

Scope for OWirol BP
February 25, 2004

Purpose – Business Practice for implementing procedure for complementing the NERC Operate Within IROL Standard.

IROL Interconnection needs. Should this NAESB BP provide complementary solutions for SOL? (anticipate new NERC SAR on OW-SOL).

Challenges for a BP – congestion needs to have a market value
Can bi-lateral “markets” replicate the benefits of congestion pricing in LMP markets?

RA data on congestion for the market. Need real-time info on system conditions (flowgates). NERC “FIST”, EPRI RSSD

Sec C – Interchange Transaction Curtailment Order – Table for Transmission Service Priorities, Priority 0, 1, 2, 3, 4, 5, 6, 7 , must reflect FERC Tariffs

Summary of Congestion Mgmt Levels

- 1) notify market of the IROL levels/problem
- 2) congestion market mechanism to relieve the problem
 - a. requires communication between RAs and market (technology?)
 - b. Electronic bulletin board
 - c. Operator driven market price to keep bi-lateral schedules based on real-time system conditions, or
 - d. Bids and offers to displace higher priority bi-lateral transactions (assumes same path and same PTDFs)
 - i. Based on bi-lateral schedule’s PTDF
- 3) Other market mechanisms
 - a. Redispatch
- 4) Emergency/operative action (due to resources/physical limits or price caps, time constraint)
 - a. NERC procedures/standards in effect
- 5) Restore pre-problem market transactions (if step 3 is not needed, step from 2 to 4 directly)