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 S~~s~~tandard A~~a~~uthorization R~~r~~equest (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~~n~~ (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.
- Submittal rules and timing requirements for handling portfolio of interchange transactions – for hubbing and netting of transactions.
- Communications requirements including allowable data elements and timing for revisions and changes by PSE or generators post approval period.
- Submittal rules for hour ahead interchange transactions.
- Special rules for handling of interchange transactions in, out and through Market regions and RTOs.
- Business practice for submitting schedules for 5 X 16 energy products.

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 C~~c~~ommercial 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.