

Comments from the Bonneville Power Administration, Power Business Line (BPA PBL) to the NAESB Recommendation R03013 (Coordinate Interchange Business Practices) are attached.

The BPA PBL appreciates the opportunity to comment on the NAESB CIBPS. Comments on the following items are italicized, underlined and in red within the original documents.

RFI Standard 1.0
RFI Standard 1.1
RFI Standard 1.12
RFI Standard 9.1
RFI Standard 9.2 (Added)
RFI Standard 12.0
RFI Standard 13.0
RFI Standard 14.0

RFI Submission and Response Timetable subsection B. Western
Interconnection - New Transactions RFI Submission and Response
Timetable subsection D. Interchange Transactions Modifications

RFI Datasheet 1.1.1.2.
RFI Datasheet 1.1.1.4. (Added)



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: NAESB Members of the Joint Interface
Committee
Request No.: R03013
Request Title: Coordinate Interchange Business Practices

1. RECOMMENDED ACTION:

☒ Accept as requested
☐ Accept as modified below
☐ Decline

EFFECT OF EC VOTE TO ACCEPT

RECOMMENDED ACTION:

☒ Change to Existing Practice
☐ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

☒ Initiation
☐ Modification
☐ Interpretation
☐ Withdrawal

☐ Principle
☐ Definition
☒ Business Practice Standard
☐ Document
☐ Data Element
☐ Code Value
☐ X12 Implementation Guide
☐ Business Process Documentation

Per Recommendation:

☒ Initiation
☐ Modification
☐ Interpretation
☐ Withdrawal

☐ Principle
☐ Definition
☒ Business Practice Standard
☐ Document
☐ Data Element
☐ Code Value
☐ X12 Implementation Guide
☐ Business Process Documentation

3. RECOMMENDATION

SUMMARY:

Accept as requested Business Practices that are consistent with the current version of NERC Policy 3, will complement NERC compliance templates associated with Policy 3, and will ultimately facilitate the implementation of the NERC Coordinate Interchange Reliability Standard currently under development as part of the NERC Standards process.



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RECOMMENDED STANDARDS:

NAESB Coordinate Interchange Business Practice Standard
(Request For Interchange, RFI)

Background:

In light of the continuing restructuring of the Electric industry, and FERC's rulemakings to ensure open and non-discriminatory access to the nation's transmission systems, NERC is developing Reliability Standards to replace current Operating Policies and Procedures. A request for the development of a NAESB Business Practice Standard representing the Business Practices in Policy 3 and complementing NERC's Coordinate Interchange Standard was submitted in June, 2003. This Standard was approved by the Joint Interface Committee (JIC) representatives from NERC, NAESB, and RTO/ISO and assigned to NAESB for development.

The Standard is being developed using the Functional Model as a basis for defining the "Functions" necessary for Bulk Electric System reliability but also facilitates the existing NERC Operating Policies for "Control Areas".

Introduction:

This Standard is being developed to identify market-supported processes to facilitate fair & "equitable" competitive interchange practices. This standard will provide the necessary data and arrangements to the Interchange Authority and all involved parties of the Request for Interchange (RFI) for an Interchange Transaction to take place between Sink and Source Balancing Authorities (BA). This standard is designed to implement the flow of data and approval mechanisms to facilitate Interchange. It is not intended to supercede existing tagging protocols, but rather will facilitate both existing ETAG or any replacement protocols needed to implement the functional model. It should be understood this Standard covers the front-end business arrangements and requirements for an Interchange Transaction to take place. Upon receiving all approvals from the Approval Entities, the IA will utilize appropriate NERC policies or standards to transition the Arranged Interchange to a Confirmed Interchange and finally the implementation of the Confirmed Interchange.

Definitions

RFI Standard 1.0 For the purposes of this Standard, the following definitions shall be applied:

The BPA PBL agrees with the WECC's request for NAESB "to ensure that the NERC and NAESB Standard definitions are the same".

RFI Standard 1.1 Approval Entities – Those entities responsible for providing approvals or denials to an Arranged Interchange. **An Approval Entity should be responsible for any action taken, be that active/passive, or approval/denial.**

Deleted: active



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RFI Standard 1.2 Arranged Interchange – The state where completed and required information from the business arrangements are provided to and received by the Interchange Authority.

RFI Standard 1.3 Balancing Authority (BA) – The entity which performs the Balancing Function as defined by NERC. Until such time as the Balancing Authority becomes a certified Function under the NERC Functional Model, these duties shall be performed by the respective Control Area.

RFI Standard 1.4 Confirmed Interchange - The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

RFI Standard 1.5 Implemented Interchange- The state where the Balancing Authority enters the Confirmed Interchange into its area control error (ACE) equation.

RFI Standard 1.6 Implemented Interchange Block Accounting – Energy accounting that assumes a beginning and ending ramp time of zero minutes. For accounting purposes, this moves the energy associated with the starting and ending ramps into the adjacent starting and ending clock time of the Interchange.

RFI Standard 1.7 Interchange Authority (IA) – The entity which performs the Interchange Function as defined by NERC. Until such time as the Interchange Authority becomes a certified Function under the NERC Functional Model, these duties shall be performed by the respective Tagging Authority for the sink Control Area for the requested Interchange.

RFI Standard 1.8 Interchange Transaction – A transaction representing the delivery of energy from a generator located within a Point of Receipt (POR) BA to a load located within a Point of Delivery (POD) BA.

RFI Standard 1.9 Market Adjustment – A desired modification to the energy and/or transmission profile during the Confirmed Interchange period.

RFI Standard 1.10 Market Period – The period of time when a Requesting PSE is making purchase, sale, and Transmission service arrangements needed to support a RFI.

RFI Standard 1.11 Point of Delivery BA – The Balancing Authority responsible for monitoring and/or controlling the load identified as the sink of an Interchange Transaction.

RFI Standard 1.12 Point of Receipt BA – The Balancing Authority responsible for monitoring and/or controlling the generation identified as the source of an Interchange Transaction. **The BPA PBL agrees with the WECC and would suggest using Source BA and Sink BA as terms rather than POR/POD BA's in order to avoid confusion between transmission points and generation/load locations.**



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RFI Standard 1.13 Reliability Authority- The entity which performs the Reliability Authority functions as defined by NERC. Until such time as the Reliability Authority becomes a certified Function under the NERC Functional Model, these duties shall be performed by the respective appropriate reliability entity.

RFI Standard 1.14 Reliability Period – The segment of time from when the IA has received the RFI from the requesting PSE to physical implementation (beginning of ramp time).

RFI Standard 1.15 Request For Interchange, RFI- Process of providing required data as defined in the NAESB RFI Datasheet to the IA for the purpose of implementing a bilateral Interchange Transaction.

RFI Standard 1.16 Requesting PSE – The PSE submitting the Request For Interchange (RFI). Under current policy this entity would be called the “Tag Author”.

RFI Standard 1.17 Transaction Correction – Modifications to non-reliability data of a Request For Interchange (RFI) while in the Arranged Interchange period. This non-reliability data is located in the NAESB RFI Datasheet and is labeled as “correctable”.

RFI Standard 1.18 Transmission Service Provider- Approves or denies transmission service requests from PSEs, Generator Owners, and LSEs. This entity also administers the transmission tariff and provides transmission service agreements.

Business Practices

RFI Standard 2.0 All requests to implement an Interchange Transaction shall be accomplished by the submission of a completed “Request For Interchange”, RFI, to the Interchange Authority (IA). Upon receipt of the RFI, the IA shall immediately forward the RFI to all involved parties of the RFI.

RFI Standard 2.1 All energy purchase, energy sale, and Transmission service arrangements necessary to implement the completed RFI shall be performed during the Market Period.

RFI Standard 2.2 Until such time as other protocols are established by NERC and/or NAESB, submission of the completed RFI shall be in accordance with NERC Policy 3 Appendix 3A4.

RFI Standard 3.0 While any Purchasing Selling Entity (PSE) may act as the “Requesting PSE”, it shall be the responsibility of the load serving Purchasing-Selling-Entity (PSE), or their designee, to ensure that the completed RFI has been submitted to the IA.



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RFI Standard 4.0 A completed RFI shall contain, at a minimum, the required information specified in the most current version of the **NAESB RFI Datasheet** (attached).

RFI Standard 5.0 On behalf of the Requesting PSE, the IA shall verify approvals from all involved Approval Entities (e.g. TSP-for transmission reservations, BA-for ramping start/end times and rate, RA-reliability analysis, Generator/Load PSE) prior to being confirmed and implemented in accordance with the NERC Coordinate Interchange Standard.

RFI Standard 5.1 The Requesting PSE shall submit required RFI information and data in accordance with the timing requirements of the most current version of the **NAESB RFI Submission and Response Timetable** (attached).

RFI Standard 5.2 Until such time as other protocols are established by NERC and/or NAESB, timing requirements for the submission and approval of the completed RFI shall be in accordance with NERC Policy 3 Appendix 3A1.

RFI Standard 6.0 All requests for approval/validation of the completed RFI by the IA during the Arranged Interchange Period shall be assessed in accordance with the timing requirements of the most current version of the **NAESB RFI Submission and Response Timetable**. The results of that assessment shall be promptly communicated by the IA back to all involved parties.

RFI Standard 6.1 Any denial of a RFI request by any Approval Entity shall be communicated to the IA and Requesting PSE and accompanied by the reason for such denial.

RFI Standard 7.0 The IA shall be responsible for communicating changes on the status of the RFI to all involved parties of the RFI, including BAs, IAs, RAs, counterparty PSE (Generator or Load Serving), and the TSPs, and the PSEs holding the associated transmission rights necessary to support the transaction.

RFI Standard 8.0 The primary method for submitting a RFI to the IA shall be by electronic means using protocols to be determined by NAESB.

RFI Standard 8.1 A backup or redundant electronic system shall be available for immediate use should the primary electronic means become disabled.

RFI Standard 8.2 Submitting a RFI to the IA via facsimile is acceptable only as a last resort when the electronic means and its required backup or redundant system are not available.

RFI Standard 8.3 Until such time as NERC and/or NAESB establish replacement protocols, the preferred method of submitting data to the IA shall be the most current version of the NERC E-Tag Specifications.



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RFI Standard 9.0 The PSE who created the RFI shall be allowed to submit a Transaction correction to the RFI during the Arranged Interchange Period in accordance with the **NAESB RFI Submission and Response Timetable**.

RFI Standard 9.1 Market adjustments made during the Confirmed Interchange Period by the PSE must be submitted to the IA who immediately communicates the revised request to all involved parties of the RFI. Timing of the approval assessment on the market adjustment by the Approval Entities shall be in accordance with the **NAESB RFI Submission and Response Timetable**. If denied by any Approval Entity, the original request remains valid. *The BPA PBL does not recognize a need for separate timelines for new transactions, corrections or modification within the Western Interconnect. BPA PBL recommends stream lining the timing requirements into one table in order to avoid confusion. (see RFI Submission and Response Timetable subsection D).*

RFI Standard 9.2 The BPA PBL agrees with the WECC in adding an RFI Standard 9.2 "Curtailment Requests for reliability reasons are not to be denied. Further language that accommodates reliability curtailments may need to be added to this standard"

RFI Standard 10.0 Each PSE submitting a RFI for an Interchange Transaction shall have, or arrange to have, personnel on site and immediately available 24 x 7 for notification of Interchange Transaction changes.

RFI Standard 10.1 These personnel shall be available from the beginning of the Market Period until the end of the Implementation Period.

RFI Standard 11.0 Energy accounting for all RFIs shall be accomplished via Implemented Interchange Block Accounting.

RFI Standard 12.0 Settlement of losses shall be either handled as financial or as payment in-kind, *or as defined in a FERC approved Tariff.*

RFI Standard 12.1 For losses handled as payment in-kind, the PSE shall communicate to the IA the mw losses and the entity the losses are with for each TSP along the transaction path.

RFI Standard 12.2 All bilateral transactions are equal and opposite in direction for a source and sink BA.

RFI Standard 13.0 Ramp rates shall be standard *within* the North American Interconnections, *as stated in RFI Standard 13.1 and 13.2 for the Eastern and Western interconnects.*

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RFI Standard 13.1 Ramp rate for the Eastern Interconnection shall be 10 minutes equally across the start and end times of the Transaction unless otherwise agreed to by all parties involved in the Transaction.

RFI Standard 13.2 Ramp rate for the Western Interconnection shall be 20 minutes equally across the start and end times of the Transaction unless otherwise agreed to by all parties involved in the Transaction.

RFI Standard 14.0 For Dynamic Transfer Transactions, the requirements shall be established by NERC, **except where regional differences are approved.**
The BPA PBL agrees with the WECC's suggested language

See also Attachments:

- NAESB RFI Datasheet
- NAESB RFI Submission and Response Timetable

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Request submitted by the NAESB Members of the Joint Interface Committee requesting complementary business practice standards to support NERC's Coordinate Interchange Business Practices Standard.

b. Description of Recommendation:

WEQ Standards Review Subcommittee

On 7/10/03, the WEQ Standards Review Subcommittee established the Coordinate Interchange Business Practices Task Force, which is charged with scoping issues and developing standards pursuant to Request No. R03013 to support the Coordinate Interchange Standards being developed by NERC.

WEQ Coordinate Interchange Business Practices Task Force

On 7/29/03, the CIBPTF began its scoping work by looking at both the work of NERC's Coordinate Interchange Standard Drafting Team and current NERC Policy 3 to identify areas within the policy that have market implications. The CIBPTF completed a scoping document that was sent out for industry comment on 8/19/03.

NAESB-NERC-IRC Joint Interface Committee

On 9/18/03 the Joint Interface Committee determined through a unanimous motion to forward Request R03013 to NAESB for development.

WEQ Coordinate Interchange Business Practices Task Force

The review of NERC Policy 3 concluded at the 10/27-28/03 Joint Meeting of the NERC Interchange Subcommittee, NERC Coordinate Interchange Standards Drafting Team, and NAESB CIBPTF.



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WEQ Executive Committee

In early January 2004 the WEQ Executive Committee re-assigned the CIBP to report to the WEQ Electronic Scheduling Subcommittee, in recognition of the transition of the task force from scoping to standards drafting.

WEQ Coordinate Interchange Business Practices Task Force

On 12/02/03 a strawman standard was begun, revised on 1/21/04, and further revised on 2/12/04.

WEQ Electronic Scheduling Subcommittee

On 2/17-18/04 the ESS considered the RFI standard and unanimously adopted the following motion:

The ESS recommends to the EC the passage of the Coordinate Interchange Business Practice Standard as presented by the CIBPTF, and modified in the February 17-18, 2004 ESS meeting. The Recommended standard shall be posted for public comment until April 2, 2004 and considered at the May EC meeting. The ESS will review public comments on this proposed standard at its scheduled April 5-7 meeting and, if necessary, make recommendations to the EC regarding any modifications to the standard arising from that review.

c. Business Purpose:

The Business Practices will provide market participants with procedures for providing any necessary data for the analysis of interchange, as defined by NERC for reliability purposes, including data format and timing of data submittals.

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

The WEQ Electronic Scheduling Subcommittee found the Request For Interchange (RFI) Standard to be consistent with the current version of NERC Policy 3, will complement NERC compliance templates associated with Policy 3, and will ultimately facilitate the implementation of the NERC Coordinate Interchange Reliability Standard currently under development as part of the NERC Standards process. The Coordinate Interchange Business Practices Task Force (CIBPTF) and WEQ Electronic Scheduling Subcommittee met on the following days and to prepare the document and recommendation and all work papers may be found on the following web pages (http://naesb.org/weq/weq_cibp.asp and http://naesb.org/weq/weq_electronic_scheduling.asp):

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|------------------------|-----------------|--------|
| • July 29, 2003 | Conference Call | CIBPTF |
| • October 21, 2003 | Conference Call | CIBPTF |
| • October 27-28, 2003 | Meeting | CIBPTF |
| • December 2, 2003 | Meeting | CIBPTF |
| • January 21, 2004 | Meeting | CIBPTF |
| • February 17-18, 2004 | Meeting | ESS |