



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

TO: NAESB WEQ Standards Review Subcommittee (SRS) Participants and Interested Parties

FROM: Rae McQuade, Executive Director

RE: Action Items from the July 10, 2003 Standards Review Subcommittee Meeting

DATE: July 14, 2003

Dear SRS Members and Wholesale Electric Quadrant Members,

The SRS met in Colorado Springs on July 10 and several action items were identified that may need your attention:

1. If you are interested in being identified as a 'core' member of the SRS, please respond to the NAESB Office (naesb2@aol.com). If you are a 'core' member you are willing to participate in the meetings, supplying comments and work papers. You intend to attend, by phone or in person, most of the meetings. The list of meeting attendees who indicated interest in being part of the core group is located in Appendix A. The SRS seeks to have participation from all WEQ segments.
2. If you are interested in participating in the NERC drafting effort for the Coordinate Interchange Standard or Coordinate Operations Standard, the next meeting time and location for each drafting team is located in Appendix B. Additionally, the agenda for the next meeting of the NERC Coordinate Operations standards drafting team is attached.
3. If you are interested in participating in the SRS Coordinate Interchange Business Practices (CIBP) Task Force, please respond to the NAESB Office (naesb2@aol.com) or attend any task force meeting. Informational materials on the CIBP Task Force, including members identified during the July 10 meeting, revised NAESB Standards Request R03013, and notes from the July 10 SRS meeting, are located in Appendix C. The first conference call for the CIBP task force is tentatively scheduled for the week of July 27. Calling instructions will be forwarded to all interested parties after the arrangements have been finalized.
4. If you are interested in participating in the SRS Coordinate Operations Business Practices (COBP) Task Force, please respond to the NAESB Office (naesb2@aol.com) or attend any task force meeting. Informational materials on the COBP Task Force, including members identified during the July 10 meeting, revised NAESB Standards Request R03014, and notes from the July 10 SRS meeting, are located in Appendix D. The first conference call for the COBP task force is tentatively scheduled for the week of July 27. Calling instructions will be forwarded to all interested parties after the arrangements have been finalized.

We look forward to your participation in the SRS and its task forces.

Best Regards,
Rae McQuade



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Appendix A

SRS Core Group Participants Identified at the July 10 SRS Meeting



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SRS Core Group Participants

Name	Organization	Segment	Sub-segment
Alan Johnson	Mirant	Marketer/Broker	Non-IOU
Barry Green	Ontario Power Generation	Generator	Merchant
Roman Carter	Southern Company	Generator	IOU
Mark Fidrych	WAPA	Transmission	Not Provided
Jeff Mueller	PSEG	Transmission	IOU



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Appendix B

Participating in the NERC Process on the Coordinate Interchange Standard
and Coordinate Operations Standard



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Coordinate Interchange Standard:

The standards drafting team has been identified for the Coordinate Interchange SAR.

The next meeting of the standards drafting team will be August 13-14, 2003 in Princeton, NJ. The agenda for this meeting is not currently available on the NERC web site.

Coordinate Operations Standard:

The standards drafting team has been identified for the Coordinate Operations SAR.

The next meeting of the standards drafting team will be July 23-24, 2003 in Cleveland, OH. The agenda for this meeting is attached.

Meeting arrangements for NERC meetings, including contact and registration information, are located on the NERC website at <http://www.nerc.net/meetings/default.asp>.



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Coordinate Operations Standard Drafting Team

July 23–24, 2003
Hyatt Regency Cleveland at The Arcade
Cleveland, OH

Agenda

July 23, 2003

- 8:00–8:15 a.m. Welcome, introductions, review of administrative items¹
- Elect a Chair for the Team (note that Steve McCoy volunteered for this position and was assigned by the SAC to serve as the interim Chair, subject to the approval of this Standards Drafting Team)
- 8:15–9:00 a.m. Review documents distributed to SDT & PPT presentation
- 9:00–10:00 a.m. Draft requirements and measures for the following:
- Develop, Maintain and Share Operating Procedures
 - Operating procedures that address identified potential operating scenarios that may impact neighbor RA's or the Interconnection shall be developed, and distributed to all entities that are expected to take action or that may be impacted as a result of this procedure.
- 10:00–10:15 a.m. Break (coffee and soft drinks)
- 10:15–12:00 p.m. Draft requirements and measures for the following:
- Analyze Maintenance Outages (real time to 12 months ahead)
 - Analyze the impact of generation outages from a reliability perspective
 - Analyze the impact of transmission outages from a reliability perspective
 - Coordinate Reliability Analyses (Generator Resources and Transmission Facilities) (For current and next day and for its impact on other systems)
 - The RA shall coordinate the development of its reliability analyses with other RAs. These analyses shall consider known generation and

¹ NERC provides coffee and tea in the meeting room a half hour before the start of the meeting, lunch at noon, and an assortment of soft drinks, coffee and tea mid-afternoon. Breakfast and afternoon snacks are not provided.

Coordinate Operations Standard Drafting Team — Meeting Agenda

- transmission outages.
 - The RA shall share the results of its system analyses, when conditions² warrant, with other RA's, and other involved entities (or upon request, subject to the FERC Code of Conduct and other Confidentiality Agreements)
- 12:00–1:00 p.m. Lunch
- 1:00–3:00 p.m. Draft requirements and measures for the following:
- Communicate with other impacted RAs to share information:
 - The RA shall communicate with other impacted RAs whenever there is a known potential or actual condition that may adversely affect another RA's Area, such as:
 - A generator or transmission outage will impact another RA
 - Outages of information technology (IT) systems (telemetry, communications, and/or control equipment or other information systems) prevent an RA from performing a reliability analysis of its RA Area or impact the ability of one RA to receive/send data or voice communications to another RA
 - Results of analyses or real-time conditions indicate potential or actual reliability problems
 - Physical or cyber attacks have been threatened or have occurred
- 3:00–3:15 p.m. Break
- 3:15–5:00 p.m. Draft requirements and measures for the following:
- Communicate with other impacted RAs to identify, agree upon, and act or direct others to act to implement solutions to prevent/resolve impending/actual operating problems such as:
 - When interconnection -wide transmission reliability preservation procedures need to be implemented
 - When a reliability problem occurs that requires the initiation/coordination of Operating Procedures or the development of new or temporary procedures.
 - When interconnection frequency is exceeding interconnection frequency limits
 - For prioritization of transmission outages
 - For prioritization of IT outages
 - The standard shall address appropriate actions when RAs cannot agree upon a solution for an impending or actual problem.
- 5:00 p.m. Adjourn

July 24, 2003

- 8:00–8:15 a.m. Welcome and review progress made on July 23
- 8:15–10:00 a.m. Draft compliance elements for standard

² The conditions referenced are those that, if left unattended, could cause instability, uncontrolled separation or cascading outages that adversely impact the reliability of the interconnected bulk transmission system.

Coordinate Operations Standard Drafting Team — Meeting Agenda

- 10:00–10:15 a.m. Break
- 10:15–11:30 a.m. Draft compliance elements for standard
- 11:30–12:00 p.m. Identify the need for supporting documents
Review draft against, “Is your Standard ready to post?”
Identify action items and schedule needed to post 1st draft of standard on September 1
Schedule next meeting
- 12:00 p.m. Adjourn



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Appendix C

Coordinate Interchange Business Practices (CIBP) Task Force Informational Materials



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Coordinate Interchange Business Practices Task Force Members¹

Name	Organization	Segment	Sub-segment
Alan Johnson	Mirant	Marketer/Broker	Non-IOU
Barry Green	Ontario Power Generation	Generator	Merchant
Roman Carter	Southern Company	Generator	IOU
Victor Bissonnette	Hydro-Quebec Transenergie	Transmission	Fed/State/Prov
Narinder Saini	Entergy	Not Provided	Not Provided

¹ Identified during the July 10 SRS meeting.



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Coordinate Interchange Business Practices (CIBP)

NAESB Standards Request #R03013

Notes from SRS Meeting of

July 10, 2003

Colorado Springs, CO

The NERC Coordinate Interchange Standard addresses:

Reliability needs

Applicable for Inter-BA transactions. Coordinate Interchange Standard requirements apply ONLY between the Interchange Authority and the Balancing Authority (per the NERC Functional Model).

NERC SAR requirements:

1. MW magnitude
2. Ramp start and stop times
3. Interchange transaction duration
4. Sufficient info for all approval entities

NERC does not include the "how" the above data is communicated.

The NAESB Coordinate Interchange Business Standard(s) should include:

Commercial Needs

- Responsible Party for submitting data, Who needs to receive the data?
- Data Format
- Timing requirements of data
 - o Submittals
 - o Adjustments
 - o Approvals
 - o On and off peak requirements needed?

Concerns to be addressed by the NAESB CIBP Task Force

- Are these requirements in addition to existing tag info (per NERC Policy 3)?
- Will these requirements be like NERC Policy 3 or more for future Electronic Scheduling OASIS II?
- What about Regional Market requirements vs. interconnection wide requirements?
- What should be the appropriate scope of the CIBP standard (who does it affect per the NERC Functional Model)?
- Which requirements should be global/universal and which ones should be more market/region driven?
- What about Seams issues? Re: ESC use cases. Should these be considered or included (whole or in part) in the NAESB standard to complement NERC Coordinate Interchange?

SRS "**Suggested**" Directions to the CIBP Task Force

- Priority of NAESB standard drafting - should be to complement NERC Standard interchange between BAs.



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- Ensure commerce is not negatively impacted (by implementation of new NERC Standard).
- Intra-BA, intra-market seams issues could be affected but these are secondary concerns.
- Restrict from addressing internal market timing issues.
- Products/type of interchange affects data and timing requirements. CIBP should investigate whether it should be product driven or not? (e.g. - reserve sharing "transactions")

CIBP Task Force Members (initial)

Roman Carter (Southern Company Generation)

Alan Johnson (Mirant Americas)

Narinder K. Saini (Entergy Services Inc.)

Ontario Power Generation (name to be provided by Barry Green)

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03013

North American Energy Standards Board

**Request for Initiation of a NAESB Standard for Business Transactions
or
Enhancement of an Existing NAESB Standard for Business Transactions**

Instructions:

- 1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

- 2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

- 3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067**

by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03013

Coordinate Interchange Business Practices

North American Energy Standards Board

**Request for Initiation of a NAESB Standard for Business Transactions
or
Enhancement of an Existing NAESB Standard for Business Transactions**

Date of Request: June 15, 2003

1. Submitting Entity & Address:

NAESB Members of the Joint Interface Committee

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Charles Yeung	Director, Business Standards, Reliant Energy Services, Inc. NAESB WEQ Executive Committee Member and Co-Chair of the WEQ Standards Review Subcommittee
Work:	713-497-2935
Fax:	713-207-9172
E-Mail:	cyeung@reliant.com
Address:	P.O. Box 286 Houston, TX 77001-0286

3. Description of Proposed Standard or Enhancement:

Provide complementary business practice standards to support the Coordinate Interchange Standards Authorization Request assigned to the North American Electric Reliability Council. Business practices may be needed for market participants to provide any necessary data for the analysis of 'interchange' as defined by NERC for reliability purposes. Business practices may also be needed for the format and timing of the data submittals.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

**Request for Initiation of a NAESB Standard for Business Transactions or
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June 15, 2003**

R03013

There exist known market impacts to the development of the reliability standards to support the Coordinate Interchange function. Standard markets are not assumed. Business practices may be needed for the format and timing of the data submittals. As a corollary, business practices may be needed for market participants to provide any necessary data for the analysis of 'interchange' as defined by NERC for reliability purposes. The NERC effort notes that the data format and timing for commercial transactions is at the discretion of the market participant, in concert with the balancing authority (BA), reliability authority (RA), transmission service provider (TSP) and PSEs. If the RA, BA and TSP can all perform the necessary reliability analysis in time to implement a transaction request, then the reliability standard would allow the transaction to be implemented.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

Clearly it is important to coordinate reliability standards development with the accompanying business practice standards. Specific market based proposed standards were not included in the scope of the Coordinate Interchange SAR.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

Reliability systems used to provide data for reliability analysis and to implement transactions may be impacted.

7. Description of Any Specific Legal or Other Considerations:

FERC or other regulatory requirements must be considered.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

N/A

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:

N/A

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03013

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

See NERC SAR "Coordinate Interchange" attached as Attachment A along with comments forwarded by Mr. Yeung regarding the SAR. Also the minutes from the Joint Interface Committee on June 2 ,2003 and the May 8 SRS discussion paper on the SAR can be referenced for discussion on the request.

Title of Proposed Standard:	Coordinate Interchange Transactions
Request Date:	March 7, 2002
Authorized for Posting:	March 20, 2002
SAR ID# :	COORD_INTERCHNG_01_04

SAR Requestor Information		SAR Type (Put an 'x' in front of one of these selections)	
Name:	Jim Byrd (Albert DiCaprio as substitute)	X	New Standard
Primary Contact:	(Al DiCaprio)		Revision to existing Standard
Telephone:	610 666-8854		Withdrawal of existing Standard
Fax:			
e-mail:	dicapram@pjm.com		Emergency Action

Notes:

1. The NERC Functional Model has not been finalized. Modifications to the Functional Model may require some conforming changes to this SAR.
2. There is much industry disagreement on the terms used to describe the various stages of coordinating interchange. The SAR DT assembled a series of charts that shows the steps in coordinating interchange. These charts are attached to this SAR and highlight the application of the following terms:
 - Interchange Transaction
 - Interchange Schedule

SAR: Coordinate Interchange Transactions

Purpose/Industry Need (Please see diagram attached)

To ensure that the implementation of Interchange Transactions between Sink and Source Balancing Authorities is coordinated by the Interchange Authority such that the following reliability objectives are met:

- Each Interchange Schedule is checked for reliability before it is implemented
- The Balancing Authorities implement the Interchange Schedule exactly as agreed upon in the Interchange Confirmation process
- Interchange Schedule information is available for reliability assessments

For the purpose of this SAR, the following definitions have been adopted:

- **INTERCHANGE TRANSACTION.** An agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.
- **INTERCHANGE SCHEDULE.** An authorized interchange transaction, approved by all entities, that is implemented (goes physical) between a BA and IA.
- **INTERCHANGE IMPLEMENTATION** - The physical initiation of an approved interchange schedule

Brief Description

To ensure reliability related data pertaining to interchange transactions is verified and communicated to functional authorities. Reliability related data to be verified should include megawatt magnitude, ramp start and stop times, and the interchange transaction's duration. Reliability related data should be communicated by and between the Interchange Authority, Balancing Authority, Reliability Authority, Transmission Service Provider, and Purchasing-Selling Entity functions.

Verification of data should indicate that a mutual agreement exists between parties that intend to implement a proposed interchange transaction as well as approval by the appropriate functional authorities.

To provide a mechanism for interchange transaction identification that could be used for congestion management and/or relieving operating limit violations.

SAR: Coordinate Interchange Transactions

Reliability Functions

The Standard will Apply to the Following Functions <i>(Put an 'X' in front of each one that applies)</i>		
X	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
X	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
X	Interchange Authority	Authorizes valid and balanced Interchange Schedules
	Planning Authority	Plans the bulk electric system
X	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
	Transmission Owner	Owns transmission facilities
	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer
	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
X	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

SAR: Coordinate Interchange Transactions

Reliability and Market Interface Principles

Applicable Reliability Principles (Put an 'x' in front of all that apply)	
X	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions
X	2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand
X	3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably
	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented
X	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems
	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions
X	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis
Does the proposed Standard comply with all of the following Market Interface Principles?	
<i>(Enter 'yes' or 'no')</i>	
	Yes
1.	Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy
2.	An Organization Standard shall not give any market participant an unfair competitive advantage
3.	An Organization Standard shall neither mandate nor prohibit any specific market structure
4.	An Organization Standard shall not preclude market solutions to achieving compliance with that Standard
5.	An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards

SAR: Coordinate Interchange Transactions

Detailed Description: This standard will include requirements for the exchange of reliability-related data pertaining to Interchange Transactions.

The standard shall contain the following requirements for the BA:

- BA shall confirm (with the IA) its approval or denial of the requested Interchange Schedule
- BAs shall implement Interchange Schedules exactly as agreed upon in the interchange confirmation process

The standard shall contain the following requirements for the IA:

- The IA shall confirm the approvals from all involved parties (RAs, BAs, TSPs) and shall authorize, upon confirming approvals, the implementation of Interchange Schedules
- The IA shall confirm that Interchange Transactions are balanced and valid prior to physical delivery
- The IA shall communicate implementation status to all parties (with which the Interchange Transaction must be coordinated)

The standard shall contain the following requirements for the RA:

- The RA shall receive and confirm Interchange Transaction information with the IA
- The RA shall approve or deny the request from the IA based on reliability perspectives.

The standard shall contain the following requirements for the TSP:

- TSP shall receive and confirm Interchange Transaction information with the IA
- The TSP shall approve or deny the request from the IA

The standard shall contain the following requirements for the PSE:

- When an entity desires to transfer energy, the entity initiating the transaction shall submit, as a minimum, the following reliability-related transaction data to its IA:
 - Desire to transfer energy
 - Megawatt magnitude
 - Ramp start and stop times
 - Interchange transaction's duration
 - Sufficient information for all approval entities
- The PSE shall request approval for interchange transactions from the IA
- The PSE shall confirm interchange transaction requirements with the IA

SAR: Coordinate Interchange Transactions

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation
BAL_RES_&_DEMND_01_03	The “Balance Resources and Demand” SAR identifies requirements matching resources with demand. Some of the data required to ensure “balance” comes from transactions and is referenced in this Coordinate Interchange SAR.
OPER_WITHN_LMTS_01_02	The “Operate Within Transmission Limits – Monitor and Assess Short Term Reliability” SAR includes requirements that the RA monitor the overall reliability of the RA Area. This includes the requirement that data be collected and analyzed to ensure security. Some of the data collected for security analyses is included in this Coordinate Interchange SAR.
COORD_OPERATONS_01_01	The “Coordinate Operations” SAR may include requirements such as entering data into the IDC. The data for this comes from Interchange.
ABNML_&_EM_COND_01_01	The “Prepare for and Respond to Abnormal or Emergency Conditions” SAR identifies requirements for recognizing and responding to emergency conditions. Some emergencies may involve curtailment of interchange schedules.

Regional/Interconnection Differences

Region	Explanation
ECAR	none
ERCOT	ERCOT: As a single Control Area (Balancing Authority) interconnection there are no true Interchange Schedules in ERCOT. The only Interchange is over DC ties, which will have unique requirements. Oncor: ERCOT has an Interconnection Difference by Legislative direction for retail choice. There are no transmission reservations requirements and generation/load schedules are part of the real-time competitive market.
FRCC	none
MAAC	none
MAIN	none
MAPP	none
NPCC	none
SERC	none
SPP	none
WECC	none

SAR: Coordinate Interchange Transactions

Implementation Plan

Description *(Preliminary.)*

Portions of Policy 3 will be deleted when this SAR is implemented. Policy 3 contains some procedures that may need to be transformed from Policies into commercial practices or supporting documents in concert with the implementation of this new standard.

Team Assignments

“Coordinate Interchange” SAR Drafting Team

Chairman: Doug Hils

Secretary/Facilitator: Gordon Scott

Requestor: Jim Byrd (Albert DiCaprio as substitute)

Industry Representatives:

Diane Barney

Linda Clarke

Jim Cyrulewski

Nick Henery

Carolyn Ingersoll

Adrian Malo

Dave McGinnis

David McRee

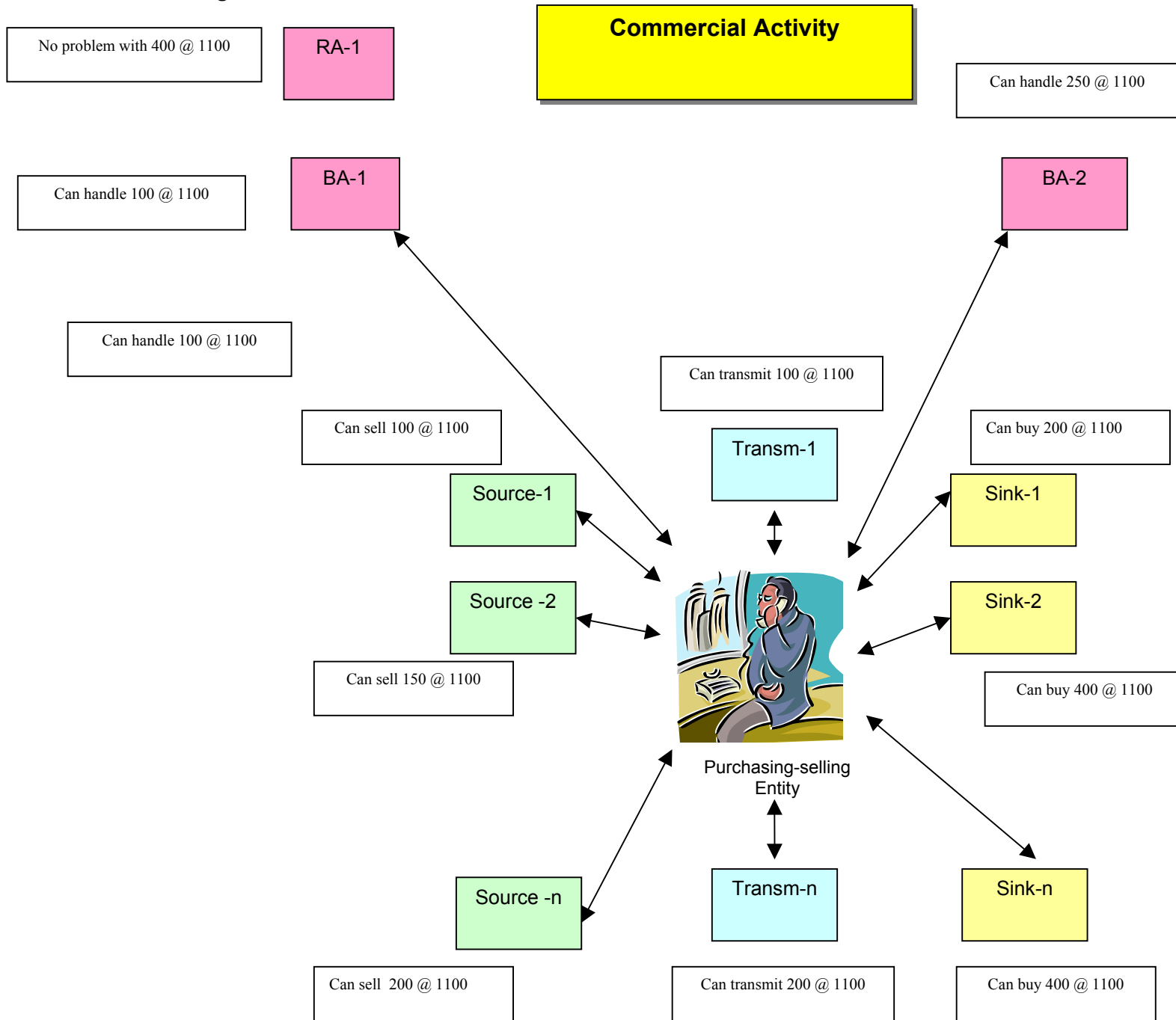
Jim McIntosh

Joel Mickey

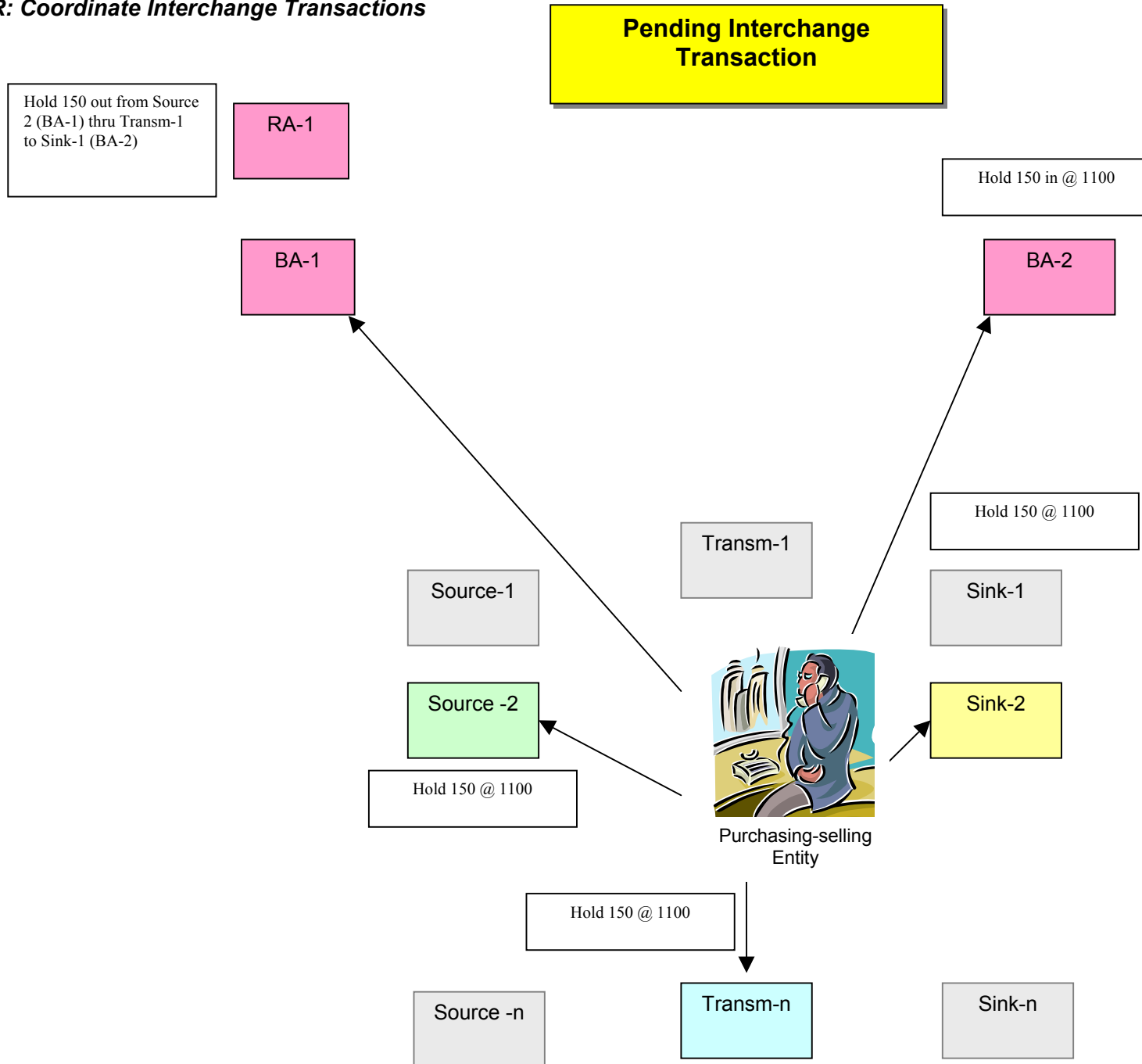
Monroe Landrum

Charles Yeung

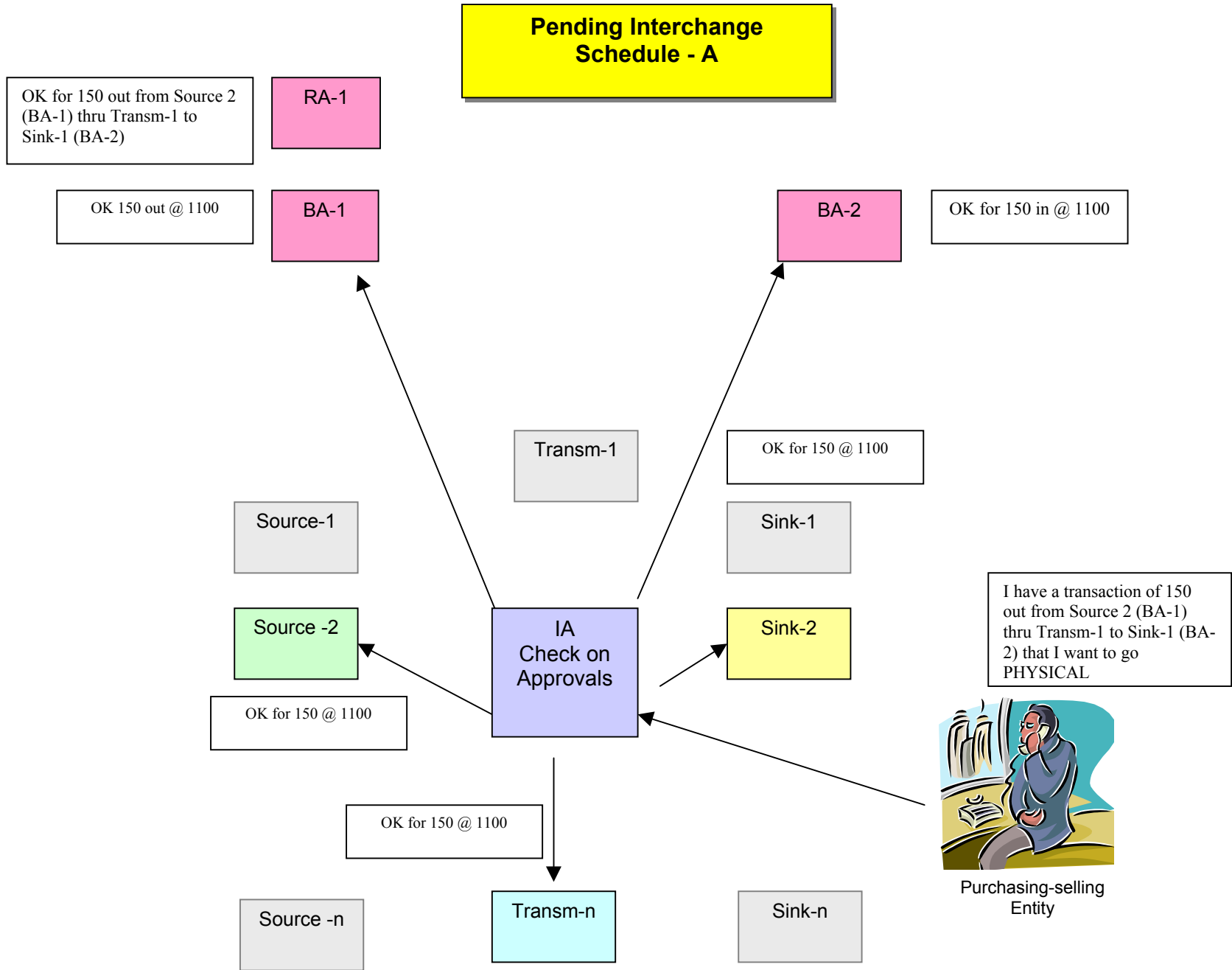
SAR: Coordinate Interchange Transactions



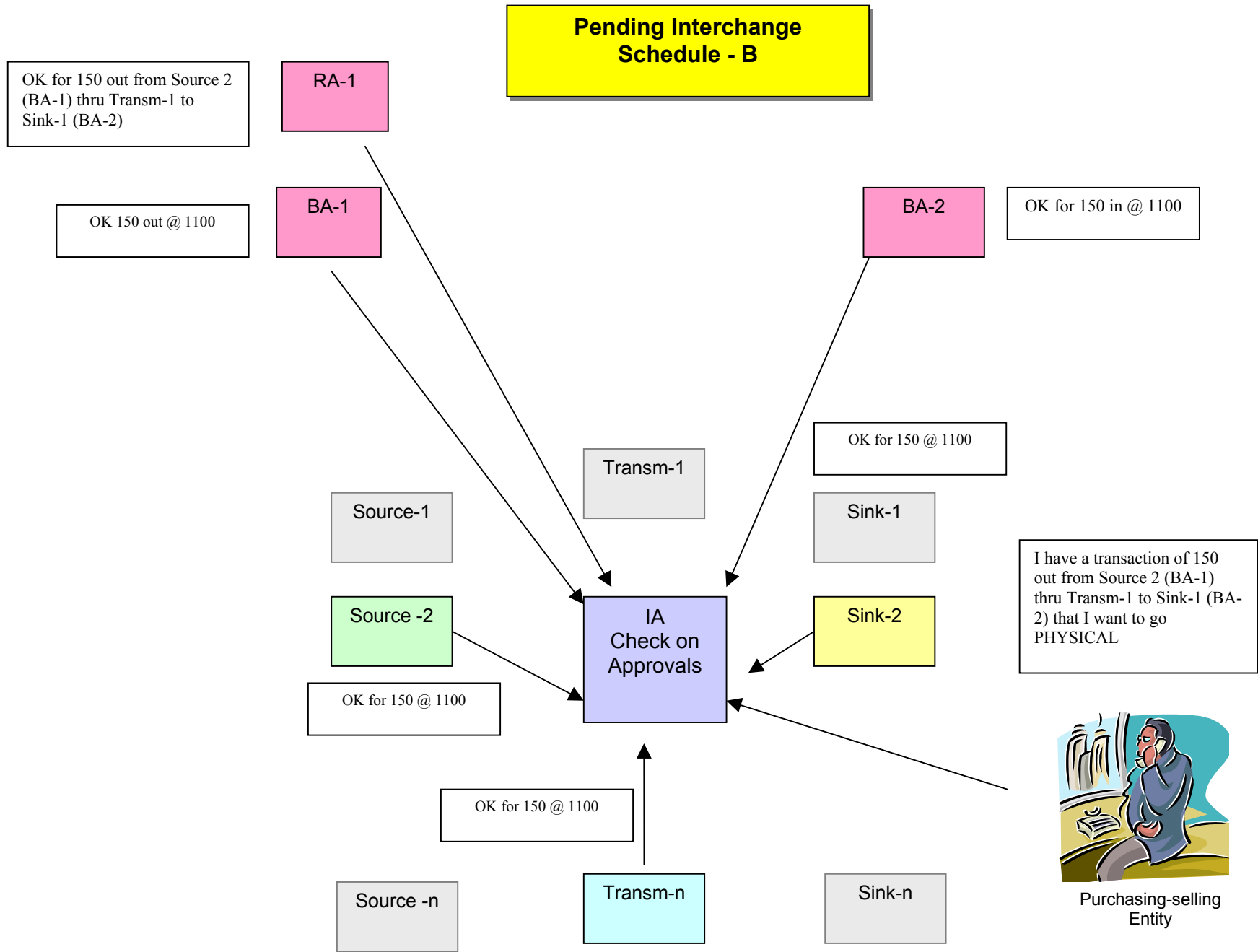
SAR: Coordinate Interchange Transactions



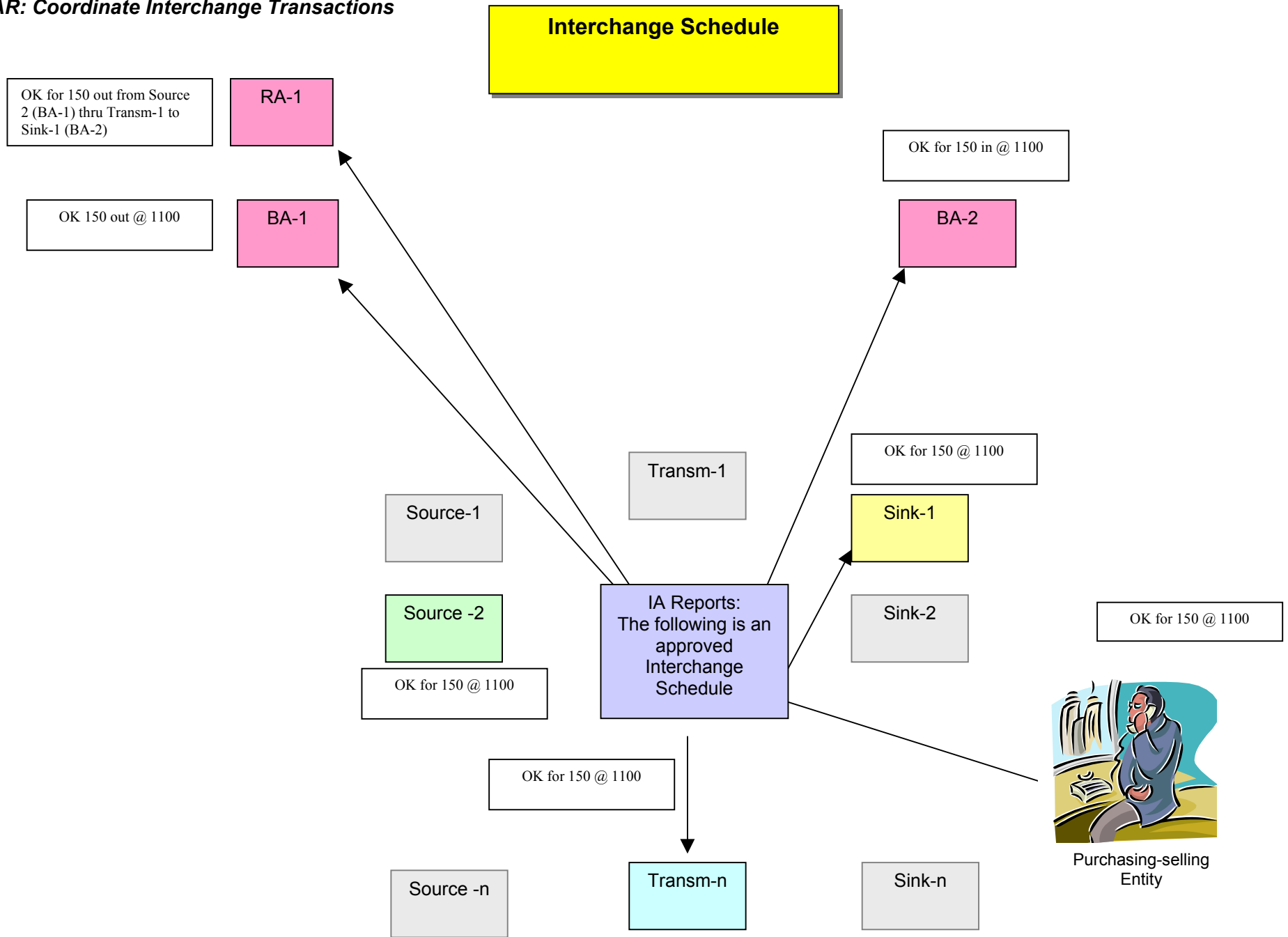
SAR: Coordinate Interchange Transactions

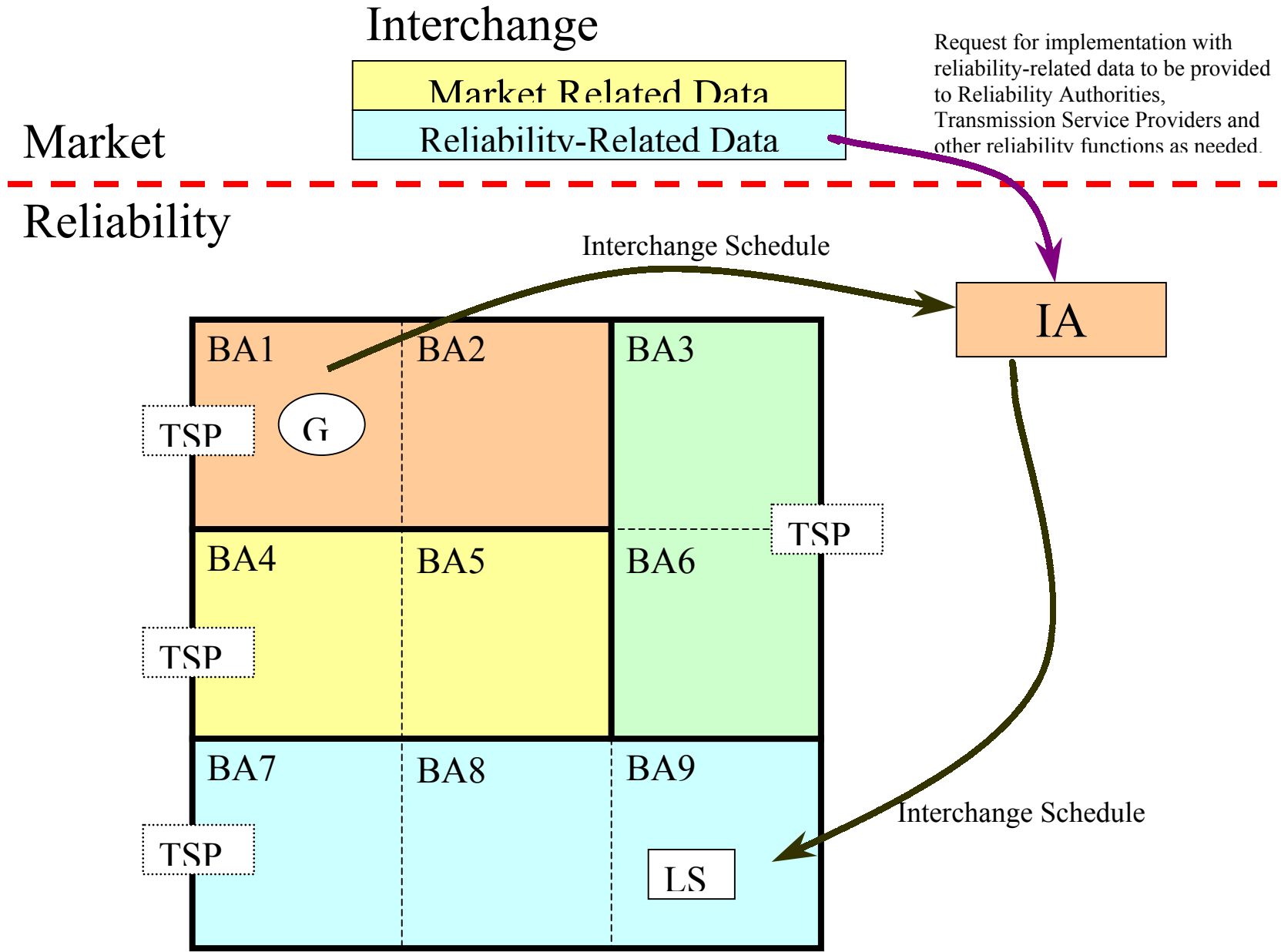


SAR: Coordinate Interchange Transactions



SAR: Coordinate Interchange Transactions





Charles Yeung, Reliant Energy Comments on Coordinate Interchange SAR
5-9-2003

The Coordinate Interchange SAR is on its way to set criteria for the standards drafting team to develop a NERC Reliability Standard that meets NERC's mission and its adopted Reliability and Market Interface Principles. The separation of the market issues from the Reliability Standard is of key importance because it allows for other organizations to develop the appropriate market requirements. However, in doing so, a level of consistency and standardization for the Interconnections may be lost. It is not in NERC's purview to develop or influence market standards, but the industry must be made aware that the CI Reliability Standard will leave it up to others to address the issue of scheduling requirements for seamless markets.

Excerpt from the CI SAR:

The standard shall contain the following requirements for the BA:

- BA shall confirm (with the IA) its approval or denial of the requested Interchange Schedule
- BAs shall implement Interchange Schedules exactly as agreed upon in the interchange confirmation process

The standard shall contain the following requirements for the PSE:

- *When an entity desires to transfer energy to another BA's area, the entity initiating the transaction shall submit as a minimum the following reliability-related transaction data to its IA:*
 - *Desire to transfer energy to another BA's area*
 - *Megawatt magnitude*
 - *Ramp start and stop times*
 - *interchange transaction's duration*
 - *Sufficient information for all approval entities*
- The PSE shall request approval for interchange transactions from the IA
- The PSE shall confirm interchange transaction requirements with the IA

What is NOT a part of this Standard?

The "Implementation" part of the SAR refers to the exclusion of certain requirements of Policy 3 from the Standard. Inadvertent Energy Payback was identified early in the process as not a NERC standard and allocated to NAESB for development. Are there other elements of interchange that should also be allocated to NAESB or RTOs for definition?

Market procedures for requesting/submitting transaction information – ala PJM, MISO are believed to be NOT a part of the CI Standard. Is the SAR language clear that these markets will not be subject to requirements in the CI Standard that "mandates or prohibits

any given market structure?” - one of the Market Interface Principles referred to in the SAR form that is assumed to be complied with.

The future standard on Coordinate Interchange should differ from the current Policy 3 Standard which describes interchange transaction request submission, revision, modification procedures (embodied in the various Policy 3 Appendixes). The new standard seems to delegate those procedures and data requirements to regional markets to develop.

This raises an important issue regarding standardization of practices to enable inter-Regional markets. By divorcing NERC from developing market standards, the ability for a NERC Standard to enable a seamless market is lost. The present NERC Policy 3 tagging requirements has established a level of market consistency for the Eastern Interconnection and recently, the Western Interconnection. This level of consistency may be lost with the new CI Standard.

A diversity of market procedures for the request for inter-regional energy transfers may result due to the emergence of RTOs and the differences in market rules. Without a centralized standard procedure for the handling of bi-lateral transaction requests and implementation, the PSEs conducting business across regional boundaries may be faced with a plethora of data and timing requirements. This would disrupt the market’s ability to seamlessly transact business between transmission providers that do not operate under a single market.

The Answer is Coordination

With the assumption that the CI Standard will not specify the market processes to request energy transfers, NERC must define and standardize the core and fundamental required technical information for reliability in such a manner that all markets, regardless of structure, will be able to comply. Since NERC is divorced from developing market standards, it cannot play a direct role in market standards development. Instead, NERC must inform the industry that this need exists. Organizations chartered to develop market rules should carry on the burden of developing market requirements that can enable seamless transactions.



North American Energy Standards Board

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Appendix D

Coordinate Operations Business Practices (COBP) Task Force Informational Materials



North American Energy Standards Board

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Coordinate Operations Business Practices Task Force Members²

Name	Organization	Segment	Sub-segment
Victor Bissonnette	Hydro-Quebec Transenergie	Transmission	Fed/State/Prov
Narinder Saini	Entergy	Not Provided	Not Provided

² Identified during the July 10 SRS meeting.



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Coordinate Operations Business Practices (COBP)

NAESB Standards Request #R03014

Notes from SRS Meeting of

July 10, 2003

Colorado Springs, CO

The NERC Coordinate Operations Standard addresses:

Reliability Needs

- Documenting the RA's authority to assist in resolving problems that is caused to another system
- Developing and sharing unique operating procedures
- Analyzing Maintenance Outages
- Performing Security Analyses
- Performing Generation Resource Availability Analyses
- Sharing results of analyses
- Communicating with others
- Acting with others

NERC Coordinate Operations SAR is about coordination of RA actions only. It does not include TLR tools.

The NAESB Coordinate Operations Business Standard(s) should include:

Commercial Needs

- Complement the NERC SAR description by developing business procedures for:
- Analyze Maintenance outage procedures – how to get the data to the RA's? PKI – EMARC considerations.
- RA security analysis timing practices
- Data – needs to be provided for reliability analysis, load data, gen data.
 - NERC standard does not specify what data is needed from gen/load for reliability analysis, only requires that the RA has sufficient data.
 - Should there be a global/NAESB standard?
 - Can individual RAs and RTOs specify them independently?
- Data Handling/Access?
 - What data should be public/confidential?

This Standard Request R03014 should NOT include the Curtailment procedures for transmission constraints (App 9C1, UFAS, ERCOT)

- Minimum timing requirements

COBP Task Force Members (initial)

Narinder K. Saini, (Entergy Services Inc.)

Victor Bissonnette (Hydro-Quebec Transenergie)

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03014

North American Energy Standards Board

**Request for Initiation of a NAESB Standard for Business Transactions
or
Enhancement of an Existing NAESB Standard for Business Transactions**

Instructions:

- 1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**
- 2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**
- 3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067**

by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03014

Coordinate Operations Business Practices

North American Energy Standards Board

**Request for Initiation of a NAESB Standard for Business Transactions
or
Enhancement of an Existing NAESB Standard for Business Transactions**

Date of Request: June 15, 2003

1. Submitting Entity & Address:

NAESB Members of the Joint Interface Committee

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Charles Yeung	Director, Business Standards, Reliant Energy Services, Inc. NAESB WEQ Executive Committee Member and Co-Chair of the WEQ Standards Review Subcommittee
Work:	713-497-2935
Fax:	713-207-9172
E-Mail:	cyeung@reliant.com
Address:	P.O. Box 286 Houston, TX 77001-0286

3. Description of Proposed Standard or Enhancement:

Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to the North American Electric Reliability Council. Business practices, particularly practices for transaction curtailments, may be needed to support the reliability standards to be created which establish requirements for the coordinated operation between Reliability Authorities (RAs) for operational (for current and next day) planning, real-time operations, and maintenance of the interconnected bulk electric system.

**Request for Initiation of a NAESB Standard for Business Transactions or
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June 15, 2003**

R03014

- 4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):**

The reliability purpose for developing the standards was given as “to ensure that each RA’s operations are coordinated such that they will not have an adverse impact on the reliability of other RA’s and to preserve the reliability benefits of interconnected operations” by establishing requirements for the coordinated operation between RAs for operational (for current and next day) planning, real-time operations, and maintenance of the interconnected bulk electric system.

- 5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:**

Clearly it is important to coordinate reliability standards development with any relevant business practice standards,. Specific market based proposed standards were not included in the scope of the Coordinate Operations SAR.

- 6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:**

Reliability systems used to coordinate reliability analysis and to coordinate transactions may be impacted.

- 7. Description of Any Specific Legal or Other Considerations:**

FERC or other regulatory requirements must be considered.

- 8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):**

N/A

- 9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:**

N/A

**Request for Initiation of a NAESB Standard for Business Transactions or
Request for Enhancement of a NAESB Standard for Business Transactions
June 15, 2003**

R03014

- 10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):**

See NERC SAR "Coordinate Operations" attached as Attachment A.

Title of Proposed Standard:	Coordinate Operations Between Reliability Authorities
Request Date:	March 7, 2002
Authorized for Posting:	March 20, 2002
SAR ID# :	COORD OPERATONS 01 03

SAR Requestor Information		SAR Type (Put an 'x' in front of one of these selections)	
Name:	Jim Byrd (Roger Harsey as substitute)	X	New Standard
Primary Contact	Roger Harsey		Revision to existing Standard
Telephone:	317-249-5400		Withdrawal of existing Standard
e-mail:	Rharszy@midwestiso.org		Emergency Action

Purpose/Industry Need

To ensure that each RA's operations are coordinated such that they will not have an adverse impact on the reliability of other RA's and to preserve the reliability benefits of interconnected operations.

Brief Description

Establish requirements for the coordinated operation between RA's for operational (for current and next day) planning, real-time operations, and maintenance of the interconnected bulk electric system.

This standard will address the following areas:

- Documenting the RA's authority to assist in resolving problems that its caused to another system
- Developing, Maintaining and Sharing Operating Procedures
- Analyzing Maintenance Outages
- Performing Security Analyses
- Performing Generation Resource Availability Analyses
- Sharing Results of Analyses
- Communicating with Others
- Acting with Others

Detailed Description

Requirements shall be developed for the following:

- Develop, Maintain and Share Operating Procedures
 - Operating procedures that address identified potential operating scenarios that may impact neighbor RA's or the Interconnection shall be developed, and distributed to all entities that are expected to take action or that may be impacted as a result of this procedure.
- Analyze Maintenance Outages (real time to 12 months ahead)
 - Analyze the impact of generation outages from a reliability perspective
 - Analyze the impact of transmission outages from a reliability perspective
- Coordinate Reliability Analyses (Generator Resources and Transmission Facilities) (For current and next day and for its impact on other systems)
 - The RA shall coordinate the development of its reliability analyses with other RAs. These analyses shall consider known generation and transmission outages.
 - The RA shall share the results of its system analyses, when conditions¹ warrant, with other RA's, and other involved entities (or upon request, subject to the FERC Code of Conduct and other Confidentiality Agreements)
- Communicate with other impacted RAs to share information:
 - The RA shall communicate with other impacted RAs whenever there is a known potential or actual condition that may adversely affect another RA's Area, such as:
 - A generator or transmission outage will impact another RA
 - Outages of information technology (IT) systems (telemetry, communications, and/or control equipment or other information systems) prevent an RA from performing a reliability analysis of its RA Area or impact the ability of one RA to receive/send data or voice communications to another RA
 - Results of analyses or real-time conditions indicate potential or actual reliability problems
 - Physical or cyber attacks have been threatened or have occurred
- Communicate with other impacted RAs to identify, agree upon, and act or direct others to act to implement solutions to prevent/resolve impending/actual operating problems such as:
 - When interconnection -wide transmission reliability preservation procedures need to be implemented
 - When a reliability problem occurs that requires the initiation/coordination of Operating Procedures or the development of new or temporary procedures.
 - When interconnection frequency is exceeding interconnection frequency limits
 - For prioritization of transmission outages
 - For prioritization of IT outages

The standard shall address appropriate actions when RAs cannot agree upon a solution for an impending or actual problem.

¹ The conditions referenced are those that, if left unattended, could cause instability, uncontrolled separation or cascading outages that adversely impact the reliability of the interconnected bulk transmission system.

Reliability Functions

The Standard will Apply to the Following Functions <i>(Put an 'X' in front of each one that applies)</i>		
X	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
	Interchange Authority	Authorizes valid and balanced Interchange Schedules
	Planning Authority	Plans the bulk electric system
	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
	Transmission Owner	Owens transmission facilities
	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
	Generator	Owens and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles <i>(Put an 'x' in front of all that apply)</i>	
X	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.
X	2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand
X	3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably
X	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented
X	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems
X	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions
X	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis
Does the proposed Standard comply with all of the following Market Interface Principles?	
<i>(Enter 'yes' or 'no')</i>	
	Yes
1.	Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy
2.	An Organization Standard shall not give any market participant an unfair competitive advantage
3.	An Organization Standard shall neither mandate nor prohibit any specific market structure
4.	An Organization Standard shall not preclude market solutions to achieving compliance with that Standard
5.	An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards

Related SARs

SAR ID	Explanation
COOR_INTERCHNG_01_01	The “Coordinate Interchange” SAR addresses the coordination of data exchange associated with transactions and may have some requirements that interface with the “Coordinate Operations” SAR.
FACILITY_RATINGS_01_01	The “Determine Facility Ratings, Operating Limits, and Transfer Capabilities” SAR identifies how operating limits are established. The operating limits established within this proposed standard will interface with the performance standards within the “Coordinate Operations” SAR.
OPER_WITHN_LMITS_01_01	The “Monitor and Assess Short Term Reliability, Operate Within Limits” SAR identifies requirements for operating within limits in real time and may interface with some of the requirements for the “Coordinate Operations” SAR.
ABNML_&_EM_COND_01_01	The “Prepare for and Respond to Abnormal or Emergency Conditions” SAR identifies requirements for recognizing and responding to emergency conditions and may interface with some of the coordination requirements for the “Coordinate Operations” SAR.
BLACK_ISLD_COND_01_01	The “Prepare for and Respond to Blackout or Island Conditions” SAR identifies requirements for recognizing and responding to blackout or island conditions and may interface with some of the coordination requirements for the “Coordinate Operations” SAR.
BAL_RES_&_DEMND_01_03	The “Balance Resources and Demand” SAR identifies requirements for operating within a defined interconnection frequency limits and may interface with some of the requirements for the “Coordinate Operations” SAR.
DISTURBNCE_COND_01_01	The “Monitor and Analyze Disturbances, Events and Conditions” SAR identifies requirements for monitoring, reporting and analyzing disturbances, events, and conditions and some of the requirements may interface with some of the requirements for “Coordinate Operations” SAR.

Regional/Interconnection Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WECC	

Implementation Plan (Preliminary)

Description
The following sections of Operating Policies should be retired when this standard is implemented: Policy 4. C (all elements) Policy 9: A (all elements) Policy 9.B.1 Policy 9.B.4 Policy 9.C.2 Appendix 9.D. B.1.5 Appendix 9.D.B.1.6 Appendix 9.D.B.1.7

SAR Drafting Team Assignments

<p>Chairman:</p> <ul style="list-style-type: none">- David McNeil, Entergy <p>Secretary:</p> <ul style="list-style-type: none">- Larry Kezele, NERC Staff <p>Requestor:</p> <ul style="list-style-type: none">- Jim Byrd (Roger Harszy, Midwest ISO (Substitute Requestor)) <p>Compliance Representative:</p> <ul style="list-style-type: none">- Stan Kopman, NPCC <p>Industry Representatives:</p> <ul style="list-style-type: none">- Daniel Boezio, AEP- Don Gold, BPA- Tony Jankowski, WE-Energies- Joseph Krupar, FMPA- Ross Owen, Oncor- Jerry Ray, Illinois Power- Gary Rudder, TVA- Greg Tilitson, CAISO
