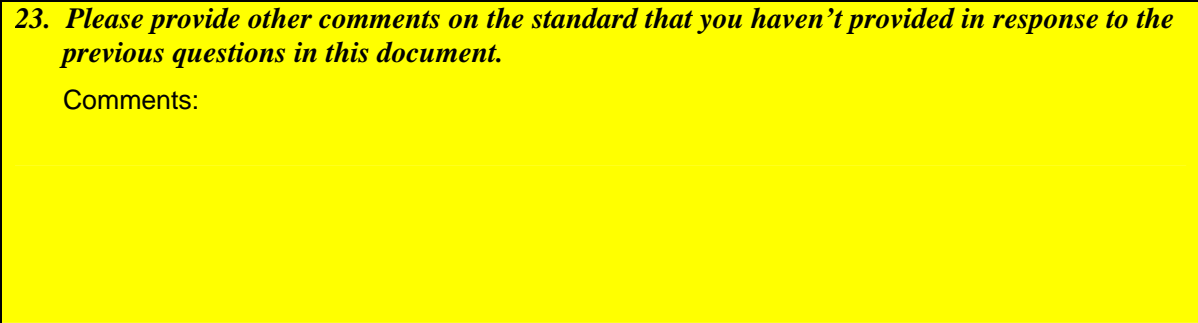
Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:



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Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

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Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name Patti Metro on behalf of FRCC members

Organization Florida Reliability Coordinating Council (FRCC)

Industry Segment #

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

FRCC Comments 02/11/04

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>FRCC</i>	Group Representative: Representative Phone: Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Patti Metro</i>	<i>FRCC</i>	<i>2</i>
<i>Linda Campbell</i>	<i>FRCC</i>	<i>2</i>
<i>Roger Westphal</i>	<i>City of Gainesville</i>	<i>3</i>
<i>Alan Gale</i>	<i>City of Tallahassee</i>	<i>5</i>
<i>Bob Remley</i>	<i>Clay Electric Cooperative</i>	<i>3</i>
<i>Amy Long</i>	<i>Lakeland Electric</i>	<i>1</i>
<i>Paul Elwing</i>	<i>Lakeland Electric</i>	<i>5</i>
<i>Richard Gilbert</i>	<i>Lakeland Electric</i>	<i>3</i>
<i>Steve Wallace</i>	<i>Seminole Electric Cooperative</i>	<i>4</i>
<i>Ted Hobson</i>	<i>JEA</i>	<i>1</i>
<i>Garry Baker</i>	<i>JEA</i>	<i>1</i>
<i>Greg Woessner</i>	<i>Kissimmee Utility Authority</i>	<i>3</i>
<i>Joe Krupar</i>	<i>Florida Municipal Power Agency FMPA</i>	<i>3</i>
<i>Bill Slater</i>	<i>Progress Energy</i>	<i>3</i>
<i>Gary Macey</i>	<i>Progress Energy</i>	<i>3</i>

Background Information:

To understand the Standard Drafting Team's philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology

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- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes

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No (Please state your reason for checking 'No')

Comments:

Comments should actually be required if the yes box is checked to better understand why an entity does not think ERCOT qualifies for a regional difference.

With the fact that ERCOT operates asynchronous to the Eastern and Western Interconnections, ERCOT has no adverse impact on the reliable operations of the other interconnections the regional difference should be approved.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

Should be both records matching and reliability impact. For instance MWH needs to be addressed. Overall thought on compliance for this standard: Any transaction that is large enough can be detrimental to the interconnection if it is not coordinated properly between entities.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

There should be some guidelines provided in this area. We do agree that the timing issue is more of a business practice issue rather than a reliability issue, but NERC needs to implement at least a 10-minute minimum to allow for sufficient time for an entity to complete analysis to ensure reliability. In addition, NERC should work with NAESB in the development of practical

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timing requirements based on the business issues associated with this. The reliability aspects that may arise should be reviewed by the industry as NAESB follows the process developed.

In addition, the example provided on pg 5 of the reference document discusses conditional approval, which implies that there are separate agreements for each entity involved in the interchange. These types of agreements can be confusing if there is no consistency.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange: Circular – when developing a definition the word that is being defined should not be used in the definition. The following definition is suggested: The end result of all commercial activity for a specified transaction, enabling the PSE to submit a desired transaction to the Interchange Authority.

Confirmed Interchange:

Implemented Interchange:

Comments:

Definitions for the above terms are adequate for this standard.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

For clarification, is the evidence that is required in 401(b)(1)(i) the rolling three months worth of values described in the compliance monitoring portion of the standard?

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8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

The following is suggested as a more grammatical re-wording for 401(d)(1): Each Balancing Authority shall demonstrate compliance by self-certification to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation.

In 401(d)(2), is the initial compliance review the self-certification described in 401(d)(1)?

What is the difference between the audit [401(d)(1)(i)] and the spot check [401(d)(1)(ii)]? If the spot check is some type of self-certification submittal not an actual on-site visit, a more descriptive term such as random check could be used with an explanation of what the check would include.

In 401(d)(2)(iv), a complaint must be lodged within 60 days of the incident, and in 401(d)(4)(i) a rolling 3 months worth of values must be maintained. It is, therefore, implied that the Compliance Monitor only has 30 days to complete the appropriate investigation.

In 401(d)(3) the performance-reset period is tied to not meeting the requirement 401(a). Shouldn't the compliance monitoring process be linked to the measures which are in 401(b) rather than the requirements? The measures are supposed to be the specific items to look at to insure that you are meeting the requirement

For 401(d)(4)(i), how will the Compliance Monitor be able to determine that the appropriate values were used to calculate ACE?

For 401(d)(4)(ii), Interchange data is either block or ramp. Does this imply that both block or ramp is acceptable, or is this just for data storage? If both are allowed, how is the data stored and would it be part of the rolling average?

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

There is some concern whether there is a percentage less than 80% that is just as bad as having no records at all. Is 20% compliance really the same as 79%? This should be considered in determining Level 4 non-compliance.

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10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

In 402(a)(1), clarification should be provided for the terms "valid" and "balanced". These terms are very unclear and subjective.

In 402(b)(1)(vii)(1), there is confusion on what is meant by a reliability related change. For example, could the RA change the ramp rate that is under the purview of the BA without the BA having to agree again or is a reliability change something more specific than this example?

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

We have the same questions in regards to the compliance monitoring process for 402 as provided for 401, therefore, refer to the response to question 8.

In addition, for 402(d)(5), how will the comparing of data be accomplished? References to keeping data are included in 401 and 403 for the RA, BA and TSP, however, this portion of the standard references the PSE having data, but there is no reference in the standard for a PSE to maintain any data.

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

We have the same questions in regards to the levels of noncompliance for 402 as provided for 401, therefore, refer to the response to question 9.

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

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Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

We have the same questions in regards to the compliance monitoring process for 403 as provided for 401, therefore, refer to the response to question 8. In addition, why have the audits and spot checks been removed from the compliance monitoring process for 403? Also, as discussed in question 11 there is no reference in the standard for the PSE to maintain any data.

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

Why are the levels of noncompliance different in this portion of the standard from those in 401 and 402? Isn't a % also appropriate in 403?

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

We have the same questions in regards to the compliance monitoring process for 404 as provided for 401, therefore, refer to the response to question 8. In addition, for 404(d)(3)(i), because the measurement for 404 is to provide final status it does not make sense that there would be compliance monitoring for a rolling three months that would indicate that each IA request was responded to. Also, as discussed in question 11 there is no reference in the standard for the PSE to maintain any data

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Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

We have the same questions in regards to the levels of noncompliance for 404 as provided for 403, therefore, refer to the response to question 15.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

We agree with this concept, but were concerned whether the tool (OATI presently) developed would be able to process the number of transactions that might be required. In the example shown in the reference document, there would be a total of 5 transactions (1 main deal and 4 transactions for losses) this could be cumbersome.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

We do agree that dynamic schedules would be covered by this standard, but think the standard should include some type of parameters on the electronic tag that supports dynamic schedules, such as, how much does the dynamic schedule have to change before the tag has to be changed? Today's process is a % of the dynamic schedule.

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21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

That was a question we had. Why isn't there a requirement for the IA to communicate changes to a confirmed or implemented interchange? The reference document seems to imply that this would be covered under the requirements included in the standard, but we saw this as a "hole" and believe there should be something specific in the standard.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

The BA and PSE should be required to acknowledge confirmed interchange from the IA. It is important for these entities be involved in the process because the BA and PSE are responsible for resources involved in the transactions.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

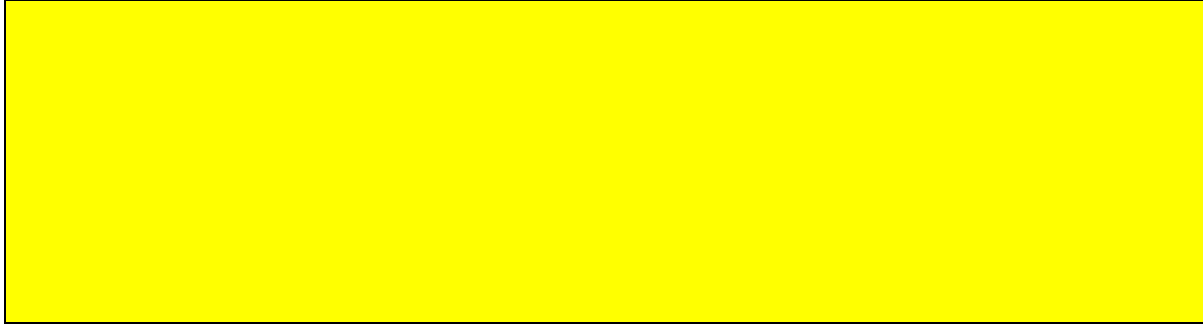
Comments:

There is a concern that there should be a requirement for the IA to verify approvals from the RA and the Transmission Service Provider to complete reliability analysis. In this case, the BA should be notified of the approval prior to implementation of the interchange. Is this concern, included in what is addressed in Figure 1 of the reference document?

Since the drafting team indicated in the conference call and the presentation at the January 2004 Standing Committee Meeting that because of the uncertainty of the Functional Model, there has not been much thought in the implementation of the standard, we advise that this standard be reviewed and revised as necessary based on the tasks of the entities identified in version 2 of the functional model. It's not clear, for example, that the BA's responsibility to approve interchange ramp rates is properly supported in the standard with the information to be provided (such as specific generator source / sink for some transactions)."

FRCC Comments 02/11/04

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard



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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: The Standard excludes the PSE's obligations to submit the reliability transaction data as identified on Page 5 of the SAR. BPAT recommends that this step be included to insure that the information handoff is completed between the market and reliability processes.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: Both NERC and FERC Policies allow for regional difference.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The CI standard lacks significant detail that will be required for implementation and day-to-day operation. As part of WECC we have regional standards that we are required to meet, such as WECC RMS Standards Phase 3, which has E-Tagging standards. These adopted standards provide sanctions with the current E-Tag product as supported in NERC policy 3. If the NERC CI standard eliminates Policy 3 in its present form, WECC may propose to continue its standard, develop a new standard or ask for a regional difference.

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments As stated in #3 above, the Standard lacks operational detail in many areas. Timing issues are but one of those issues. BPAT feels that coordinated timelines are an essential part of the process and need to be coordinated with our interconnections.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

We are assuming that the CI standard is only referring to "Scheduled" and not "Actual" interchange as these two components are separated in our ACE. Scheduled interchange can be arranged, confirmed and implemented, however Actual interchange cannot be directly coordinated in a parallel electric system by virtue of provisions in a standard. If we are referring only to scheduled interchange then we offer the following definitions:

Interchange: A planned energy transfer between a source BA and a sink BA

Arranged Interchange: A planned energy transfer between a source BA and a sink BA that has met all the requirements necessary for submittal to the IA.

Confirmed Interchange: An Arranged Interchange that has been verified by the IA to meet all requirements for submittal to the source and sink BA.

Implemented Interchange: Confirmed Interchange that has been entered into the source and sink BA's ACE equation.

Additional definitions: we suggest that the following definitions be added to this standard as the terms "Source" and "Sink" are used throughout the document. In most cases they are accompanied by "Balancing Authority". In at least one case they are not (402.b.1.i) We suggest that defining and utilizing Sink BA and Source BA terms will ensure clarity and consistency.

Source Balancing Authority: The Balancing Authority in which generator of a specific interchange is located.

Sink Balancing Authority: The Balancing Authority in which the load for a specific interchange is located.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

X No

Comments: The WECC currently has a Reliability Management System in place for monitoring reliability Standard and Policy compliance and assigning sanctions for non-compliance. BPAT believes that compliance monitoring and formulation of non-compliance sanctions should be the responsibility of the local Reliability Council. The CI standard should state that the Regional Council's monitoring and sanction program shall be comparable to, or at least as restrictive, as those defined by the NERC Standard.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

X No

Comments: The Regional Councils should establish the levels of non-compliance as long as the levels are comparable to, or at least as restrictive, as those defined by NERC.

10. Do you agree with the proposed requirements and measurements in section 402?

x Yes

No

Comments: See point #2 under question #23.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

X No

Comments: See comments under question #8

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

X No

Comments: See comments under question #9

13. Do you agree with the proposed requirements and measurements in section 403?

X Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

X No

Comments: See comments under question #8

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

X No

Comments: See comments under question #9

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: See comments under question #8

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: See comments under question #9

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: There needs to be recognition that the profile for a Dynamic Schedule has to include both the minimum and maximum expected values during the scheduling period, the reason is for reliable assessment of transmission capacity. Averages don't work. This should be coordinated with NERC's Dynamic Transfer Paper (reference document).

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: As stated earlier this standard tells us what, but does not tell us how. Is the emergency functionality covered in another standard? If not there needs to be specific emergency direction.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: Bas and PSEs must acknowledge the receipt of Confirmed Interchange. How can interchange be confirmed when the confirmation process does not include the entities that will implement said interchange. A requirement needs to be included for reliability purposes; a tool such as the current E-Tag methodology is a must for reliability.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. The CI standard does not include a methodology for Assessment, Confirmation, and Implementation, of "**Intrachange**" Schedules that may impact parallel paths in Adjacent Balancing and/or Reliability Authority Areas. These schedules may impact Interchange and should be coordinated.
2. The CI Standard does not address processes, responsibilities, or ramifications associated with the correct or erroneous denial of an Interchange Transaction. Being "Held Hostage" by the Coordinate Interchange process can impact Balancing Authorities in several ways (Reference Document page 5). In the past NERC has promoted standardization of rules for all reliability regions. NERC, in this standard departs from that policy and opts for a more generic approach.
3. 402.a.1. states "The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange." We suggest the terms "balanced and valid" either be defined or replaced with a more definitive explanation. Is this statement referring to a single Interchange Schedule between two discrete Bas, or Net Schedule Interchange between two Bas? How does the IA "balance" the Interchange?
4. In the Reference Document, page 8, the second bullet in the 402 Standard Measurement states: "Interchange is implemented by the source Balancing authority and the sink Balancing Authority." The Standard states; "Interchange is between a source Balancing Authority and a sink Balancing Authority." Which statement is correct?
5. 402.b.1.vii.1 states: "For a reliability related change requested by a Reliability Authority no other entity approvals are required." We suggest that the parties making the change **MUST** confirm emergency changes.
6. 404.b.1 states: "For **each** Arranged Interchange, the Interchange Authority shall provide evidence that it has communicated the appropriate **final** status to **all entities** involved in the transaction." What do "each", "final", and "all entities" mean? Could it be stated : "The Interchange Authority shall provide evidence that it has communicated to the Reliability Authority(s), Balancing Authority(s), and Transmission Service Provider(s) involved with the Interchange Transaction that the Interchange Transaction has been confirmed and it is approved for implementation." The term "Interchange Transaction" is used above based on its current NERC definition.

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

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Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group:	Group Representative: Representative Phone: Representative Email:	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No')

Comments: ERCOT Operations appear to meet all requirements for the interconnection-wide regional difference.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: It is appropriate that parties involved in the Interchange dictate these deadlines.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: However, proposed ranges may be overly lenient.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: Levels not specified.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: Levels not specified.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: As long as changes are scrutinized in the same manner as initially arranged interchange.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: They should be informed, but not 'required' to acknowledge receipt to facilitate implementation.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

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Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

X No

Comments: It is felt the Standard does not adequately address the obligation of the PSE to submit reliability data information for energy transactions. The PSE's responsibility for information submission should be defined.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

X No

Comments: Regional differences should be allowed.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: Currently, the WECC Reliability Management System (RMS) provides for monitoring of reliability issues and sanctions for non-compliance. This standard does not provide the same level of detail as RMS, therefore, Regional differences may arise as some Regions adopt less stringent rules than WECC. If NERC adopts a standard that is less stringent than the WECC, the WECC should be allowed to maintain its' more restrictive measures.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: There cannot be enforcement without sanctions and the sanctions must be levied fairly.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: This cannot be left up to individual parties. Timing requirements have been very important during the past few years in maintaining a reliably operated system. The system Operators ability to coordinate interchange relies on their ability to sum schedules after the schedule submission timing requirement closes and match net schedules with Control Areas to ensure a balance on the network.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

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Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

*****Recommend Addition of Definition for Actual Interchange*****

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: Unsure. The language is very vague and many individuals I've spoken with have communicated several differing interpretations.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: It appears to be less restrictive than the WECC RMS requirements and sanctions. We feel that the greater the requirement for performance, the greater the performance. Therefore, If this standard is approved, WECC should be allowed to maintain its' own, more stringent standards.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: WECC, or other Regional Councils, should be allowed to deviate from the level set in the standard, so long as their requirements (sanctions) meet or exceed those required by the standard.

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: The language is very vague and many individuals I've spoken with have communicated several differing interpretations

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: It appears to be less restrictive than the WECC RMS requirements and sanctions. We feel that the greater the requirement for performance, the greater the performance. Therefore, If this standard is approved, WECC should be allowed to maintain its' own, more stringent standards.

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: WECC, or other Regional Councils, should be allowed to deviate from the level set in the standard, so long as their requirements (sanctions) meet or exceed those required by the standard.

13. Do you agree with the proposed requirements and measurements in section 403?

- Yes
 No

Comments: The language is very vague and many individuals I've spoken with have communicated several differing interpretations

14. Do you agree with the proposed compliance monitoring process in section 403?

- Yes
 No

Comments: The standard requires proof of performance to a Compliance Monitor yet no "Levels of Noncompliance" are listed in 403(e). The sanctions would not apply, therefore it would not be enforceable. A defined time frame is also required.

15. Do you agree with the proposed levels of noncompliance in section 403?

- Yes
 No

Comments: The "Levels of Noncompliance" in 403 (e) are "Not Specified". Does this infer that the sanctions proceed directly to step 4?

16. Do you agree with the proposed requirements and measurements in section 404?

- Yes
 No

Comments: We feel that "all entities" requires clarification. The standard makes no mention of the PSE yet following some discussion it is felt that that LSE/GPE need to be informed, in addition to any Transmission Operator or Balancing Authority.

17. Do you agree with the proposed compliance monitoring process in section 404?

- Yes
 No

Comments: The standard requires proof of performance to a Compliance Monitor yet no "Levels of Noncompliance" are listed in 404(e). The sanctions would not apply, therefore it would not be enforceable. A defined time frame is also required.

18. Do you agree with the proposed levels of noncompliance in section 404?

- Yes
 No

Comments: The "Levels of Noncompliance" in 404(e) are "Not Specified". Does this infer that the sanctions proceed directly to step 4?

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

- Yes
 No

Comments: We agree, this is the method currently in use for CA's in the WECC today.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

- Yes
 No

Comments: This topic has been at the center of debate for some time. If it is covered by this standard there will be the need to have some flexibility for Regional differences.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: If it is not defined in this standard, then the development of an "Emergency" or "Curtailement/Adjustment" standard will be required. It currently is not defined in this standard.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: BA's and PSE's should be required to acknowledge the receipt of Confirmed Interchange to ensure adequate communication for a reliably balanced system.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: Please refer to the WECC comments for this section.

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

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- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Timing guidelines are essential to real time operations. The current guidelines have been developed over time and with industry input.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: Allegheny Power feels that due to the importance of the associated Business Practice Standards currently being developed by NAESB, it is essential that these Business Practice Standards be implemented in conjunction with the standard. Also this SAR is a good candidate for field-testing prior to implementation.

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SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

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- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Parties involved in the Interchange should be required to conform to timing requirements contained in industry-wide existing business practices (E-Tag Standards).

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: none

Arranged Interchange: none

Confirmed Interchange: none

Implemented Interchange: none

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

However, more clarification is needed for the statement in Section 401.b.1.i requiring evidence demonstrating that Confirmed Interchange was implemented in the Balancing Authority's ACE equation. How do you prove that each transaction is in your ACE equation? EMS? The term "evidence" must be defined.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

However, more clarification is needed for the statement in Section 402.b.1 requiring “for each Arranged Interchange transitioned to Confirmed Interchange, the Interchange Authority shall show evidence that it verified.....” The term “evidence” must be defined.

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

"The concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange" is misleading and does not conform to the examples contained in the CI Standard Reference Document Appendix C. This concept is reasonably close only when the transmission service losses of all intermediate Transmission Service Providers are settled financially. However, Interchange from the source BA is increased by the amount of losses provided in-kind and that loss provision must be identified as being associated with the original Interchange. Even the Reference Document identifies this loss provision as a "component" of a larger "composite" interchange.

Also, separating the provision of losses from the principal Interchange will complicate the business practices associated with Interchange and cause the industry to incur additional unnecessary expense. Implementing this concept will increase the number of required Arranged Interchanges dramatically to accommodate the loss provision in-kind and will complicate the tracking of the Arranged Interchange and the associated losses provided in-kind.

Finally, implementation of this concept is a change to existing business practices. This reliability standard should only reference existing business practices and should not attempt to implement new business practices. New business practices should be developed by NAESB.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: Page 2 of the Coordinate Interchange Standard, version 1 lists terms referring to entities performing specific functions as defined in the Functional Model. Please add "Compliance Monitor" to this list of terms. The draft Standard makes references to the Compliance Monitor however; it does not explain the origin of this term.

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If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Industry Segment #	2
Telephone	518-356-6159
E-mail	gcampoli@nyiso.com

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: The NYISO agrees that the SAR requirements are materially met in the four requirements in the standard. However, the NYISO feels there should be more detail written into the actual Standard as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an entity desires to transfer energy..." one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.

The condensed format and transition from 12 sub-items of the SAR to 4 sub-standards/requirements is a good step.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

"Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability."

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed. The NYISO recognizes that regional differences and tariff applications have implications in applying sanctions. Thus specific sanctions are best developed regionally.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Specific timing requirements should be set regionally.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged

Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange: specify that all intermediate Balancing Authorities should be included.

Implemented Interchange: modify to state that the interchanges should be included in dispatch solutions, which includes ACE.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: Evidence should include all transactions, rather than be limited to those considered purely in tie line control (ACE).

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: The NYISO feels that audits are desirable for demonstrating compliance, concerns have been expressed that the potential exists for excessive audits.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: For the purposes of bringing more clarity; The NYISO proposes that as per "requirements" and "measurements" of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to ".....confirm that implemented Interchange matches corresponding "Confirmed Interchange submitted by the Interchange Authority"

10. Do you agree with the proposed requirements and measurements in section 402?

- Yes
 No

Comments: The NYISO suggest the following wording (b) vii, "Each Reliability Authority, Balancing Area, and Transmission Service Provider has been notified and provided approval or denial."

11. Do you agree with the proposed compliance monitoring process in section 402?

- Yes
 No

Comments: The NYISO feels audits are desirable for demonstrating compliance, concerns have been expressed that the potential exists for excessive audits.

12. Do you agree with the proposed levels of noncompliance in section 402?

- Yes
 No

Comments: To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed.

13. Do you agree with the proposed requirements and measurements in section 403?

- Yes
 No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: Levels of noncompliance utilizing percentages of responses to requests for evidence, similar to those in 401 and 402 may be applicable.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: Levels of noncompliance utilizing percentages of responses to requests for evidence, similar to those in 401 and 402 may be applicable.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Recognizing that Dynamic Schedules are a type of Dynamic Transfer and that psuedo ties are not included in this standard. Mention of this in the preamble may add clarity.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Defining the Emergency procedures in the Standard and the applicability of the standard in emergencies would add clarity.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: The NYISO understands this has been omitted due to its redundancy, however the Standard should clarify this and why.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: There is an outstanding issue with the inclusion of a monetary sanction matrix and what its implications are. ISO-NE, NYSRC, as well as NYISO, have previously expressed concerns over its inclusion and maintain that the use of market mechanisms where possible, as well as, letters of increasing degrees of severity and notifications to regulatory agencies are more effective in ensuring compliance to reliability criteria and standards. Failure of NERC to gain authority through reliability legislation could result in NERC pursuing actions to implement "Plan B," a "voluntary" approach affording NERC the authority to perform these types of monetary sanctions. ISO-NE and NYSRC have indicated that any posted Standard, with the included matrix, will not be supported. There are, however, proceedings at NERC by the Compliance Certification Committee (CCC) to address alternative sanction proposals and NYISO will continue to work to oppose monetary sanctions.

The NYISO also endorses the comments submitted by the ISO/RTO Council Standards Review Committee.

The NYISO recommends a more logical order to the Standard, (i.e., chronological sequence); "Implementation of Interchange" should be last, not first.

The Effective Period should allow for a reasonable transition period to allow Areas to make any necessary changes to achieve compliance. Field-testing this standard may be beneficial for the industry.

All requirements must be complete and detailed in the Standard. The Reference Document should be used to provide examples and supplemental reference.

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

Note – This form is to be used to comment on version 1 of the Coordinate Interchange Standard.

Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name

Organization

Industry Segment #

Telephone

E-mail

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
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- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>Southern Company Services, Inc</i>		Group Representative: Marc Butts Representative Phone: 205-257-4839 Representative Email: mmbutts@southernco.com
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Marc Butts</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Monroe Landrum</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Dan Baisden</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Jim Griffith</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Phil Winston</i>	<i>Georgia Power Company</i>	<i>3</i>
<i>Jim Viikinsalo</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Mike Miller</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Raymond Vice</i>	<i>Southern Company Services</i>	<i>1</i>
<i>Gwen Frazier</i>	<i>Southern Company Services</i>	<i>1</i>

Background Information:

To understand the Standard Drafting Team’s philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

X No

Comments: The SDT has done an admirable job covering the reliability issues associated with a bilateral interchange. However, I would like to make the following comments:

Under Requirement 404 (a), the IA shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange.

Under the Coordinate Interchange SAR, it is required "the IA shall communicate implementation status to all parties (with which the Interchange Transaction must be coordinated".

Under the Functional Model, the IA Function is responsible for communicating the Interchange Transaction information into the Reliability Assessment Systems (e.g. IDC). One could make a convincing argument that the IDC (for the Eastern Interconnect) is an involved party of the transaction since the Functional Model requires the transaction information be provided to it.

Therefore, it is suggested that the Requirement 404 be revised to include communication to the IDC by including it into the Requirement: "***The Interchange Authority shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange, including the Reliability Assessment System***".

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

"Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability."

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: intentionally left blank

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

X No

Comments: --We do not currently know of any Regional differences at this time. However, during the initial phasing in of standards, each region may find adopting or developing a different approach provides increased reliability. Therefore, we believe that differences should be considered as they are identified in the future.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

X Yes

No

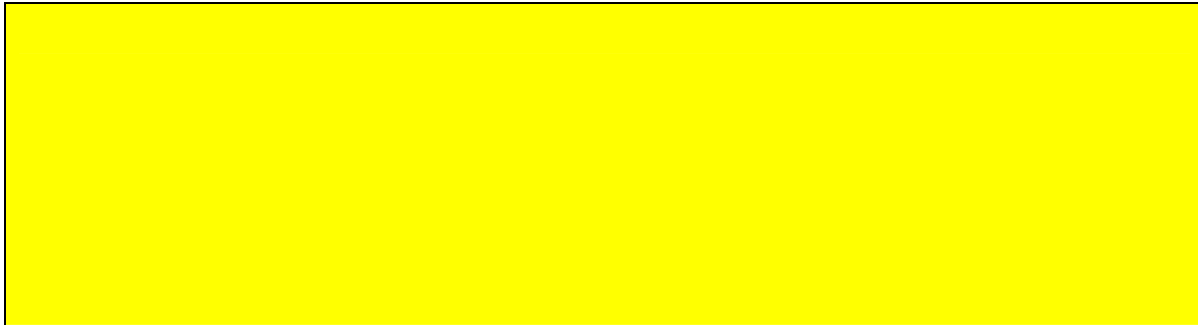
Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

X No

Comments: Parties involved in the Interchange should be required to conform to timing requirements contained in industry-wide existing business practices, which today is E-TAG.



6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Comment: --- The definition for Arranged Interchange leaves a void in the transaction process. It merely states that all Business Arrangements have been made. What about the state where the IA actually receives the request for interchange? It is not covered in any of the definitions below. In Figure 1 of Appendix B, it clearly shows the IA receives the data while still in the Arranged Interchange State. Therefore, it is suggested that the definition be modified to read as follows: ***The state where completed and required information from the necessary Business Arrangements is provided to and received by the Interchange Authority.***

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: As stated in question 1, it is suggested that IA communication be provided to the IDC (an involved party to the transaction for Eastern Interconnect) for the Arranged Interchange to transition to a Confirmed Interchange.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments: It is recommended that ramp rate be added as required reliability data. Since there is no standard stating a default ramp rate (as Policy 3 prescribes), it is recommended that the rate be a required piece of data for the BA to checkout in its approval process. If a Standard is established providing a standard ramp rate for the Eastern and Western Interconnect, the ramp rate would only be required in a "Request for Interchange" if it was different from the Standardized rate.

Also, the SAR specifically mentions which reliability data is required as a minimum. This Standard just verifies that certain data is provided for. Are we to interpret that this verifiable data is the minimum amount acceptable?

It is suggested that Requirement 402 (b) (1) be reworded to say "For each Arranged Interchange transitioned to Confirmed Interchange, the Interchange Authority shall show evidence that it has verified ***the following minimum amount of required data:***"

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: As stated previously, it is suggested the IA shall communicate with the IDC.

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

X No

Comments: According to the CI Standard Reference Document for self-provided losses, the IA will serve as the loss distributor by setting up individual transactions with the "intermediary" BAs on behalf of the Purchasing-Selling Entity.

Are these individual transactions with the Intermediary BAs separate and independent from the original "Request for Interchange"? In today's terms, is the IA making separate "tags" with each TSP for the losses or is the IA simply asking the TSP to confirm the mw loss amounts allocated by the PSE for each TSP along the path in the original "Request for Interchange"? If it is the last scenario, which we believe to be so, the explanation for this needs to be more definitive and specific.

Finally, are settlements (either financial or self-provided) for transmission losses a reliability issue? It appears to be a better topic for NAESB to establish the Standard for loss allocations.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

X Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

X Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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Name

Organization

Industry Segment #

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SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>ISO/RTO Council - Standards Review Committee</i>		Group Representative: <i>Karl Tammar</i> Representative Phone: 518-356-6205 Representative Email: ktammar@nyiso.com
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Dale McMaster</i>	<i>AESO</i>	<i>2</i>
<i>Ed Riley</i>	<i>CAISO</i>	<i>2</i>
<i>Sam Jones</i>	<i>ERCOT</i>	<i>2</i>
<i>Don Tench</i>	<i>IMO</i>	<i>2</i>
<i>Dave LaPlante</i>	<i>ISO-NE</i>	<i>2</i>
<i>Bill Phillips</i>	<i>MISO</i>	<i>2</i>
<i>Karl Tammar</i>	<i>NYISO</i>	<i>2</i>
<i>Bruce Balmat</i>	<i>PJM</i>	<i>2</i>
<i>Carl Monroe</i>	<i>SPP</i>	<i>2</i>

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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: We agree that the SAR requirements are materially met in the four requirements in the standard. The standards may be strengthened by adding some of the specificity and detail contained in the Reference Document to the Standard.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

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Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments:

.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The IRC recognizes that Regions can and do make more stringent requirements.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed. The IRC recognizes that regional differences and tariff applications have implications in applying sanctions. Thus specific sanctions are best developed regionally.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Specific timing requirements should be set regionally.

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Yes

No

Comments: Evidence should include all transactions, rather than be limited to those considered purely in tie line control (ACE).

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Comments:

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Comments: To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed

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Yes

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Yes

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Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Recognizing that Dynamic Schedules are a type of Dynamic Transfer and that psuedo ties are not included in this standard. Mention of this in the preamble may add clarity.

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Defining the Emergency procedures in the Standard and the applicability of the standard in emergencies would add clarity.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

- DC tie lines should be part of this standard, regardless of how the DC tie lines are modeled in a BA's area control algorithm, if the DC tie is an interconnection between two BAs.
- Using the complete definition of the ACE equation, pointing out that the omitted components are not germane to this standard, would provide clarity.
- Add requirement that adjacent BA's must check out with each other.
- The Effective Period should allow for a reasonable transition period to allow Areas to make any necessary changes to achieve compliance. Field-testing this standard may be beneficial for the industry.
- All requirements must be complete and detailed in the Standard. The Reference Document should be used to provide examples and supplemental reference.

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Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name	Pete Henderson / Khaqan Khan
Organization Operator (IMO)	Independent Electricity Market
Industry Segment #	2
Telephone	905-855-6258 /905-855-6288
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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: A condensed format and transition from 12 sub-items of SAR to 4 sub-standards/requirements is a good step. A few improvements could be made as per subsequent suggestions/comments given below.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: We agree with the ISO/RTO Standards Review Committee consensus as stated below:

“Recognizing that ERCOT follows the generally accepted practice of modeling DC tie lines as a generator or load, outside the ACE equation, transfers over DC ties lines should still be coordinated in a deliberate and orderly manner. The definition of interchange, “Energy transfers that cross Balancing Authority boundaries” does not differentiate between AC and DC ties. All interchanges, whether or not included in the ACE equations, need to be coordinated for reliability.”

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: In this way, it would be considered as a more fair process

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: We feel that the timing flexibility should rest with the parties involved with a common agreement.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: There may be cases where DC ties are an interconnection between two BA's. Such aspects about DC inter Area ties needs to be addressed as an Interchange.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: For the purposes of bringing more clarity, it is proposed that as per "requirements" and "measurements" of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to ".....confirm that implemented Interchange matches corresponding "Confirmed Interchange submitted by the Interchange Authority""

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments: The type of evidence needs to be defined e.g. schedules, tape recordings or other documentation

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments: The type of evidence needs to be defined e.g. tape recordings

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: The issue of losses may appropriately be handled by mutual agreements / methodologies established between the BA's and the IA's.

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Defining the Emergency procedures in standard and the applicability of the standard in emergencies would add clarity.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

- (1) It is proposed that standard should follow a more logical order i.e. standard 401 re: "Implementation of Interchange" should be outlined at the end of the set of standards
- (2) We feel that a reasonable transition period should be given for the implementation of this standard to allow sufficient lead time to the Areas for achieving compliance.
- (3) The reference document/background is useful for the purposes of understanding the associated application modes of standard.

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Name
Organization
Industry Segment #
Telephone
E-mail

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7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: <i>Midwest ISO Control Area Working Group</i>	Group Representative: <i>Doug Hils</i>	
	Representative Phone: 513-287-2149	
	Representative Email: doug.hils@cinergy.com	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #

Please see attached Midwest ISO Control Area Working Group Roster

Background Information:

To understand the Standard Drafting Team's philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR

- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: The Standard requirements seem to reflect similar intentions to those presented in the SAR requirements, however the coordination is not clear for day-ahead versus real-time. For example, if the IA confirms Interchange to be implemented for a monthly transaction for example, is it ever verified again prior to the schedule running? Is it verified on a daily basis though nothing changed?

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes

No (Please state your reason for checking 'No') ←This should be after "YES" box

Comments: Yes, Interchange as it relates to DC tie operation should be included in this Standard. Internal transfers may be exempt.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: We agree with percentages however what constitutes what a record is.. not only are records not defined but percentages levels of implemented Interchange not matching up is unacceptably high. Huge volumes of implemented interchange not matching up could still be compliant to this Standard. We also question if the burden of record keeping across the industry has been considered in demonstrating compliance.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: While the Standard does not have to dictate a specific deadline, it does have to dictate that specific deadlines be agreed to that will allow for the reliability assessment. The language should recognize that those performing the Reliability Functions have the authority to set the timing requirements necessary for the purpose of assessment of transmission service, ramping capability, etc. and also accommodate the timing for implementing the interchange once that transaction has moved to the "Implement" state. The technical discussion document seems to recognize this fact, however it is not reflected in the standard.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made, *and the IA requests and receives approvals in order to perform required validation.*

Confirmed Interchange: The state where the Interchange Authority has ~~verified~~ *validated* the Arranged Interchange and ~~is ready to~~ submits it to the Balancing Authorities.

Implemented Interchange: Question: If the BA receives notification of Confirmed Interchange from the IA and enters the information into a scheduling system one month ahead, what state is it in until the schedules run in real-time where it becomes Scheduled Interchange?

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: What is a record? Is a monthly transaction a record, or is each hour, day, week a record?

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: What is a record? Is a monthly transaction a record, or is each hour, day, week a record?

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

X No

Comments: The measurements imply that out of thousands of transactions, the participant can be judged Level 4 non-compliant if it misses one transaction.

We disagree with the Regional exemption, as a BA, ERCOT should interface with the IA

14. Do you agree with the proposed compliance monitoring process in section 403?

X Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

X No

Comments: The measurements imply that out of thousands of transactions, the participant can be judged Level 4 non-compliant if it misses one transaction.

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

X No

Comments: The measurements imply that out of thousands of transactions, the IA can be judged Level 4 non-compliant if it misses one transaction.

We disagree with the Regional exemption, as a BA, ERCOT should interface with the IA

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: The measurements imply that out of thousands of transactions, the IA can be judged Level 4 non-compliant if it misses one transaction.

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: The Standard should recognize that the Net Scheduled Interchange for the IA must balance to zero, even if multiple BAs are involved along the path for proper delivery of losses - the Implemented Interchange in that example would not be equal and opposite between the two BAs. The Standard should capture loss provision in the coordination required of the IA and the BAs along the "path".

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: Including the treatment of losses

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: With regard to the BA: there has to be an audit trail to reflect which entity failed to perform its required operation. If the IA is to ensure the implementation of interchange, that acknowledgement is necessary.

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

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SAR Commenter Information (For comment from individual entities)

Name	Ed Riley
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Key to Industry Segment #'s:

- 1 – Trans. Owners
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1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: We believe that the standard should include the reliability-focused obligations of the PSE's as stated on Page Five of the SAR.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: What about interchange on the DC ties to the Eastern Interconnection? I believe that these are transfers across BA boundaries.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: I believe that this standard is short on detail that is considered essential to the day-to-day operation in the Western Interconnection. If that detail is not in the next version, I would expect that WECC will identify some regional differences.

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: I agree that the percentage sanction philosophy is appropriate. I believe that the performance levels should be adjusted such that there is a tighter measure of non-compliance.

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: We agree that the standard does not need to set specific timing, however it should not be construed to preclude individual entities, regions, or interconnections from setting specific timing requirements for their transactions to match their tariffs or for reliability reasons.

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed

Interchange into its area control error equation.

Suggested Changes:

Interchange: An energy transfer between a source BA and a sink BA that may cross other BA boundaries.

Arranged Interchange: An energy transfer between source and sink BAs where all requirements have been met that are necessary to submit the interchange request to the Interchange Authority.

Confirmed Interchange: An energy transfer that has been verified by the IA to meet all requirements for submittal to the source and sink BAs.

Implemented Interchange: An energy transaction where the source and sink Balancing Authorities enter the Confirmed Interchange into their area control error equations and ramp generation in equal amounts and opposite directions to effect delivery of the energy.

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: The evidence should include all transactions (dynamics etc.), whether or not they specifically feed into the ACE calculation.

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: This standard impacts the WECC RMS program (which is filed with FERC and other appropriate regulatory organizations), and there may need to be a regional difference on measuring non-compliance and sanctions. This response applies to 401 through 404.

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: See # 8

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments: See # 8

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments: See # 8

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments: See # 8

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments: See # 8

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments: See # 8

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments: See # 8

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: Additional language may be required that better explains the inclusion of emergency procedures.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. Exchanges across DC ties, psuedo ties, and dynamic exchanges should be specifically included in this standard.
2. There should be a requirement for adjacent BAs to perform pre-operating hour checkouts.
3. The standard should not go into effect until the industry has had a transition period and it has been field-tested.
4. The standard should include all requirements identified in the SAR. These requirements must be in sufficient detail such that the standard is a stand alone document. The reference document should only contain supporting information and examples.

RELIANT'S COMMENTS on NERC COORDINATE INTERCHANGE STANDARD

Reliant proposes that any ballot by the NERC RBB on the CI Standard not be taken until such time NERC-NAESB coordination on standards transition is in place.

Reliant is concerned that the CI Standard in its proposed form falls significantly short of what industry needs to operate reliable systems and conduct business in markets. Though Reliant understands it is not within NERC's purview to develop business practices, the reality is that there may be severe impacts to the standards development process if the NERC CI Standard is approved absent an industry understanding of its inter-relationship with the NAESB CI Business Standard. This is particularly important for the NERC CI Standard because of the drafting team's reliance on the NERC Functional Model White Paper, to guide in the definition of responsibilities of the functional areas to the NERC CI Standard. The Functional Model is focused on the needs for reliable operations, but assumes market designs and functions which may not be best suited for the industry in the near future. It is important to note that the Functional Model White Paper is a NERC Board approved document and not a result of the consensus stakeholder process of NAESB, tasked to develop business practices for the industry.

NERC explains that the new NERC Reliability Standards will rely on other documents not a part of the mandatory standard. The manual states that, "These documents may explain or facilitate implementation of standards but do not themselves contain mandatory requirements subject to compliance review."

Reliant understands this reference as requiring documents, such as the NAESB CI Business Practices (in development today) as one such document which the industry will rely upon.

The difficulty that will be imposed on the industry by approving the NERC CI Standard before the NAESB CI Business Practices are ready is that when the NAESB development of the CI Business Practices gets more detailed, any changes that may be needed to reflect the market designs subsumed within the Business Practices, particularly in relationships and responsibilities between the various functional entities, will require NERC to undergo the entire SAR-Std process again for the same standard. This will delay implementation of the reliability standard and impose additional burden on the industry to re-do the NERC CI Standard.

Charles Yeung
Director Business Practices
Reliant Energy

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SAR Commenter Information (For comment from individual entities)

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- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: *ISO-NE believes there should be more detail written into the actual Standard as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an entity desires to transfer energy..." one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.*

The condensed format and transition from 12 sub-items of the SAR to 4 sub-standards/requirements is a good step.

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

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Yes (Please state your reason for not supporting the ERCOT difference)

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Comments: *ISO-NE understands that ERCOT does not operate any synchronous ties with either the Eastern or Western Interconnections, however we are concerned how transfers over DC ties will be coordinated even when they are modeled as a generator or load and not in the ACE equation. Effectively*

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3. Are you aware of any other Regional differences that should be included in this standard?

Yes

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Comments:

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: *ISO-NE believes this would be a more fair process. However, please also see the statement in Comment Form Question #23 response regarding our continued opposition to monetary sanctions.*

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Yes

No

Comments: *ISO-NE doesn't believe setting standard timing is a practical expectation. This could have Market implications and potentially restrict flexibility for two adjacent Markets to agree to a more conducive timing schedule.*

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7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments: *Consistency with our position that DC Inter Area Ties should be treated as Interchange. Measurements – b.1 "Evidence must include all the transactions not just those in the ACE equation...", (include all DC tie flows)*

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments: *Although ISO-NE believes that audits are desirable for demonstrating compliance, we are concerned that the potential exists for excessive audits.*

9. Do you agree with the proposed levels of noncompliance in section 401?

- Yes
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Comments: *For the purposes of bringing more clarity; ISO-NE proposes that as per “requirements” and “measurements” of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to “.....confirm that implemented Interchange matches corresponding “Confirmed Interchange submitted by the Interchange Authority”*

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 No

Comments: *ISO-NE suggests the following wording (b) vii, “Each Reliability Authority, Balancing Area, and Transmission Service Provider has been notified and provided approval or denial.*

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- Yes
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- Yes
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Comments:

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Comments:

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No

Comments:

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Comments:

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Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

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No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments: *ISO-NE believes the issue of losses may appropriately be handled by mutual agreements or methodologies established between the BA's and the IA's.*

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: *Standardized coordination modes and/or guidelines need to be defined or referred to within the standards to adequately address the reliability requirements.*

ISO-NE believes more clarity is needed in defining what the Emergency procedures are in the Standard. Again, the Reference Document seems to hold these important details yet they are not clearly part of the Standard.

Perhaps this needs to be addressed and coordinated with Standard 1000 Prepare for and Respond to Abnormal and Emergency Conditions.

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: *ISO-NE understands this has been omitted due to its redundancy, however the Standard should clarify this and why.*

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: *There is an outstanding issue with the inclusion of a monetary sanction matrix and what its implications are. ISO-NE has previously expressed concerns over its inclusion and maintains that the use of market mechanisms, where possible as well as letters of increasing degrees of severity and notifications to regulatory agencies are more effective in ensuring compliance to reliability criteria and standards. Failure of NERC to gain authority through reliability legislation could result in NERC pursuing actions to implement "Plan B," a "voluntary" approach affording NERC the authority to perform these types of monetary sanctions. ISO-NE has also indicated that any posted Standard, with the included matrix, may not be supported. There are, however, proceedings at NERC by the Compliance Certification Committee (CCC) to address alternative sanction proposals and ISO-NE will continue to work to oppose monetary sanctions.*

ISO-NE recommends a more logical order to the Standard, (i.e., chronological sequence); "Implementation of Interchange" should be last, not first.

ISO-NE does not believe multiple IA's within a RA is a workable solution, furthermore, we feel that there may be a need for an Interconnection-wide IA for oversight.

Effective Period – "The effective date upon the approval of the NERC Board of Trustees" is not a practical implementation. There needs to be a reasonable transition period built in, to allow Areas to make any necessary changes to achieve compliance.

ISO-NE believes all requirements must be documented and detailed in the Standard itself, not in the Reference Document. Any Reference Documents associated with a Standard should be used strictly as a training tool; the Standard should be a “stand-alone” document and be self-explanatory.

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

Note – This form is to be used to comment on version 1 of the Coordinate Interchange Standard.

Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

Name

Organization

Industry Segment #

Telephone

E-mail

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

SAR Commenter Information (For Industry Groups Submitting Group Comments)		
Name of Group: CP9, NPCC Reliability Standards Working Group	Group Representative: Guy V. Zito Representative Phone: 212-840-1070 Representative Email: gzito@npcc.org	
List of Group Participants that support these Comments:		
Name	Company	Industry Segment #
<i>Michael Schiavone</i>	<i>National Grid USA</i>	<i>1</i>
<i>Roger Champagne</i>	<i>Hydro-Quebec TransEnergie</i>	<i>1</i>
<i>Ralph Rufrano</i>	<i>New York Power Authority (NYPA)</i>	<i>1</i>
<i>David Little</i>	<i>Nova Scotia Power Inc. (Representing the Maritimes Area of Canada)</i>	<i>1</i>
<i>Brian Hogue</i>	<i>Northeast Power Coordinating Council(NPCC)</i>	<i>1</i>
<i>Kathleen Goodman</i>	<i>ISO-New England (ISO-NE)</i>	<i>2</i>
<i>Barry Gee</i>	<i>National Grid USA</i>	<i>1</i>
<i>Dan Stosick</i>	<i>ISO-New England (ISO-NE)</i>	<i>2</i>
<i>Peter Harris</i>	<i>ISO-New England (ISO-NE)</i>	<i>2</i>
<i>Greg Campoli</i>	<i>New York ISO (NYISO)</i>	<i>2</i>
<i>Al Adamson</i>	<i>New York State Reliability Council (NYSRC)</i>	<i>2</i>
<i>Guy Zito</i>	<i>Northeast Power Coordinating Council(NPCC)</i>	<i>2</i>
<i>John Mosier</i>	<i>Northeast Power Coordinating Council(NPCC)</i>	<i>2</i>

Background Information:

To understand the Standard Drafting Team's philosophy used to create the standard, refer to the Coordinate Interchange Standard Reference Document. The document discusses the following topics:

- Introduction
- Relationship to the SAR
- Relationship to the Functional Model
- Terminology
- Timing
- Dynamic Transfers
- DC Ties
- Settlement of Losses
- Interchange Changes
- Appendix A — SAR and Draft Standard Requirement Comparison
- Appendix B — Life Cycle Stages of Interchange
- Appendix C — Functional Model Technical Document — Losses

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

- Yes
 No

Comments: *Listed, supporting, group participants of NPCC feel there should be more detail written into the actual Standard as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an entity desires to transfer energy..." one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.*

The condensed format and transition from 12 sub-items of the SAR to 4 sub-standards/requirements is a good step.

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This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

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SAR Commenter Information (For comment from individual entities)

Name	Theodore G. Pappas
Organization (NYSRC)	New York State Reliability Council
Industry Segment # 2	
Telephone	516.545.4011
E-mail	tpappas@keyspanenergy.com

Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
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- 9 - Federal, State, and Provincial Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments: *We feel there should be more detail written into the actual Standard, as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an entity desires to transfer energy..." one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.*

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3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments: The NYSRC Reliability Rules are not inconsistent with or less stringent than the proposed NERC Standard, and the NYSRC has elected not to propose that NYSRC Reliability Rules be made part of this Reliability Standard.

4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments: *In this way, it would be considered as a more fair process. Please also see our statement in Comment Form Question #23 response regarding our continued opposition to monetary sanctions.*

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Yes

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Comments: *We don't believe setting standard timing is a practical expectation. This could have Market implications and potentially restrict flexibility for two adjacent Markets to agree to a more conducive timing schedule.*

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Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: ***The New York State Reliability Council (NYSRC) agrees with the definition above.***

Arranged Interchange: ***The NYSRC agrees with the definition above.***

Confirmed Interchange: ***The NYSRC suggests the following wording: "The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to all Balancing Authorities including intermediate BAs."***

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Yes

No

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Yes

No

Comments: ***Although NYSRC feels audits are desirable for demonstrating compliance, we are concerned that the potential exists for excessive audits.***

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments: *For the purposes of bringing more clarity, we propose that, as per "requirements" and "measurements" of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to ".....confirm that implemented Interchange matches corresponding "Confirmed Interchange submitted by the Interchange Authority".*

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Yes

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Comments: *Although the NYSRC feels audits are desirable for demonstrating compliance, we have concerns that the potential exists for excessive audits.*

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Comments: *The issue of losses may appropriately be handled by mutual agreements or methodologies established between the BA's and the IA's.*

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No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments: *Standardized coordination modes and/or guidelines need to be defined or referred to within the standards to adequately address the reliability requirements.*

The NYSRC feels more clarity is needed in defining what the Emergency procedures are in the Standard. Again, the Reference Document seems to hold these important details, yet they are not clearly a part of the Standard.

Perhaps this needs to be addressed and coordinated with Standard 1000, "Prepare for and Respond to Abnormal and Emergency Conditions".

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments: *We understand this has been omitted due to its redundancy, however, the Standard should clarify this and why.*

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments:

1. The NYSRC is opposed to monetary sanctions as the only option for dealing with noncompliance as applied in this and other proposed NERC Standards. Unfortunately, direct monetary sanctions invite "gaming the system", and encourage "business" decisions based on potential profits or savings versus potential penalties. Instead of monetary sanctions, the NYSRC prefers that NERC have the authority to issue letters of increasing degrees of severity to communicate noncompliance of mandatory standards. The NYSRC and NPCC now rely on a more stringent and mandatory process than monetary sanctions to assure compliance with reliability standards. Compliance is now mandatory through the contractual agreements and tariffs that all participants need in order to conduct business. The use by the NYSRC and NPCC of letters to regulatory agencies and other oversight bodies for reporting noncompliance has demonstrated that letter sanctions are a more effective tool for ensuring adherence to standards. Such letters establish the basis for liability in the event of a subsequent criterion violation, and in the case of market participant noncompliance, threaten the violator's ability to do business with or through an ISO or RTO. Moreover, letters that communicate noncompliance best allow focus on the "root cause" of a violation, as well as its reliability impact.

Therefore, the NYSRC recommends that this and other NERC Standards expressly provide that letter sanctions be used in addition to or instead of monetary sanctions under circumstances in which they would be an equally or more effective enforcement mechanism.

2. The NYSRC recommends a more logical order to the Standard (i.e., chronological sequence); "Implementation of Interchange" should be last, not first.

3. The NYSRC does not feel multiple IA's within a RA is a workable solution; furthermore, we feel that there may be a need for an interconnection-wide IA for oversight.

4. Effective Period – "The effective date upon the approval of the NERC Board of Trustees" is not a practical implementation. There needs to have a reasonable transition period built in to allow Areas to make any necessary changes to achieve compliance.

5. We believe all requirements must be documented and detailed in the Standard itself, not in the Reference Document. Any Reference Documents associated with a Standard should be used strictly as a training tool; the Standard should be a "stand-alone" document and be self-explanatory.

Comment Form — 1st Posting of the draft 'Coordinate Interchange' Standard

Note – This form is to be used to comment on version 1 of the Coordinate Interchange Standard.

Comments will be accepted from December 15, 2003 — February 12, 2004.

Please review the draft standard and answer the questions in the yellow boxes. Send completed comment forms to sarcomm@nerc.com

If you have questions, please call Tim Gallagher at 609-452-8060 or send a question to tim.gallagher@nerc.net

SAR Commenter Information (For comment from individual entities)

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Key to Industry Segment #'s:

- 1 – Trans. Owners
- 2 – RTO's, ISO's, RRC's
- 3 – LSE's
- 4 – TDU's
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial
Regulatory or other Govt. Entities

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?

Yes

No

Comments:

2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.

This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.

The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:

“Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.”

Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?

Yes (Please state your reason for not supporting the ERCOT difference)

No

Comments: ERCOT's DC Tie transactions are not part of the ACE equation.

3. Are you aware of any other Regional differences that should be included in this standard?

Yes

No

Comments:

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.

Yes

No

Comments:

5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).

Interchange: Energy transfers that cross Balancing Authority boundaries.

Arranged Interchange: The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

Confirmed Interchange: The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

Implemented Interchange: The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange:

Arranged Interchange:

Confirmed Interchange:

Implemented Interchange:

7. Do you agree with the proposed requirements and measurements in section 401?

Yes

No

Comments:

8. Do you agree with the proposed compliance monitoring process in section 401?

Yes

No

Comments:

9. Do you agree with the proposed levels of noncompliance in section 401?

Yes

No

Comments:

10. Do you agree with the proposed requirements and measurements in section 402?

Yes

No

Comments:

11. Do you agree with the proposed compliance monitoring process in section 402?

Yes

No

Comments:

12. Do you agree with the proposed levels of noncompliance in section 402?

Yes

No

Comments:

13. Do you agree with the proposed requirements and measurements in section 403?

Yes

No

Comments:

14. Do you agree with the proposed compliance monitoring process in section 403?

Yes

No

Comments:

15. Do you agree with the proposed levels of noncompliance in section 403?

Yes

No

Comments:

16. Do you agree with the proposed requirements and measurements in section 404?

Yes

No

Comments:

17. Do you agree with the proposed compliance monitoring process in section 404?

Yes

No

Comments:

18. Do you agree with the proposed levels of noncompliance in section 404?

Yes

No

Comments:

19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).

Yes

No

Comments:

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.

Yes

No

Comments:

22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?

Yes

No

Comments:

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.

Comments: