

Subj: **NAESB Coordinate Interchange Business Practice (CIBP) Scoping Document**
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From: Roman Carter
To: NAESB Office

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Rae,

Attached is a copy of the CIBP Task Force's Scoping Document outlining the need for a Coordinate Interchange Business Practice Standard. After discussing the document with Charles, we agreed that it needs to be posted to the Executive Committee and Standards Review Subcommittee list servers for comment prior to the SRS meeting in Montreal on Sept 9, 10th. If the attachments meet your approval, would you coordinate having the document posted with instructions that comments should be received by Noon on September 5th. This will allow a couple of days for me to assemble the comments for the SRS meeting for discussion.

Also attached is a "reference document" to be used as a tool to distinguish which sections of the present NERC Policy 3 are Reliability related and which are Business related. It is not part of the Scoping document but will assist anyone looking at the Scoping document.

Please call should you have any questions....

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NAESB COORDINATE INTERCHANGE BUSINESS PRACTICES TASK FORCE SCOPING DOCUMENT - DRAFT

Introduction

The NAESB Coordinate Interchange Business Practices Task Force (CIBPTF) was formed to review the proposed NERC standard entitled, “Coordinate Interchange Transactions” and to recommend whether there is a need for a companion business practice.

Purpose of the NERC Coordinate Interchange Transaction Standard

Whereas a NERC standard drafting team has just begun the process of drafting the standard, the CIBPTF is relying on the Standard Authorization Request (SAR) for insight into this standard. As such, the analysis is preliminary. Based upon the approved SAR, there are two clear purposes for the Coordinate Interchange Transactions standard:

1. Ensure that implementation of Interchange Transactions between Sink and Source Balancing Authorities is coordinated by the Interchange Authority
2. Provide a mechanism for the identification of Interchange Transactions that could be utilized for congestion management and/or the relief of operating limit violations

Actions Required Within the Standard

- Reliability related data pertaining to interchange transactions should be verified by the IA:
 - Megawatt magnitude
 - Ramp start and stop times
 - Duration of Interchange Transaction
 - Existence of mutual agreement between parties to Interchange Transaction
 - Approval of Interchange Transaction by appropriate functional authorities
- Reliability related data pertaining to interchange transaction should be communicated to certain functional authorities:
 - Interchange Authority, Balancing Authority, Reliability Authority, Transmission Service Provider, Purchasing-Selling Entity

Items for a Companion Business Practice Standard

- Form of the “mutual agreement” required between parties to an Interchange Transaction
- Method of communicating reliability data pertaining to an Interchange Transaction (including the formatting and timing of data submittals)
- Requirements for submitting all Interchange Transactions
- Communicating approval and implementing the Interchange Transactions
- Development of standard products- 16 hour and/or a shorter product.
- Procedures for proposed “Intra-hour” scheduling (with appropriate 20 minute notice)
- Consistent timeframes for submitting transaction tag and identifying path for Day-ahead
- Compliance by all Regions for a common Standard or accommodate Regional differences.
- Ability to ramp at times other than “top of the hour”
- Interchange Schedule Accounting
- Will there be a required Software for “tagging” transactions (such as OATI)

- Procedure for handling Transmission losses .
- Timeline for approval of Interchange Transaction by appropriate Functional authorities
- Procedure for handling Ancillary Services.

Note that some of these items are contained in appendices to Policy 3 that should be reviewed as well

Other Issues

NERC Policy 3 – Interchange will be deleted when the standard is implemented

- NERC Policy 3 contains both reliability related practices which should be incorporated into NERC standards and Commercial practices which don't directly impact the reliability of the power system that should be incorporated into NAESB business practices. These business practices may not necessarily be companions to the NERC standard.
- A coordinated effort between NERC and NAESB is required to prevent the unintended loss of practices currently contained in Policy 3 and its appendices.