

Version 3 of the Functional Model lists the tasks of the IA as:

1. Coordinate (i.e., collect, consolidate, and disseminate) interchange approvals, changes, and denials.
2. Receive confirmations of Balancing Authorities for requested interchange schedules.
3. Consolidate evaluations of valid, balanced, interchange schedules (validation of sources and sinks, transmission arrangements, reliability-related services, etc.).
4. Communicate interchange transaction approval for implementation.
5. Communicate interchange transaction information to Reliability Assessment Systems (e.g., the interchange distribution calculator in the Eastern Interconnection).
6. Maintain record of individual interchange schedules.

In considering the implementation of the NERC Reliability Functional Model, the Operating Committee in early 2005 charged the Interchange Subcommittee (IS) with operationally defining the Interchange Authority (IA) function. The Interchange Authority Function Task Force (IAFTF) was formed by the IS to define how the IA function would operate with the adoption of standards related to the NERC Reliability Functional Model (FM). The IAFTF developed a white paper to define how the tasks of an Interchange Authority could be performed operationally under the original Version 0 and other near-term versions of the various NERC standards.

The recommendation by the IAFTF stated the Sink Balancing Authority (BA) will perform the interchange tasks of the current sink BA (clearing house for interchange transactions) and those associated with the Tag Authority in E-tag. The IAFTF also recommended to rename the Interchange Authority to Interchange Coordinator. The formal change in name from IA to IC would have removed some concern with the use of the word “authority” and may more closely reflect actual practice and expectations. To date the name change has not been accomplished.

In summary, the FMWG is in agreement the Interchange Authority is a “Function” and is currently being performed by the Sink BA until such time NERC implements a registration process for an entity desiring to perform the IA function.