R04007

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

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.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

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Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: December 29, 2003

1. Submitting Entity & Address:

Southern Company Services
600 North 18th Street
Birmingham, AL 35291

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

Name : Mr. Joel Dison
Title : Manager of Market Policy
Phone: (205) 257-6481
Fax : (205) 257-6824
E-mail : jjdison@southernco.com

3. Description of Proposed Standard or Enhancement:

Review existing OASIS standards and Commission proceedings and develop a body of standards that would be considered OASIS Phase 2. Using the Use Cases and other deliverables of the Electronic Scheduling Collaborative as a model template, identify core functionality, design, and behavior of OASIS Phase II, and develop business practices supportive of OASIS Phase II. The business practices standards developed would complement the activities underway to ~~revise~~ implement the NERC functional model.

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 business practice standards are designed to implement the Commission's policy related to on-line price negotiation and to improve the commercial operation of the Open Access Same-Time Information System (OASIS). The business practice standards may address the day ahead market, congestion revenue rights and real-time market. OASIS II may also need to include some capability to provide dynamic feedback to the market participants , i.e., publish LMP MW and pricing.

At a very high level, OASIS II may need to accommodate the following:

Miscellaneous:
- ICAP contract information,
- Market Participant registration,
- Asset registration,
- Long-term/seasonal market information.

Transmission related services:
- Information to conduct CRR auctions,
- Information to facilitate a secondary CRR market,
- Total Transfer Capabilities,
- Congestion information (ATC may become irrelevant under LMP).

Day Ahead Market:
- Generator bid information,
- External transaction bid information,
- Internal bilateral contract information,
- Demand/Load bid information,
- Ancillary services bid information,
- Virtual bidding (inc and dec bids),
- CRR information where applicable,
- Final market clearing MW amounts, pricing, congestion areas, etc.

Real-time Market:
- Generator bid or re-bid information,
- External transaction bid or re-bid information,
- Demand/Load bid or re-bid information,
- Internal bilateral contract information,
- Real-time dispatch points for generators,
- Real-time dispatch points for dispatchable loads,
- Real-time metering for Settlements,
- Real-time pricing, ex-post and/or ante-post.

Settlements:
- ICAP market,
- LMP with Energy, Congestion charge and Loss components,
- Applicable transmission charges,
- Congestion revenue and payments.

Business practices development may be needed a a base for OASIS II, to support the following E-Tag issues:
1. Distinguish between IDC and CA initiated curtailments
   a. Determine costs for implementing the “two-level” reliability profile
2. Add TERMINATE and CANCEL states back into valid states
   a. Develop “whitepaper” explaining need for this feature
   b. Provide estimate of costs associated with doing this
3. Create a “Printable Tag” for use during service failures (would have reduced amount of data provided).
4. Use “WITHDRAWN” state rather than “killed tag” (WSCC-RMS)
   a. Develop “whitepaper” explaining need for this feature
   b. Provide estimate of costs associated with doing this
5. Create CHECKOUT feature.

6. Are FRONT_END tag extensions going to be developed or can we take this off of our list of possible enhancements?
7. Can GPEs have the ability to CURTAIL tags due to loss of generation?
8. With intermediate CAs being allowed to CURTAIL transactions, the significance of the first issue listed above is heightened. Without some method of distinguishing between reliability profiles, each CA will have the ability to inadvertently reload another CA's CURTAILment, which is the problem with IDC reloads today.
9. Are there any problems with the new functionality of the RC being able to modify the CURTAILMENT start time?
10. For each TP there should be a Scheduling Entity. This was approved back in the first part of 2003. The TISWG will move ahead with a specification change, unless the IS has a reason not to proceed.

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

The industry and the Commission have already ascertained and realized the benefits of the standards that compose OASIS I. OASIS I is being reviewed for modifications for OASIS IA. OASIS II is the natural progression from OASIS IA and would more accurately reflect today's market conditions.

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

Unknown at this time.

7. Description of Any Specific Legal or Other Considerations:

The efforts to develop OASIS II business practices standards should support the NERC efforts to ~~revise~~ implement the functional model.

Note that although some of the items listed within this Request may appear to be directed to a specific market design, we recognize that OASIS Phase 2 is meant to accommodate all market designs and that there may be other ways to address accommodation of all market design characteristics.

Also note that regarding settlements, the OASIS II System Requirements document indicates a need to "interface" with settlement systems, but not, at least at this point, provide settlement services. We recognize that these services are important, but could be added at a later phase.

Further note that:

> The standard needs to be written to also accommodate forward markets as necessary. This may not be a big deal but entities should have the ability to submit information for a forward block of time.

The standard needs to be written broad enough to encompass all markets, not just LMP.

ATC calculations and posting mechanisms need to be included. The comment that ATC may be irrelevant under LMP may be valid, but I don't think that the industry in the West is ready to implement LMP as presently proposed. We need to keep the standards flexible enough to allow for regional needs, or if specificity is required, then to develop some form of regional standards. Also "existing transmission rights" need to be honored in the standard methodology.

Specific WECC language is included in the possibilities (RMS). In addition, there is a WECC process currently underway to develop a tracking mechanism for reserve obligations by identifying interruptible and non interruptible components. This is presently in the form of a proposed WECC ISAS Business Practice recommendation authored by a joint task force to deal with this regional issue. The standard may need to include some language on tracking reserve obligations. What is presently being discussed is a check box with an "I" to be toggled on and off, or a new set of transmission product codes with "I" added.

Although the standard does apply to "public utilities", nonjurisdictional entities are also affected as they are also trading partners. As standards are being developed it is important to write these so that they encompass the entire industry and reflect the needs of all.

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

   Testing plans will be devised to support the development and implementation of OASIS II standards.

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

   The standard applies to transmission users' interactions with public utilities.

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

    Electronic Scheduling Collaborative OASIS II System Requirements
    OASIS II Use Case Specification
    NERC Reliability Functional Model which can be accessed from the following address: (http://www.nerc.com/~filez/functionalmodel.html)