

### A. Introduction

1. **Title:** Evaluation of Interchange Transactions
2. **Number:** INT-006-4
3. **Purpose:** To ensure that responsible entities conduct a reliability assessment of each Arranged Interchange before it is implemented.
4. **Applicability:**
  - 4.1. Balancing Authority
  - 4.2. Transmission Service Provider
5. **Effective Date:**

First day of the second calendar quarter after the date that this standard is approved by an applicable governmental authority or as otherwise provided for in a jurisdiction where approval by an applicable governmental authority is required for a standard to go into effect. Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is six months after the date this standard is adopted by the NERC Board of Trustees or as otherwise provided for in that jurisdiction.

6. **Background:**

This standard was revised as part of the Project 2008-12 Coordinate Interchange Standards effort to combine requirements from the various INT standards into a fewer number of standards and in a logical sequence. The focus of INT-006-4 continues to be the reliability assessment of Interchange Transactions prior to their implementation.

The content of INT-006-4 has been revised and expanded in the following manner:

- R1 was created by revising R1 from INT-006-3. This requirement ensures that Balancing Authorities involved in an Arranged Interchange actively approve or deny the transition to Confirmed Interchange. The requirement also lists criteria to determine when a Balancing Authority must deny the transition.
- R2 was created by revising R1 from INT-006-3. This requirement ensures that Transmission Service Providers involved in an Arranged Interchange actively approve or deny the transition to Confirmed Interchange. The requirement also lists criteria to determine when a Transmission Service Provider must deny the transition.
- R3 was created by revising R1 from INT-006-3. This requirement ensures that Balancing Authorities who receive a Reliability Adjustment Arranged Interchange actively approve or deny the transition to Confirmed Interchange.
- R4 was created by moving and revising R1 from INT-007-1, which has been retired as part of the project. This requirement lists criteria for when a Sink Balancing Authority shall not transition an Arranged Interchange to Confirmed Interchange.

- R5 was created by moving and revising R1 from INT-008-3, which has been retired as part of the project. This requirement lists the entities to which a Sink Balancing Authority must distribute notifications of whether an Arranged Interchange has transitioned to Confirmed Interchange.
- Attachment 1 timing tables for WECC were modified to address scheduling on a 15 minute basis.

### Requirements and Measures

- R1.** Each Balancing Authority shall approve or deny each on-time Arranged Interchange or emergency Arranged Interchange that it receives and shall do so prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 1.1.** Each Source and Sink Balancing Authority shall deny the Arranged Interchange or curtail Confirmed Interchange if it does not expect to be capable of supporting the magnitude of the Interchange, including ramping, throughout the duration of the Arranged Interchange.
- 1.2.** Each Balancing Authority shall deny the Arranged Interchange or curtail Confirmed Interchange if the Scheduling Path (proper connectivity of Adjacent Balancing Authorities) between it and its Adjacent Balancing Authorities is invalid.
- M1.** Each Balancing Authority shall have evidence (such as dated and time stamped electronic logs, or other evidence) that it responded to each request for its approval to transition an Arranged Interchange to a Confirmed Interchange within the time defined in Attachment 1, Column B. (R1)
- R2.** Each Transmission Service Provider shall approve or deny each on-time Arranged Interchange or emergency Arranged Interchange that it receives and shall do so prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 2.1.** Each Transmission Service Provider shall deny the Arranged Interchange or curtail Confirmed Interchange if the transmission path (proper connectivity of adjacent Transmission Service Providers) between it and its adjacent Transmission Service Providers is invalid.
- M2.** Each Transmission Service Provider shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that it responded to each Arranged Interchange or emergency Arranged Interchange within the time defined in Attachment 1, Column B. If the transmission path between the Transmission Service Provider and its adjacent Transmission Service Providers is invalid, each Transmission Service Provider shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that it denied the Arranged Interchange or curtailed confirmed Interchange. (R2)

- R3.** The Source Balancing Authority and the Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange shall approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 3.1.** If a Balancing Authority denies a Reliability Adjustment Arranged Interchange, the Balancing Authority must communicate that fact to its Reliability Coordinator no more than 10 minutes after the denial.
- M3.** Each Balancing Authority shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that when responding to a Reliability Adjustment Arranged Interchange, it either approved the request or denied the request and, if applicable, communicated denial to the Reliability Coordinator no more than 10 minutes after the denial. (R3)
- R4.** Each Sink Balancing Authority shall confirm that none of the following conditions exist prior to transitioning an Arranged Interchange to Confirmed Interchange: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- It is a Reliability Adjustment Arranged Interchange, the time period specified in Attachment 1, Column B has elapsed, and the Source Balancing Authority or the Sink Balancing Authority associated with the Arranged Interchange has not communicated its approval of the transition.
  - It is not a Reliability Adjustment Arranged Interchange, the time period specified in Attachment 1, Column B, has elapsed, and not all Balancing Authorities and Transmission Service Providers associated with the Arranged Interchange have communicated their approval of the transition.
  - It is not a Reliability Adjustment Arranged Interchange, the time period specified in Attachment 1, Column B, has elapsed, and any entity associated with the Arranged Interchange has communicated its denial of the transition.
- M4.** Each Sink Balancing Authority shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that, under the conditions in R4, it did not transition an Arranged Interchange to Confirmed Interchange. (R4)
- R5.** For each Arranged Interchange that is transitioned to Confirmed Interchange, the Sink Balancing Authority shall notify the following entities of the on-time Confirmed Interchange such that the notification is delivered in time to be incorporated into scheduling systems prior to ramp start as specified in Attachment 1, Column D: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 5.1.** The Source Balancing Authority,
- 5.2.** Each Intermediate Balancing Authority,

- 5.3. Each Reliability Coordinator associated with each Balancing Authority included in the Arranged Interchange,
  - 5.4. Each Transmission Service Provider included in the Arranged Interchange, and
  - 5.5. Each Purchasing Selling Entity included in the Arranged Interchange.
- M5.** Each Sink Balancing Authority shall have evidence (such as dated and time stamped electronic logs, or other evidence) that it notified the entities of the on-time Confirmed Interchange such that the notification was delivered in time to be incorporated into scheduling systems prior to ramp start as specified in Attachment 1, Column D. (R5)

## **B. Compliance**

### **1. Compliance Monitoring Process**

#### **1.1. Compliance Enforcement Authority**

Regional Entity

#### **1.2. Evidence Retention**

The Balancing Authority and Transmission Service Provider shall each keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation. For instances where the evidence retention period specified below is shorter than the time since the last audit, the CEA may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

- The Balancing Authority shall maintain evidence to show compliance with R1, R3, R4, and R5 for the most recent three calendar months plus the current month.
- The Transmission Service Provider shall maintain evidence to show compliance with R2 for the most recent three calendar months plus the current month.
- If a Balancing Authority or Transmission Service Provider is found non-compliant, it shall keep information related to the non-compliance until found compliant.

The Compliance Enforcement Authority shall keep the last audit records and all requested and submitted subsequent audit records.

#### **1.3. Compliance Monitoring and Assessment Processes:**

Compliance Audits

Self-Certifications

Spot Checking

Compliance Investigations

Self-Reporting

Complaint

#### **1.4. Additional Compliance Information**

None

Table of Compliance Elements

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
R1	Operations Planning, Same-day Operations, Real-time Operations	Lower	N/A	N/A	N/A	<p>The Balancing Authority receiving an on-time Arranged Interchange or an emergency Arranged Interchange did not approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B.</p> <p>OR</p> <p>The Source or Sink Balancing Authority did not expect to be capable of supporting the magnitude of the Interchange, including ramping, throughout duration of the Arranged Interchange and did not deny the Arranged Interchange or curtail Confirmed Interchange.</p> <p>OR</p> <p>The Scheduling Path between the Balancing Authority and its Adjacent Balancing Authorities was invalid, and the Balancing Authority did not deny the Arranged Interchange or curtail Confirmed Interchange.</p>
R2	Operations Planning,	Lower	N/A	N/A	N/A	<p>The Transmission Service Provider receiving an on-time</p>

**Standard INT-006-4 — Evaluation of Interchange Transactions**

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
	Same-day Operations, Real-time Operations					<p>Arranged Interchange or an emergency Arranged Interchange did not approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B.</p> <p>OR</p> <p>The transmission path between the Transmission Service Provider and its adjacent Transmission Service Providers was invalid, and the Transmission Service Provider did not deny the Arranged Interchange or curtail Confirmed Interchange.</p>
R3	Operations Planning, Same-day Operations, Real-time Operations	Lower	N/A	N/A	The Source Balancing Authority or Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange denied it prior to the expiration of the time period defined in Attachment 1, Column B, but did not communicate that fact to its Reliability Coordinator within 10 minutes of the denial.	The Source Balancing Authority or Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange did not approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B.
R4	Operations Planning, Same-day Operations,	Lower	N/A	N/A	N/A	The Sink Balancing Authority failed to confirm that none of the conditions in Requirement 4 existed before transitioning

**Standard INT-006-4 — Evaluation of Interchange Transactions**

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
	Real-time Operations					an Arranged Interchange to Confirmed Interchange.
R5	Operations Planning, Same-day Operations, Real-time Operations	Lower	N/A	N/A	The Sink Balancing Authority did not notify all of the entities listed in Requirement R5 Parts 5.1-5.5 of the on-time Confirmed Interchange.	<p>The Sink Balancing Authority did not notify any of the entities listed in Requirement R5 Parts 5.1-5.5 of the on-time Confirmed Interchange.</p> <p>OR</p> <p>The Sink Balancing Authority notified the entities listed in Requirement R5 Parts 5.1-5.5 of the on-time Confirmed Interchange, but did not notify one or more of the entities in time for the notification to be incorporated into scheduling systems prior to ramp start as specified in Attachment 1, Column D.</p>

**C. Regional Variances**

None.

**D. Interpretations**

None.

**E. Associated Documents**

None.

Attachment 1 – Timing Tables

Timing Requirements for all Interconnections except WECC

		A	B	C	D
If Arranged Interchange <sup>1</sup> is Submitted	Time Classification	Sink BA Makes Initial Distribution of Arranged Interchange <sup>2</sup>	BA and TSP Conduct Reliability Assessments	Compilation and Distribution Status <sup>2</sup>	BA Prepares Confirmed Interchange for Implementation
>1 hour after the start time	ATF		Entities have up to 2 hours to respond.		NA
<15 minutes prior to ramp start and ≤1 hour after the start time	Late		Entities have up to 10 minutes to respond.		≤ 3 minutes after receipt of Confirmed Interchange
<1 hour and ≥ 15 minutes prior to ramp start	On-time		≤ 10 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
≥1 hour to < 4 hours prior to ramp start	On-time		≤ 20 minutes from Arranged Interchange receipt		≥ 39 minutes prior to ramp start
≥ 4 hours prior to ramp start	On-time		≤ 2 hours from Arranged Interchange receipt		≥ 1 hour 58 minutes prior to ramp start

<sup>1</sup> Time Classifications and deadlines apply to both initial Arranged Interchange submittal and any subsequent modifications to the Arranged Interchange.

<sup>2</sup> See NAESB WEQ004. The times are being retained in the NAESB tables but are removed here since they are not being referenced in requirements.



Attachment 1 – Timing Tables

Timing Requirements for WECC

		A	B	C	D
If Arranged Interchange <sup>3</sup> is Submitted	Time Classification	Sink BA Makes Initial Distribution of Arranged Interchange <sup>4</sup>	BA and TSP Conduct Reliability Assessments	Compilation and Distribution Status <sup>4</sup>	BA Prepares Confirmed Interchange for Implementation
>1 hour after the start time	ATF		Entities have up to 2 hours to respond.		NA
<10 minutes prior to ramp start and ≤1 hour after transaction start time where transaction start time is at the top of the hour	Late		Entities have up to 10 minutes to respond.		≤ 3 minutes after receipt of Confirmed Interchange
<15 minutes prior to ramp start and ≤1 hour after transaction start time where transaction start time is not the top of the hour	Late		Entities have up to 10 minutes to respond.		≤ 3 minutes after receipt of Confirmed Interchange
10 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 5 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
11 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 6 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start

<sup>3</sup> Time Classifications and deadlines apply to both initial Arranged Interchange submittal and any subsequent modifications to the Arranged Interchange.

<sup>4</sup> See NAESB WEQ004. The times are being retained in the NAESB tables but are removed here since they are not being referenced in requirements.

**Standard INT-006-4 — Evaluation of Interchange Transactions**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>If Arranged Interchange<sup>3</sup> is Submitted</b>	<b>Time Classification</b>	<b>Sink BA Makes Initial Distribution of Arranged Interchange<sup>4</sup></b>	<b>BA and TSP Conduct Reliability Assessments</b>	<b>Compilation and Distribution Status<sup>4</sup></b>	<b>BA Prepares Confirmed Interchange for Implementation</b>
12 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 7 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
13 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 8 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
14 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 9 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
<1 hour and ≥ 15 minutes prior to ramp start	On-time		≤ 10 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
≥ 1 hour and < 4 hours prior to ramp start	On-time		< 20 minutes from Arranged interchange receipt		≥ 39 minutes prior to ramp start
≥ 4 hours prior to ramp start	On-time		≤ 2 hours from Arranged Interchange receipt		≥ 1 hour 58 minutes prior to ramp start
Submitted before 10:00 PPT with start time ≥ 00:00 PPT of following day	On-time		By 12:00 PPT of day the Arranged Interchange was received		≥ 1 hour 58 minutes prior to ramp start

## Application Guidelines

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### Guidelines and Technical Basis

Many aspects of managing Interchange are supported by software applications. There are fundamental tasks that each entity should be able to perform in an electronic manner as listed below.

A Load-Serving Entity and Balancing Authority that submits Requests for Interchange should have the capability to electronically:

- Submit a Request for Interchange to a Sink Balancing Authority
- Submit a request to modify Interchange
- Receive distributions of Confirmed Interchange
- Receive distributions of Reliability Adjustment Arranged Interchanges

Each Sink Balancing Authority should have the capability to electronically:

- Receive a Request for Interchange
- Receive a request to modify Interchange
- Validate Requests for Interchange by verifying:
  - Source Balancing Authority megawatts equal Sink Balancing Authority megawatts (adjusted for losses, if appropriate).
  - All reliability entities involved in the Arranged Interchange are valid.
  - Generation source and Load sink are defined.
  - Megawatt profile is defined.
  - Interchange duration is defined.
- Validate request to modify Interchange by verifying:
  - Source Balancing Authority megawatts equal Sink Balancing Authority megawatts (adjusted for losses, if appropriate).
  - Megawatt profile is defined.
  - Interchange duration is defined.
- Distribute the validated Request for Interchange as Arranged Interchange
- Distribute the validated Reliability Adjustment Arranged Interchanges
- Receive communication of approval or denial of Arranged Interchange
  - Distribute notification as each entity approves or denies an Arranged Interchange.
  - Transition Arranged Interchange to Confirmed Interchange if all approvals are received.
  - Distribute notification of whether Arranged Interchange was transitioned to Confirmed Interchange or not.

## Application Guidelines

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- Submit a request to modify Interchange
- Each Load-Serving Entity that approves or denies Arranged Interchange, and each Balancing Authority and Transmission Service Provider should have the capability to electronically:
  - Receive distribution of Arranged Interchange
  - Communicate approval or denial of the Arranged Interchange to the Sink Balancing Authority
  - Receive notification of whether Arranged Interchange was transitioned to Confirmed interchange or not.
  - Submit a request to modify Interchange
- While Interchange is normally facilitated using electronic communication and software tools, there are occasions with those electronic capabilities are reduced or unavailable. It is recommended that all entities involved in aspects of Interchange should have, maintain and implement a plan describing the manner and timing in which all capabilities listed above will be provided when electronic capabilities are reduced or unavailable. Each plan should address the following topics:
  - Alternate methods of communicating Interchange information between Purchasing Selling Entities, Balancing Authorities, and Transmission Service Providers.
  - How to notify others that it is activating the plan
  - How it will process requests for emergency Arranged Interchange and Reliability Adjustment Arranged Interchange.
  - Restrictions and limitations that may apply during the period of reduced or unavailable capability (such as limits on volume, only accepting emergency transactions, etc.).
  - Delegation of approval rights and proxy actions, if such approaches will be used.
  - How known Confirmed Interchange will be scheduled following a reduction in or loss of capability.
  - Personnel plans for short-term and extended periods.
  - Training of personnel in the use of the plan.

### **Rationale:**

During development of this standard, text boxes were embedded within the standard to explain the rationale for various parts of the standard. Upon BOT approval, the text from the rationale text boxes was moved to this section.

### **Rationale for R1:**

Balancing Authorities must take action on a received Arranged Interchange within a certain time frame. Requirement R1, Parts 1.1 and 1.2 provide reliability-related reasons that a Balancing

## Application Guidelines

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Authority must deny an Arranged Interchange, but Balancing Authorities may deny for other reasons. If the conditions described in Requirement R1, Parts 1.1 or 1.2 are recognized after approval is granted, the Balancing Authority may curtail the Confirmed Interchange prior to implementation.

### Rationale for R2:

TSPs must take action on a received Arranged Interchange within a certain time frame. Requirement R2, Part 2.1 provides reliability-related reasons that a TSP must deny an Arranged Interchange, but TSPs may deny for other reasons. If the conditions described in Requirement R1, Part 2.1 are recognized after approval is granted, the TSP may curtail the Confirmed Interchange prior to implementation.

### Version History

Version	Date	Action	Change Tracking
1	May 2, 2006	Adopted by the NERC Board Of Trustees	New
2	May 2, 2007	Adopted by the NERC Board Of Trustees	Revised
3	October 29, 2008	Adopted by the NERC Board Of Trustees	Revised
3	July 1, 2010	Approved by FERC	Revised
4	February 6, 2014	Adopted by the NERC Board Of Trustees	Revised
4	June 30, 2014	FERC letter order issued approving INT-006-4	