

### Background

The Coordinate Interchange Standard Drafting Team thanks all those who submitted comments with the last posting of the standard. The Coordinate Interchange Standard was posted for its first public comment period from 12/15/03 - 02/12/04. The Drafting Team has been meeting since then to consider the comments submitted. The drafting team delayed its work to allow the Version 0 Standards to be developed and approved, and then to wait for direction on possible changes to the Functional Model.

There were 34 sets of comments, including comments from more than 139 different people 7 of the 9 Industry Segments, and all NERC Regions as shown in the table on the following pages. Attachment 1 lists all commenters by Industry Segment. You can view the comments in their original format at:

[ftp://www.nerc.com/pub/sys/all\\_updl/standards/sar/CI\\_Std\\_Version\\_One\\_Comments.pdf](ftp://www.nerc.com/pub/sys/all_updl/standards/sar/CI_Std_Version_One_Comments.pdf)

The SDT made changes to the definitions and the standard based on the comments submitted by industry stakeholders. The SDT's provided its consideration of each comment in yellow highlighted text immediately following each comment submitted for each question.

If you feel that the Drafting Team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Director of Standards, Gerry Cauley at 609-452-8060 or at [gerry.cauley@nerc.net](mailto:gerry.cauley@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

The Drafting Team has been delayed while waiting for the Version 0 Standards to be developed and balloted, and then for a decision on changes to the Interchange Authority in the Functional Model. Since changes to the Functional Model do not seem imminent, the Drafting Team is moving forward with the Standards Authorization Committee's approval, on the following basis:

The Drafting Team (DT) is going to take an "evolutionary" rather than "revolutionary" direction with respect to making the Version 1 standards align with the Functional Model. Whereas the first draft of the Version 1 Coordinate Interchange Standards viewed the Functional Model and its tasks and relationships as the 'basis' for the standards, we now view the Functional Model as the 'goal/target/vision' for the second draft of the Version 1 Coordinate Interchange standards.

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<sup>1</sup> The appeals process is in the Reliability Standards Process Manual:  
<http://www.nerc.com/standards/newstandardsprocess.html>.

**List of questions and comments:**

1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document Appendix A). Do you agree? .....4

2. Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied? ..... 10

3. Are you aware of any other Regional differences that should be included in this standard? ..... 15

4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance ..... 19

5. This standard does not dictate a specific deadline for . . . Do you agree with this approach? .....24

6a. Suggested changes to definition of Interchange: .....31

6b. Suggested changes to definition of Arranged Interchange: .....34

6c. Suggested changes to definition of Confirmed Interchange: .....36

6d. Suggested changes to definition of Implemented Interchange: .....38

7. Do you agree with the proposed requirements and measurements in section 401? .....40

8. Do you agree with the proposed compliance monitoring process in section 401? .....44

9. Do you agree with the proposed levels of non-compliance in section 401? .....50

10. Do you agree with the proposed requirements and measures in section 402? .....55

11. Do you agree with the proposed compliance monitoring process in section 402? .....61

12. Do you agree with the proposed levels of noncompliance in section 402? .....66

13. Do you agree with the proposed requirements and measurements in section 403? .....70

14. Do you agree with the proposed compliance monitoring process in section 403? .....74

15. Do you agree with the proposed levels of noncompliance in section 403 (INT-006-1)? .....80

16. Do you agree with the proposed requirements and measurements in section 404? .....85

17. Do you agree with the proposed compliance monitoring process in section 404? .....89

18. Do you agree with the proposed levels of noncompliance in section 404? .....95

19. Do you agree with the concept that . . . losses will be handled as just another type of Interchange? .....99

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? ..... 104

21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain. .... 108

22. Should a requirement for acknowledging the receipt of Confirmed Interchange from the Interchange Authority be included in the standard? ..... 113

23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document. .... 116

**1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document Appendix A). Do you agree?**

**Summary Consideration:** Most commenters agreed that the proposed standard addresses the requirements identified in the associated SAR. Several commenters pointed out that the SAR listed specific requirements for the PSE to provide information to the IA, and these requirements do not appear in the proposed standard. The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements that appeared in the SAR. In the proposed standard, the IA verifies that the PSE has provided the information needed for reliability.

Commenter(s)	Yes	No	Comments
Karl Tammer for RTO/ISO Council (9)	X	X	We agree that the SAR requirements are materially met in the four requirements in the standard. The standards may be strengthened by adding some of the specificity and detail contained in the Reference Document to the Standard.

The team is unsure which items in the reference document you reference. The SDT did make several changes to the standard to clarify intentions and did add some new requirements. Please let us know if you feel additional details are needed.

Ed Riley-CA ISO	X	X	We believe that the standard should include the reliability-focused obligations of the PSE's as stated on Page Five of the SAR.
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As you noted, the Coordinate Interchange SAR does include the following for the PSE:

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
  - o Megawatt magnitude
  - o Ramp start and stop times
  - o Interchange transaction's duration
  - o 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

All of the reliability requirements of the SAR, though they are not assigned specifically to any entity by the SAR, are included in the standard.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<p>The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements above.</p>			
Bert Gumm-Idaho Pwr		X	<p>It is felt the Standard does not adequately address the obligation of the PSE to submit reliability data information for energy transactions. The PSE's responsibility for information submission should be defined</p>
<p>All of the reliability requirements of the SAR, though they are not assigned specifically to any entity by the SAR, are included in the standard. If the PSE fails to provide adequate reliability data the request will be denied. The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements above.</p>			
Gregory Campoli-NYISO, Kathleen Goodman-ISO NE, Theodore G. Pappas-NYSRC; Guy Zito for NPCC CP9 Wkg Group(13)		X	<p>Listed, supporting, group participants of NPCC feel there should be more detail written into the actual Standard as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an <u>entity</u> desires to transfer energy..." one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.</p> <p>The condensed format and transition from 12 sub-items of the SAR to 4 sub-standards/requirements is a good step.</p>
<p>All of the reliability requirements of the SAR, though they are not assigned specifically to any entity by the SAR, are included in the standard. If the PSE (or any submitting entity) fails to provide adequate reliability data the request will be denied. There could be other entities (such as the BA) that are requesting interchange. The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements above.</p>			
Robert Schwermann for WECC Int Wkg Grp (26) Shirley Buckmier-BPAT		X	<p>The Standard excludes the Purchasing-Selling Entity's obligations to submit the reliability oriented transaction data as identified on Page 5 of the SAR. The WECC recommends that this step be included to insure the information handoff is completed between the market and reliability processes.</p>
<p>As you noted, the Coordinate Interchange SAR does include the following for the PSE:</p> <p>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:</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

- Desire to transfer energy
  - o Megawatt magnitude
  - o Ramp start and stop times
  - o Interchange transaction's duration
  - o 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

All of the reliability requirements of the SAR, though they are not assigned specifically to any entity by the SAR, are included in the standard. If the PSE (or any submitting entity) fails to provide adequate reliability data the request will be denied. The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements above.

Marc Butts for Southern Co Svcs(9) Roman Carter for Southern Co Generation (10)		X	The SDT has done an admirable job covering the reliability issues associated with a bilateral interchange. However, I would like to make the following comments: Under Requirement 404 (a), the IA shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange. Under the Coordinate Interchange SAR, it is required "the IA shall communicate implementation status to all parties (with which the Interchange Transaction must be coordinated)". Under the Functional Model, the IA Function is responsible for communicating the Interchange Transaction information into the Reliability Assessment Systems (e.g. IDC). One could make a convincing argument that the IDC (for the Eastern Interconnect) is an involved party of the transaction since the Functional Model requires the transaction information be provided to it. Therefore, it is suggested that the Requirement 404 be revised to include communication to the IDC by including it into the Requirement: "The Interchange Authority shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange, including the Reliability Assessment System".
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The requirement for communication of a Confirmed Interchange status by the Interchange Authority to the IDC or other NERC identified reliability analysis system is included in INT-008-1, Requirement 1.1.2 as "Necessary Interchange information to NERC-identified reliability analysis services"

Doug Hills for MISO CA Wkg Group		X	The Standard requirements seem to reflect similar intentions to those presented in the SAR requirements, however the coordination is not clear for day-ahead versus real-time. For example, if the IA confirms Interchange to be implemented for a monthly transaction for example, is it ever verified again prior to the schedule running? Is it verified on a daily basis though nothing changed?
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The SDT added a Timing Table to the standard to establish timing requirements for the various stages associated with the reliability-related

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<p>steps in coordinating interchange.</p> <p>The Coordinate Interchange Standards address all confirmations in the same way - once confirmed a Request for Interchange becomes an Arranged Interchange and will be implemented unless there is a reliability issue. Any reliability -related modification to the interchange will be addressed by the Reliability Authority. This proviso applies to all Arranged Interchange - monthly, weekly, hourly or whenever. This is consistent with current operations.</p> <p>Version 0 Standard INT-003 requires BA's to perform checkout prior to the hour in which it occurs, As envisioned, this requirement will remain after the Version 1 INT standards are approved and thus provides the verification process asked about in this comment.</p>			
Steven Cobb-SRP		X	<p>SRP suggests the CI Standard include clarification of the relationship between the IA and PSE. The role of the PSE in coordinating Interchange is described in the SAR. However, the role of the PSE is not defined in the Standard.</p> <p>The CI Standard needs to explain where the 'proposed' Interchange originates. Standard 404 states The Interchange Authority shall communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange. Based on the CI Standard, one would not know who all entities are.</p> <p>The PSE's role in coordinating interchange is defined in the CI Standard Reference Document. However, it is unknown the final form that the CI Reference Document will take.</p> <p>The Compliance section of the Standard itself states that the PSE's data will be utilized to determine the IA's compliance. Based on the Standard, it is unknown where that data comes into play. The information provided by the Functional Model defines the relationship between the PSE and IA. It also defines most of the IA responsibilities included in the CI Standard. The CI Standard should reiterate the PSE-AI relationship.</p>
<p>All of the reliability requirements of the SAR, though they are not assigned specifically to any entity by the SAR, are included in the standard. If the PSE (or any other submitting entity) fails to provide adequate reliability data the request will be denied. There could be other entities (such as the BA) that are requesting interchange. The SDT is coordinating its work with NAESB to ensure that the resultant NERC Standards and NAESB Business Practices for coordinating interchange cover the entire spectrum of requirements needed for both Business Practices and reliability without omissions or duplications. In this division of requirements, NAESB Business Practices address the PSE requirements above.</p>			
Mark Creech for TVA (4)		X	The method by which you would achieve these requirements still leaves questions
<p>Agreed. But most industry participants have indicated they want new Reliability Standards to identify 'What' performance must be achieved without specifying 'How' to achieve that performance. By addressing the desired end performance, the standards have enough specificity to</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

support reliability without unduly restricting the range of solutions that can be used to reach the desired performance.			
James Spearman/Florence Belser (7)-PSC of SC	X		The standard only implies that the IA has confirmed the approvals from all involved entities. While this may be a reasonable assumption and is discussed in the related Reference Document, it would have been better to spell out this requirement in the standard.
<p>The Standard included a measure with a list of items the IA must verify as part of the process of verifying that an Arranged Interchange is balanced and valid. The measure included the following:</p> <p>Each Reliability Authority, Balancing Authority, and Transmission Service Provider has provided approval. If an Interchange Schedule change is directed by the Reliability Authority for reliability-related reasons, (as authorized in NERC Reliability Standards), then the Reliability Authority's approval is the only approval that is required.</p> <p>The SDT revised the standard to move this language from the Measure to the Requirement. In the second draft of the standard, this language can be found in INT-007-1_R1.8.</p>			
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		A condensed format and transition from 12 sub-items of SAR to 4 sub-standards/requirements is a good step. A few improvements could be made as per subsequent suggestions/comments given below.
Please see the consideration of the specific suggestions.			
Patti Metro for FRCC (15)	X		
William Smith-Allegheny Power	X		
Alan Johnson-Mirant	X		
Al DiCaprio (4)-PJM	X		
Tom Hawley-We Energies	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Gerald Rheault-Manitoba Hydro	X		
Joel Mickey-ERCOT	X		
Susan Morris for SERC (1)	X		
John Horakh-MAAC	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Peter Burke-American Trans Co			
Ev Lucenti-Power Decisions			

2. Can you identify any reason why ERCOT’s request for an Interconnection-wide Regional Difference should be denied?			
<p><b>Summary Consideration:</b> Several commenters pointed out that ERCOT does have DC ties with entities outside ERCOT, and suggested that DC ties should be covered in this Standard. The Standard has been revised to address DC ties and consequently ERCOT withdrew its request for an Interconnection-Wide Regional Difference.</p>			
Commenter(s)	Yes	No	Comments
Ed Davis-Entergy	X		ERCOT may have a regional exemption except for interchange transactions scheduled to through the DC Ties to entities outside of ERCOT. Interchange transaction schedules to entities outside ERCOT should conform to these NERC standards.
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
Ron Gunderson-NB PPD	X		ERCOT may still have interchange (as outlined in the definitions with the other interconnections. For interchange that crosses the interconnection boundary, ERCOT must follow this standard or it would have a significant adverse impact on the reliability of the other interconnections.
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		We agree with the ISO/RTO Standards Review Committee consensus as stated below: “Recognizing that ERCOT follows the generally accepted practice of modeling DC tie lines as a generator or load, outside the ACE equation, transfers over DC ties lines should still be coordinated in a deliberate and orderly manner. The definition of interchange, “Energy transfers that cross Balancing Authority boundaries” does not differentiate between AC and DC ties. All interchanges, whether or not included in the ACE equations, need to be coordinated for reliability.”
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<p>Kathleen Goodman-ISO NE, Theodore G. Pappas-NYSRC</p> <p>Guy Zito for NPCC CP9 Wkg Group(13)</p>	<p>X</p>		<p>ISO-NE (NYSRC) understands that ERCOT does not operate any synchronous ties with either the Eastern or Western Interconnections, however we are concerned how transfers over DC ties will be coordinated even when they are modeled as a generator or load and not in the ACE equation. Effectively this is still inter-Area interchange that needs to be reliably coordinated. If not the Coordinate Interchange Standard, what Standard will assure this? The definition of interchange is “Energy transfers that cross Balancing Authority boundaries” which does not differentiate between AC and DC ties. It would seem that this Regional Difference request is not appropriate, and all DC inter-Area ties should fall under this Standard regardless of how an Area models them.</p>
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
<p>Lloyd Linke for MAPP RRC and OC (9)</p>	<p>X</p>		<p>Perhaps not denied, but clarified/modified. ERCOT may still have interchange (as outlined in the definitions) with the other interconnections. For interchange that crosses the interconnection boundary, ERCOT must follow this standard or it would have a significant adverse impact on the reliability of the other interconnections.</p>
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
<p>Doug Hills for MISO CA Wkg Group</p>	<p>X</p>		<p>Yes, Interchange as it relates to DC tie operation should be included in this Standard. Internal transfers may be exempt.</p>
<p>Agreed. ERCOT has withdrawn its request for an Interconnection-Wide Regional Difference. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
<p>Ev Lucenti-Power Decisions</p>	<p>X</p>		
<p>Gregory Campoli-NYISO</p>	<p>X</p>		
<p>Tom Hawley-We Energies</p>		<p>X</p>	<p>ERCOT Operations appear to meet all requirements for the interconnection-wide regional difference.</p>
<p>ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.</p>			
<p>Alan Johnson-Mirant</p>		<p>X</p>	<p>I have no information to suggest that ERCOT’s request for a Regional Difference is in violation of any of the stated criteria for denying their request.</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards.			
Bert Gumm-Idaho Pwr		X	Regional differences should be allowed.
Agreed. In this case, ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards.			
Ed Riley-CA ISO, CA ISO		X	What about interchange on the DC ties to the Eastern Interconnection? I believe that these are transfers across Balancing Authority boundaries.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.			
Gerald Rheault-Manitoba Hydro		X	Because ERCOT operates asynchronous to both the eastern and western interconnections, they will not have a significant adverse impact on reliability or commerce in other interconnections, therefore their Regional Difference should not be denied.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.			
James Spearman/Florence Belser (7)-PSC of SC		X	PSCSC response assumes the DC ties are handled consistent with provisions in the Coordinate Interchange Standard Reference Document.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.			
Joel Mickey-ERCOT		X	ERCOT's DC Tie transactions are not part of the ACE equation.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.			
John Horakh-MAAC		X	Assuming that the ERCOT Region will be a single Balancing Authority, then there is no Interchange <u>within</u> ERCOT, so this Standard does not apply within ERCOT. By definition, Interchange is energy transfers that <u>cross</u> Balancing Authority boundaries.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT, and these are addressed in the revised standard.			
Mark Creech for TVA (4)		X	TVA supports the request for regional difference based on the above statements provided.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

ties with entities outside ERCOT, and these are addressed in the revised standard.			
Patti Metro for FRCC (15)		X	Comments should actually be required if the yes box is checked to better understand why an entity does not think ERCOT qualifies for a regional difference. With the fact that ERCOT operates asynchronous to the Eastern and Western Interconnections, ERCOT has no adverse impact on the reliable operations of the other interconnections the regional difference should be approved.
ERCOT has withdrawn its request for an Interconnection and it has been removed from the revised set of Standards. ERCOT does have DC ties with entities outside ERCOT			
Robert Schwermann for WECC Int Wkg Grp (26)		X	NERC and FERC Policies allow for regional differences.
Agree.			
Shirley Buckmier-BPAT		X	Both NERC and FERC Policies allow for regional difference.
Agree.			
Steven Cobb-SRP		X	We believe the form meant to request reasons for checking "Yes."
Agreed. The drafting team apologizes for the confusion with the form.			
William Smith-Allegheny Power		X	
Ken Githens-Allegheny Energy		X	
Al DiCaprio (4)-PJM		X	
Raj Rana-AEP		X	
Richard Kafka-Pepco		X	
Scott Moore for SPP ORWG (8)		X	
Susan Morris for SERC (1)		X	
Karl Tammer for RTO/ISO Council (9)			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Marc Butts for Southern Co Svcs(9)			
Peter Burke-American Trans Co			
Roman Carter for Southern Co Generation (10)			

**3. Are you aware of any other Regional differences that should be included in this standard?**

**Summary Consideration:** No other Regional Differences were identified, but may be identified as the standard is refined.

Commenter(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO	X		I believe that this standard is short on detail that is considered essential to the day-to-day operation in the Western Interconnection. If that detail is not in the next version, I would expect that WECC will identify some regional differences.
<p>Any Region may submit a request for a Regional Difference.</p>			
Bert Gumm-Idaho Pwr	X		Currently, the WECC Reliability Management System (RMS) provides for monitoring of reliability issues and sanctions for non-compliance. This standard does not provide the same level of detail as RMS, therefore, Regional differences may arise as some Regions adopt less stringent rules than WECC. If NERC adopts a standard that is less stringent than the WECC, the WECC should be allowed to maintain its' more restrictive measures.
<p>Any Region may develop standards that are MORE stringent than NERC Reliability Standards. Regional Differences are only REQUIRED to cover situations where a Region requests a modification to accommodate a requirement that is LESS stringent than the associated NERC Standard.</p>			
Robert Schwermann for WECC Int Wkg Grp (26)	X		The CI standard lacks significant detail that will be required for implementation and day-to-day operation. WECC reserves the right to make their standards more stringent than NERC standards as applicable. It is assumed that individual regions must develop supplemental business practices. WECC, through the RMS Standards Phase 3, has E-Tagging standards. These adopted standards provide sanctions with the current E-Tag product as supported in NERC policy 3. If the NERC CI standard eliminates Policy 3 in its present form, WECC may propose to continue its standard, develop a new standard, or ask for a regional difference.
<p>Any Region may develop standards that are MORE stringent than NERC Reliability Standards. Regional Differences are only REQUIRED to cover situations where a Region requests a modification to accommodate a requirement that is LESS stringent than the associated NERC Standard. This new Standard is not intended to be a replacement for Policy 3.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Shirley Buckmier-BPAT Steven Cobb-SRP	X	The CI standard lacks significant detail that will be required for implementation and day-to-day operation. As part of WECC we have regional standards that we are required to met, such as WECC RMS Standards Phase 3, which has E-Tagging standards. These adopted standards provide sanctions with the current E-Tag product as supported in NERC policy 3. If the NERC CI standard eliminates Policy 3 in its present form, WECC may propose to continue its standard, develop a new standard or ask for a regional difference. The WECC's current Reliability Management System program establishes measures and sanctions for non-compliance to standards. SRP believes that the WECC will continue to develop and enhance its Reliability Management System own compliance program.
<p>Any Region may develop standards that are MORE stringent than NERC Reliability Standards. Regional Differences are only REQUIRED to cover situations where a Region requests a modification to accommodate a requirement that is LESS stringent than the associated NERC Standard. This new Standard is not intended to be a replacement for Policy 3 which has been replaced by Version 0 INT standards. Portions of the Version 0 INT standards are expected to be replaced by Version 1 INT standards.</p>		
Karl Tammer for RTO/ISO Council (9)	X	The IRC recognizes that Regions can and do make more stringent requirements.
<p>Agreed.</p>		
Marc Butts for Southern Co Svcs(9); Roman Carter for Southern Co Generation (10)	X	We do not currently know of any Regional differences at this time. However, during the initial phasing in of standards, each region may find adopting or developing a different approach provides increased reliability. Therefore, we believe that differences should be considered as they are identified in the future.
<p>Regional Differences should be identified and posted for Industry-Wide Review and comment prior to balloting a Standard. If the need for a Regional Difference is discovered after a Reliability Standard has been balloted and adopted, then the entity requiring the Regional Difference will need to submit a SAR to open the Standard and the request for the Regional Difference to Industry-wide review.</p>		
Mark Creech for TVA (4)	X	The industry should reserve the right to review any request for regional differences on a case-by-case bases.
<p>Agree. Regional Differences that are to become part of a NERC Reliability Standard must be included in the Standard so the Ballot Pool may review the difference and decide if that difference meets the criteria for inclusion in the associated Standard.</p>		
Theodore G. Pappas-NYSRC	X	The NYSRC Reliability Rules are not inconsistent with or less stringent than the proposed NERC Standard, and the NYSRC has elected not to propose that NYSRC Reliability Rules be made part of this Reliability Standard.
<p>This is supported by the NERC Reliability Standards Process Manual - only requirements that are 'LESS' stringent than the proposed Reliability</p>		



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Standard are REQUIRED to be included as Regional Differences. Regions MAY request that 'MORE" stringent Regional requirements be added to a NERC Reliability Standard, but including requirements that are more stringent is 'OPTIONAL'.		
William Smith-Allegheny Power		X
Ed Davis-Entergy		X
Alan Johnson-Mirant		X
Al DiCaprio (4)-PJM		X
Ev Lucenti-Power Decisions		X
Gerald Rheault-Manitoba Hydro		X
Gregory Campoli-NYISO		X
James Spearman/Florence Belser (7)-PSC of SC		X
Joel Mickey-ERCOT		X
John Horakh-MAAC		X
Kathleen Goodman-ISO NE		X
Ken Githens-Allegheny Energy		X
Lloyd Linke for MAPP RRC and OC (9)		X
Doug Hils for MISO CA Wkg Group		X
Patti Metro for FRCC (15)		X
Pete Henderson / Khaqan Khan-The IMO-The IMO		X
Peter Burke-American Trans Co		X
Raj Rana-AEP		X

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Richard Kafka-Pepco		X	
Ron Gunderson-NB PPD		X	
Scott Moore for SPP ORWG (8)		X	
Susan Morris for SERC (1)		X	
Tom Hawley-We Energies		X	
Guy Zito for NPCC CP9 Wkg Group(13)		X	

**4. Do you agree with the “sanction” philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance**

**Summary Consideration:** Most commenters agree with the ‘sanction’ philosophy. Several commenters suggested that the sanction philosophy should focus more on the reliability impact of noncompliance. The SDT considered several alternative solutions in considering this suggestion. As a result all of the levels of non-compliance throughout the set of revised standards were modified in support of this suggestion. The reliability impact of a single incident can have a significant impact on reliability. The revised Standards all use the ‘number of incidents’ as a basis for determining the appropriate sanction rather than percentages. In the next posting of this set of Standards, the SDT will ask the industry for additional feedback on the acceptability of the revised levels of noncompliance.

Commenter(s)	Yes	No	Comments
Al DiCaprio (4)-PJM			All schedules must be properly implemented. Allowing any number or % can be a potential serious problem. As a Reliability Standard the goal is 100%. The fact that errors may occur points to the issue of sanctions. The standard should relegate sanctions to the Regions or the RTOs to deal with and not tie them to some arbitrary number or %.
<p>Agree that all schedules must be properly implemented and that allowing any number or % can be problematic. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDTs are required to follow the Reliability Standards Process Manual which states that the sanctions are identified as part of the Standards. Modifying the Standards to support having Regions or RTOs apply varying sanctions is outside the scope of the SDT.</p>			
Alan Johnson-Mirant		X	I agree in part with the sanction philosophy, but I think that an additional level of gradation needs to be added. It strikes me that an entity that achieves 90% compliance on 1000 records has a greater negative impact on reliability than the entity that achieves 90% compliance on 10 records. As such the entity with the greater negative impact on reliability should be more severely sanctioned than the entity whose non-compliance results in less of an impact on reliability. I don’t know where the breakpoints should be, but I believe consideration should be given to creating a few buckets (for example 0-100, 101 – 500, >500) and utilizing the four sanction levels within each bucket.
<p>The problem with percentages versus numbers can result in the same arguments. If the 1000 records were all 1 MW transactions and the 10 records were all 1000 MW transactions the impact may be reversed of what one would logically think. The revised standards all use the number of incidents as a basis for determining the appropriate sanction.</p>			
Patti Metro for FRCC (15)		X	Should be both records matching and reliability impact. For instance MWH needs to be addressed. Overall thought on compliance for this standard: Any transaction that is large

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

			enough can be detrimental to the interconnection if it is not coordinated properly between entities.
Any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.			
Peter Burke-American Trans Co		X	Could the SDT provide some additional insight in determining this way of measuring non-compliance? In trying to treat small and large companies equitably in terms of non-compliance does it satisfy the larger purpose in requiring a reliable interconnection? In the example given above, the small company and large company were being treated equitably in terms of the non-compliance but the larger entity may have been able to use the system in their favor more than, and possibility to the disadvantage of, the smaller entity.
Any transaction can have a detrimental impact on reliability. The problem with percentages versus numbers can result in the same arguments. If the 1000 records were all 1 MW transactions and the 10 records were all 1000 MW transactions the impact may be reversed of what one would logically think. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.			
Richard Kafka-Pepco		X	In concept, a percentage may be more equitable to large and small participants, but that begs the issue. The proposed percentage bands are far too large. As a practical matter, interchanges must match and the goal is 100%.
Agree that the goal is 100%. Any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.			
Gerald Rheault-Manitoba Hydro		X	
Ed Riley-CA ISO, CA ISO	X		I agree that the percentage sanction philosophy is appropriate. I believe that the performance levels should be adjusted such that there is a tighter measure of non-compliance.
Agree that the goal is 100% accuracy. Any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.			
Gregory Campoli-NYISO, Karl Tammer for RTO/ISO Council (9)	X		To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed. The NYISO recognizes that regional differences and tariff applications have implications in applying sanctions. Thus specific sanctions are best developed regionally.
Agree that the goal is 100% accuracy. Any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable. The SDTs are required to follow the Reliability Standards Process Manual which states that the sanctions are identified as part of the Standards.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<p>Modifying the Standards to support having Regions apply varying sanctions is outside the scope of the SDT.</p>		
Doug Hills for MISO CA Wkg Group	X	<p>We agree with percentages however what constitutes what a record is.. not only are records not defined but percentages levels of implemented Interchange not matching up is unacceptably high. Huge volumes of implemented interchange not matching up could still be compliant to this Standard. We also question if the burden of record keeping across the industry has been considered in demonstrating compliance.</p>
<p>There was no consensus on the use of % and the SDT modified the standards to use the number of incidents as a trigger for sanctions rather than a % of the number of records.</p>		
Scott Moore for SPP ORWG (8)	X	<p>The purpose of the standards is to ensure compliance. That being the case, the tolerances for noncompliance should be fairly tight. The ranges for the different levels of noncompliance in the proposed standard may be too large. For example, Level 1 should be higher, perhaps 98-99.999%, instead of the proposed 90-99%.</p>
<p>Agree that the goal is 100% accuracy. Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.</p>		
James Spearman/Florence Belser (7)-PSC of SC	X	<p>It must be recognized that <b>any</b> problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT appears to be compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.</p>
<p>Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.</p>		
Robert Schwermann for WECC Int Wkg Grp (26)	X	<p>Yes, without sanctions enforcement would be useless. With Percentage methodology this standard is more equitable and reasonable. WECC RMS uses percentage basis as well.</p>
<p>Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.</p>		
Bert Gumm-Idaho Pwr	X	<p>There cannot be enforcement without sanctions and the sanctions must be levied fairly.</p>
<p>Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable.</p>		
Theodore G. Pappas-NYSRC	X	<p>In this way, it would be considered as a more fair process. Please also see our statement in</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Kathleen Goodman-ISO NE Guy Zito for NPCC CP9 Wkg Group(13)			Comment Form Question #23 response regarding our continued opposition to monetary sanctions.
<p>Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction. The SDT will ask the industry if the revised sanctions are more acceptable. Note that the SDT is only charged with drafting the standard, eliminating financial sanctions is outside the scope of the SDT.</p> <p>See response to comments on question #23.</p>			
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		In this way, it would be considered as a more fair process
<p>Several commenters pointed out that any transaction can have a detrimental impact on reliability. The revised standards all use the number of incidents as a basis for determining the appropriate sanction.</p>			
Ed Davis-Entergy	X		
Raj Rana-AEP	X		
Tom Hawley-We Energies	X		
Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Shirley Buckmier-BPAT	X		
Steven Cobb-SRP	X		
Susan Morris for SERC (1)	X		
William Smith-Allegheny Power	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Svcs(9)			
Mark Creech for TVA (4)	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Ev Lucenti-Power Decisions	X		

**5. This standard does not dictate a specific deadline for . . . Do you agree with this approach?**

**Summary Consideration:** Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The Timing Table provides specific timing requirements for the following:

- IA’s distribution of Arranged Interchange
- Reliability Assessment Period
- IA status compilation and distribution period
- BA implementation period

The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange.

Commenter(s)	Yes	No	Comments
William Smith-Allegheny Power		X	Timing guidelines are essential to real time operations. The current guidelines have been developed over time and with industry input.
Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.			
Marc Butts for Southern Co Svcs(9); Susan Morris for SERC (1) Ed Davis-Entergy		X	Parties involved in the Interchange should be required to conform to timing requirements contained in industry-wide existing business practices, which today is E-TAG.
Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. Note that NAESB is developing Business Practices for coordination of interchange that are expected to include timing requirements associated with E-TAG.			
Mark Creech for TVA (4)		X	The current timing guidelines provide for a fair and equitable structured process, which allows for reliable operations to all parties while accommodating for real time operations.
Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.			
Alan Johnson-Mirant		X	I agree that the timing of data exchange is primarily a business issue and is outside the scope of this standard. However, I believe that minimum/default time limits should be specified in the companion business standard being developed by NAESB. Therefore, I think consideration should be given to officially linking the two standards by referencing the NAESB companion standard in both the paragraphs describing the Effective Period and Clarifying documents. This



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

			standard should not take effect until the NAESB companion standard is ready.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange, but did not see a need to reference the associated NAESB Business Practice.</p>			
Doug Hills for MISO CA Wkg Group		X	While the Standard does not have to dictate a specific deadline, it does have to dictate that specific deadlines be agreed to that will allow for the reliability assessment. The language should recognize that those performing the Reliability Functions have the authority to set the timing requirements necessary for the purpose of assessment of transmission service, ramping capability, etc. and also accommodate the timing for implementing the interchange once that transaction has moved to the “Implement” state. The technical discussion document seems to recognize this fact, however it is not reflected in the standard.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The Timing Table does set timing requirements for the following:</p> <ul style="list-style-type: none"> <li>- IA’s distribution of Arranged Interchange</li> <li>- Reliability Assessment Period</li> <li>- IA status compilation and distribution period</li> <li>- BA implementation period</li> </ul>			
Bert Gumm-Idaho Pwr		X	This cannot be left up to individual parties. Timing requirements have been very important during the past few years in maintaining a reliably operated system. The system Operators ability to coordinate interchange relies on their ability to sum schedules after the schedule submission timing requirement closes and match net schedules with Control Areas to ensure a balance on the network.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.</p>			
Roman Carter for Southern Co Generation (10)		X	By waiting until the last 5 minutes prior to ramping, for example, to approve a transaction that was requested yesterday is unacceptable to Business. There needs to be adequate time (as provided for in the current Policy 3) for alternative plans on the Business side if the transaction is not actively approved for implementation. Furthermore, is NERC By waiting until the last 5 minutes prior to ramping, for example, to approve a transaction that was requested yesterday is unacceptable to Business. There needs to be adequate time (as provided for in the current Policy 3) for alternative plans on the Business side if the transaction is not actively approved for implementation. Furthermore, is NERC willing to accept a Business Practice Standard enforced by FERC which provides a minimal (less than what current Policy 3 now provides) timeframe to assess reliability. It would be in NERC’s best interest to prescribe certain submission and approval timing requirements as a backstop for these transactions. The most practical place is

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

			in the Coordinate Interchange Standard.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange.</p>			
Ev Lucenti-Power Decisions		X	<p>Verification and agreement to Implement a schedule between sending and receiving parties must be done in the hour before the schedule change takes place. Reason: The problem today is that once transactions are approved, the schedules get implemented without final agreement between the receiving and sending parties. When the system is in a precarious loading situation, schedules are taking place that aggravate the loading or in some cases one of the parties (sending or receiving) implements the schedule while the other party does not due to problems within their system. These schedules would not take place if verbal agreement has to be reached prior to implementation.</p>
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange.</p>			
Shirley Buckmier-BPAT; Robert Schwermann for WECC Int Wkg Grp (26)		X	<p>As stated in #3 above, the Standard lacks operational detail in many areas. Timing issues are but one of those issues. BPAT (WECC Wkg Grp) feels that coordinated timelines are an essential part of the process and need to be coordinated with our interconnections.</p>
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.</p>			
Steven Cobb-SRP		X	<p>As stated in #3 above, the Standard lacks operational detail in many areas. Timing issues are but one of those issues.</p> <p><b>Arranging/Confirming/Implementing Timelines:</b> The merchant and reliability functions will constantly be at odds over the timing of the submittal and approval of Interchange information. We believe standard timelines will benefit reliability by ensuring there is an adequate and consistent time period for trading, arranging, confirming, and implementing transactions. Regional variations can be provided as required. NAESB could also be responsible for establishing these set timelines. Regardless, of who takes responsibility, the timelines must be established.</p> <p><b>Ramping Timelines:</b> SRP believes a standardized hourly ramp schedule concept should be identified in the CI Standard. This approach is a benefit to reliability and to the energy markets. Regional variations can be developed as required. As with the scheduling timelines previously mentioned, NAESB could also be responsible for establishing the ramp timelines. A standard hourly window for interchange ramping results in predictable transients on the transmission</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

			<p>system followed by primarily static system conditions for most of the hour. The interconnection is permitted to “settle” after the ramp is complete and establish a baseline condition. The predictability of the ramp facilitates more efficient monitoring of system conditions and permits effective corrective action to be taken. This does not mean that ramps outside the Standard window should be prohibited. These ramps are currently permitted, but constitute a small percentage of Interchange. Therefore, they have limited impact to the condition of the system.</p>
<p>Timelines: Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange. The Timing Table included in the revised Coordinate Interchange Standards does set timing requirements for the following:</p> <ul style="list-style-type: none"> <li>○ IA’s distribution of Arranged Interchange</li> <li>○ Reliability Assessment Period</li> <li>○ IA status compilation and distribution period</li> <li>○ BA implementation period</li> </ul> <p>Ramp Rate: The SDT has discussed specifying a default ramp rate and at this point does not consider the definition of a default ramp rate to be a reliability issue and instead is a business practice. As long as BA’s agree that they can perform a requested ramp then reliability issues are resolved and interchange will be coordinated. NAESB representatives working on the companion Interchange business practices are aware of this position and will be working with the SDT to resolve the issue.</p>			
<p>Patti Metro for FRCC (15)</p>		<p>X</p>	<p>There should be some guidelines provided in this area. We do agree that the timing issue is more of a business practice issue rather than a reliability issue, but NERC needs to implement at least a 10-minute minimum to allow for sufficient time for an entity to complete analysis to ensure reliability. In addition, NERC should work with NAESB in the development of practical timing requirements based on the business issues associated with this. The reliability aspects that may arise should be reviewed by the industry as NAESB follows the process developed. In addition, the example provided on pg 5 of the reference document discusses conditional approval, which implies that there are separate agreements for each entity involved in the interchange. These types of agreements can be confusing if there is no consistency.</p>
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The Timing Table does include the 10-minute Reliability Assessment Period you suggested.</p> <p>The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Ron Gunderson-NB PPD		X	This standard must be coordinated with the business practices to be sure they are implemented so there is no adverse impact on reliability. For example, if the business practices have timing requirements that are too tight, it may not be able to implement all interchange if the information due to the tight timeframe. It may be necessary to promote reliability to set minimum timing requirements for BA's to implement interchange once it has been confirmed.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a "Timing Table".</p> <p>The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange.</p>			
Peter Burke-American Trans Co		X	With timing being decided by the entities this could lead to a very confusing and complex system. In the attached reference document, the IA may get a conditional approval from an RA but the IA also needs to check with the TSP and BA. If either of those entities delays a decision the IA may lose the approval from the RA. Lastly, the IA may be dealing with multiple RA's, BA's and TSPs that could each have different and possibly conflicting time schedules.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a "Timing Table".</p>			
Raj Rana-AEP		X	This standard must provide guidelines to the parties involved in interchange for specific timing for requesting, approving or implementing interchange schedules from the reliability standpoint. As proposed, this standard requires PSEs to submit interchange schedules tag directly to IAs only, The IA, in turn, processes this information and sends the tag information to other entities involved in the schedule. This serial notification process will add time to the approval process. As a PSE, we would prefer that minimum notification time of 20 minutes be maintained and not increased. We suggest that IA be kept in the loop, however, same as today, when a tag is submitted by the a PSE, this information must go out to all involved entities in parallel. This will minimize the notification time.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a "Timing Table". The SDT coordinated its work with NAESB to ensure that the timing table does not conflict with the associated Business Practices for coordination of interchange. The Timing Table included in the revised Coordinate Interchange Standards does set timing requirements for the following:</p> <ul style="list-style-type: none"> <li>~ IA's distribution of Arranged Interchange</li> <li>~ Reliability Assessment Period</li> <li>~ IA status compilation and distribution period</li> <li>~ BA implementation period</li> </ul> <p>The specific time allocations for each of the above steps are dependent upon the Actual Arranged Interchange (RFI) submission time.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Ed Riley-CA ISO, CA ISO	X		We agree that the standard does not need to set specific timing, however it should not be construed to preclude individual entities, regions, or interconnections from setting specific timing requirements for their transactions to match their tariffs or for reliability reasons.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. This should not preclude individual entities, Regions or Interconnections from setting specific timing requirements that are more conservative than those established for this set of Standards.</p>			
John Horakh-MAAC	X		This adheres to the concept that Reliability Standards should cover the “what”, not the “how”.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT tried to include timing requirements to support reliability without unduly restricting market operations.</p>			
Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)	X		ISO-NE (NYSRC) doesn’t believe setting standard timing is a practical expectation. This could have Market implications and potentially restrict flexibility for two adjacent Markets to agree to a more conducive timing schedule.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT tried to include timing requirements to support reliability without unduly restricting market operations. Please review the proposed Timing Table and let us know if this conflicts with your Market operations.</p>			
Ken Githens-Allegheny Energy	X		However, AE does have some concerns that timing differences could result in some seams issues between organizations.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.</p>			
Gregory Campoli-NYISO; Karl Tammer for RTO/ISO Council (9)	X		Specific timing requirements should be set regionally.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”. The SDT tried to include timing requirements fundamentally consistent with those used in Version 0 to support reliability without unduly restricting market operations. Please review the proposed Timing Table and let us know if this conflicts with your Market operations.</p>			
Pete Henderson / Khaqan Khan- The IMO-The IMO	X		We feel that the timing flexibility should rest with the parties involved with a common agreement.
<p>Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.</p>			
Tom Hawley-We Energies	X		It is appropriate that parties involved in the Interchange dictate these deadlines.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Most commenters indicated that the standards do need some specific timelines and the SDT revised the standards to include a “Timing Table”.

Lloyd Linke for MAPP RRC and OC (9)			The MAPP Regional Reliability Council has no comment on this aspect of the Standard.
Richard Kafka-Pepco	X		
Scott Moore for SPP ORWG (8)	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
Gerald Rheault-Manitoba Hydro	X		

<p><b>6a. Suggested changes to definition of Interchange:</b></p> <p><b>Interchange:</b> Energy transfers that cross Balancing Authority boundaries</p>	
<p><b>Summary Consideration:</b> Several stakeholders suggested specific changes to the draft definition of 'Interchange'. The Drafting Team reviewed these suggestions and determined that the definition, as proposed by the drafting team, is correct. 'Interchange' is a term that relates the actual or scheduled flow of energy. 'Interchange' may be with another BA, it may also be with another Group (Reserve Sharing) or with an Interconnection (Inadvertent Interchange).</p>	
Commenter(s)	Comments
Shirley Buckmier-BPAT	<p>We are assuming that the CI standard is only referring to "Scheduled" and not "Actual" interchange as these two components are separated in our ACE. Scheduled interchange can be arranged, confirmed and implemented, however Actual interchange cannot be directly coordinated in a parallel electric system by virtue of provisions in a standard. <b>If we are referring only to scheduled interchange then we offer the following definitions:</b>                  Interchange: A planned energy transfer between a source BA and a sink BA</p>
<p>The proposed definition could be used to address both Actual and Scheduled Interchange. The proposed definition allows users to add the adjective, 'Actual' or the adjective, 'Scheduled' to indicate what is intended.</p>	
Steven Cobb-SRP	<p>It is <b>unclear whether all four proposed definitions above are referring to the total planned Interchange between two BAs or individual Interchange Transactions (or Interchange Schedules)</b>. Interchange: The NERC term "Interchange" in this standard would seem to include "Actual" and "Scheduled" Interchange. These Interchange values are separated into two components in the ACE equation. One would assume that the CI Standard is dealing with the Scheduled Interchange* component because it can be arranged, confirmed, and implemented. Actual Interchange cannot be directly coordinated in a parallel electric system by virtue of the provisions in this proposed Standard. We suggest that "Interchange" and its definition be kept. We also suggest the NERC term "Interchange Transaction" be redefined and used as follows: An individual planned INTERCHANGE transfer between a SOURCE BALANCING AUTHORITY and a SINK BALANCING AUTHORITY. This term would be consistent with the way "Interchange" is used in the "Purpose" section point #(1) of the CI Standard. * Note that SRP considers ALL Dynamic Transfers to be "Scheduled Interchange" because they are coordinated and controlled between Balancing Authorities regardless of what side of the ACE equation they affect.</p> <p>With the exception of "Interchange," the definitions in the CI Standard refer to conditions ("states"), not names for discrete values. This causes a problem in the Standard's text when it refers to "Arranged, Confirmed, or Implemented Interchange." Example: 401.b.1 "The Balancing Authority shall provide evidence that Implemented Interchange matches Confirmed Interchange as submitted by the Interchange Authority. Two "States" or conditions can't "match." However, two defined values can.</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<p>The SDT did make some changes to ensure that the definitions collectively cover all the stages of coordinating interchange.</p> <p>Interchange can be ‘actual interchange’ or ‘scheduled interchange’.</p> <p>The term, ‘Interchange Transaction’ is not used in the revised standard so this term was not defined.</p> <p>The drafting team did modify the Requirements and Measures to distinguish between the various states in the process and the information associated with each of these states. As an example, the first draft of the standard used the phrase, “. . . shall demonstrate that the Interchange was implemented in the Balancing Authority’s area control error equation. . . “. In the revised set of standards this has been changed to read, “. . . shall demonstrate that the Interchange information was implemented in the Balancing Authority’s Area Control Error (ACE) equation . . . “</p>	
<p>Alan Johnson-Mirant</p>	<p>Okay with the definition, but believe that the term should be “Interchange Transaction” to be consistent with version 2 of the NERC functional model and the Operations Manual.</p>
<p>The V0 Glossary defines “Interchange Transaction” as:</p> <p style="padding-left: 40px;">An agreement to transfer energy from a seller to a buyer that crosses one or more Balancing Authority Area boundaries.</p> <p>The drafting team purposely stayed away from the terms, ‘Interchange Transaction’ and ‘Scheduled Interchange’ because of the confusion that the terms cause. The two terms are used interchangeably in the industry. That is the reason that the drafting team chose to use adjectives with the word, ‘Interchange’.</p>	
<p>Robert Schwermann for WECC Int Wkg Grp (26)</p>	<p>A planned energy transfer between a source BA and a sink BA</p>
<p>‘Interchange’ is a term that relates the actual or scheduled flow of energy. ‘Interchange’ may be with another BA, it may also be with another Group (Reserve Sharing) or with an Interconnection (Inadvertent Interchange).</p>	
<p>Bert Gumm-Idaho Pwr</p>	<p>Recommend Addition of Definition for Actual Interchange</p>
<p>Actual Interchange isn’t used in this standard so no definition is needed.</p>	
<p>Ed Riley-CA ISO, CA ISO</p>	<p>An energy transfer between a source BA and a sink BA that may cross other BA boundaries.</p>
<p>‘Interchange’ is a term that relates the actual or scheduled flow of energy. ‘Interchange’ may be with another BA, it may also be with another Group (Reserve Sharing) or with an Interconnection (Inadvertent Interchange).</p>	
<p>Ev Lucenti-Power Decisions</p>	<p>ADD – Confirmed Schedule Change – Schedule changes to be confirmed between sending and receiving parties within 1 hour of the schedule change.</p>
<p>The drafting team was trying to use the fewest number of new terms possible. By using just the base word, ‘Interchange’ and adding adjectives to ‘Interchange’ the intent was to eliminate as much confusion as possible. Adding a new term without the base word, ‘Interchange’ seems to add complexity where it may not be needed.</p>	



## Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards

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John Horakh-MAAC	Add "Bilateral" before "Energy" (E becomes e). Add definition for "Bilateral: Between a source and a sink, occurring at the same time in equal and opposite directions".
'Interchange' is a term that relates the actual or scheduled flow of energy. 'Interchange' may be with another BA, it may also be with another Group (Reserve Sharing) or with an Interconnection (Inadvertent Interchange).	

<p><b>6b. Suggested changes to definition of Arranged Interchange:</b></p> <p><b>Arranged Interchange:</b> The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.</p>	
<p><b>Summary Consideration:</b> Many commenters suggested revisions to this definition and it has been changed to:</p> <p>The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made to the state when the Interchange Authority actually receives the RFI and it becomes confirmed or denied.</p>	
Commenter(s)	Comments
Marc Butts for Southern Co Svcs(9) Roman Carter for Southern Co Generation (10)	The definition for Arranged Interchange leaves a void in the transaction process. It merely states that all Business Arrangements have been made. What about the state where the IA actually receives the request for interchange? It is not covered in any of the definitions below. In Figure 1 of Appendix B, it clearly shows the IA receives the data while still in the Arranged Interchange State. Therefore, it is suggested that the definition be modified to read as follows: <b><i>The state where completed and required information from the necessary Business Arrangements is provided to and received by the Interchange Authority.</i></b>
<p>The change made to the definition supports your suggestion.</p>	
Shirley Buckmier-BPAT, Steven Cobb-SRP, Robert Schwermann for WECC Int Wkg Grp (26)	We are assuming that the CI standard is only referring to “Scheduled” and not “Actual” interchange as these two components are separated in our ACE. Scheduled interchange can be arranged, confirmed and implemented, however Actual interchange cannot be directly coordinated in a parallel electric system by virtue of provisions in a standard. If we are referring only to scheduled interchange then we offer the following definitions: <b>Arranged Interchange:</b> A planned energy transfer between a source BA and a sink BA that has met all the requirements necessary for submittal to the IA.
<p>The definition has been changed to include the actual submission to the IA and the IA’s confirmation or denial. This change closes a ‘gap’ in the time periods covered by the definitions.</p>	
Ed Riley-CA ISO, CA ISO	An energy transfer between source and sink BAs where all requirements have been met that are necessary to submit the interchange request to the Interchange Authority.
<p>‘Interchange’ may be with another BA, it may also be with another Group (Reserve Sharing) or with an Interconnection (Inadvertent Interchange). Thus ‘Arranged Interchange’ isn’t necessarily between a source and sink BA.</p>	
Doug Hills for MISO CA Wkg Group	The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made, <i>and the IA requests and receives approvals in order to perform required validation.</i>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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<p>The change made to the definition supports your suggestion.</p>	
<p>Patti Metro for FRCC (15)</p>	<p>Circular – when developing a definition the word that is being defined should not be used in the definition. The following definition is suggested: The end result of all commercial activity for a specified transaction, enabling the PSE to submit a desired transaction to the Interchange Authority.</p>
<p>Agree that the proposed definition uses the word, 'interchange' in the definition and this is less than ideal but this was thought to be preferable to using the word, 'transaction' which has been used by the industry to mean many different things.</p> <p>The definition has been changed to include the actual submission to the IA and the IA's confirmation or denial. This change closes a 'gap' in the time periods covered by the set of proposed definitions.</p>	

<p><b>6c. Suggested changes to definition of Confirmed Interchange:</b></p> <p><b>Confirmed Interchange:</b> The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.</p>	
<p><b>Summary Consideration:</b> Based on comments received the definition has been changed to reflect that the IA has submitted the Arranged Interchange to the BA's. Current draft of the definition is: The state where the Interchange Authority has verified the Arranged Interchange and it is submitted to the Balancing Authorities for entry into the Area Control Error equation.</p>	
Commenter(s)	Comments
<p>Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC; Gregory Campoli-NYISO; Karl Tammer for RTO/ISO Council (9)</p> <p>Guy Zito for NPCC CP9 Wkg Group(13)</p>	<p>ISO-NE (NYSRC, NYISO, RTO/ISO)suggests the following wording; "The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to <u>all</u> Balancing Authorities <u>including intermediate BAs</u>."</p>
<p>The definition does not differentiate between location of a BA in the path. The requirement R1 in INT-008-1 indicates all BA's are sent the confirmation.</p>	
<p>Steven Cobb-SRP</p>	<p>Arranged Interchange that has been verified by the Interchange Authority to meet all requirements for submittal to the Source and Sink Balancing Authorities.</p>
<p>The definition was changed and includes submittal to BA's which have ACE equation input changes (including Source and Sink).</p>	
<p>Ed Riley-CA ISO, CA ISO</p>	<p>An energy transfer that has been verified by the IA to meet all requirements for submittal to the source and sink BAs.</p>
<p>The definition was changed and includes submittal to BA's which have ACE equation input changes (including Source and Sink)</p>	
<p>Shirley Buckmier-BPAT; Robert Schwermann for WECC Int Wkg Grp (26)</p>	<p>We are assuming that the CI standard is only referring to "Scheduled" and not "Actual" interchange as these two components are separated in our ACE. Scheduled interchange can be arranged, confirmed and implemented, however Actual interchange cannot be directly coordinated in a parallel electric system by virtue of provisions in a standard. If we are referring only to scheduled interchange then we offer the following definitions: <b>Confirmed Interchange:</b> An Arranged Interchange that has been verified by the IA to meet all requirements for submittal to the source and sink BA.</p>

## Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards

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<p>The definition does not differentiate between location of a BA in the path. The requirement R1 in INT-008-1 indicates all BA's are sent the confirmation. The definition was changed and includes submittal to BA's which have ACE equation input changes (including Source and Sink)</p>	
<p>Doug Hils for MISO CA Wkg Group</p>	<p>The state where the Interchange Authority has <del>verified</del> <i>validated</i> the Arranged Interchange and <del>is ready to</del> submits it to the Balancing Authorities.</p>
<p>Based on comments received, the definition has been changed to reflect that the submission by the IA to the BA's has taken place.</p>	
<p>Peter Burke-American Trans Co</p>	<p>The state where the Interchange Authority has verified the Arranged Interchange. The suggested change was to clarify the definition. The original definition had the Confirmed Interchange as something ready to be submitted but not yet submitted to the BA. The concern was in the definition of Implemented Interchange were the BA enters the Confirmed Interchange but per the original definition a Confirmed Interchange has not been sent to the BA.</p>
<p>Based on comments received, the definition was changed to reflect that the submission by the IA to the BA's has taken place.</p>	

<p><b>6d. Suggested changes to definition of Implemented Interchange:</b></p> <p><b>Implemented Interchange:</b> The state where the Balancing Authority enters the Confirmed Interchange into its Area Control Error equation.</p>	
<p><b>Summary Consideration:</b> While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p>The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
<b>Commenter(s)</b>	<b>Comments</b>
Ed Riley-CA ISO, CA ISO	An energy transaction where the source and sink Balancing Authorities enter the Confirmed Interchange into their area control error equations and ramp generation in equal amounts and opposite directions to effect delivery of the energy.
<p>While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p>The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)	ISO-NE suggests the following wording; "The state where the Balancing Authority <u>utilizes</u> the Confirmed Interchange <u>in its hourly dispatch</u> ."
<p>While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p>The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
Karl Tammer for RTO/ISO Council (9); Gregory	modify to state that the interchanges should be included in dispatch solutions, which includes ACE.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Campoli-NYISO	
<p>While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p style="padding-left: 40px;">The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
Shirley Buckmier-BPAT; Steven Cobb-SRP; Robert Schwermann for WECC Int Wkg Grp (26)	<p>We are assuming that the CI standard is only referring to "Scheduled" and not "Actual" interchange as these two components are separated in our ACE. Scheduled interchange can be arranged, confirmed and implemented, however Actual interchange cannot be directly coordinated in a parallel electric system by virtue of provisions in a standard. If we are referring only to scheduled interchange then we offer the following definitions: <b>Implemented Interchange:</b> Confirmed Interchange that has been entered into the source and sink BA's ACE equation.</p>
<p>While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p style="padding-left: 40px;">The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
Roman Carter for Southern Co Generation (10)	<p>If this definition is approved, it will require changes to the ACE equation to include this (or reference it in the definition of NSI). There are a lot of different variations of "interchange" in the proposed standard. I don't believe this will eliminate any confusion. As an added note, the ACE equation in the CI Standard Reference Document is also incorrect.</p>
<p>While most commenters seemed to agree with this definition, there were some commenters indicating that a correction was needed to the definition's reference to use of Implemented Interchange in the ACE equation. The definition was changed to:</p> <p style="padding-left: 40px;">The state where the Balancing Authority enters the Confirmed Interchange into the Net Scheduled Interchange component of its Area Control Error equation.</p>	
Doug Hills for MISO CA Wkg Group	<p>Question: If the BA receives notification of Confirmed Interchange from the IA and enters the information into a scheduling system one month ahead, what state is it in until the schedules run in real-time where it becomes Scheduled Interchange?</p>
<p>The Interchange entered into the BA's scheduling system remains in a Confirmed Interchange state until it enters the ACE equation's Net Scheduled Interchange calculation and becomes active. The issue with respect to the definitions for schedules which span multiple hours is noted (i.e. current hour schedules are active and thus implemented but future hours not yet in ACE since it is a real-time function appear to remain as Confirmed based on the definition. The SDT will try to clarify this question.</p>	

**7. Do you agree with the proposed requirements and measurements in section 401?**

**Summary Consideration:** Requirement 401 (now INT-009-1) was changed as follows to eliminate language that may have been interpreted differently by different entities, and to add a measure for BAs that are interconnected with a DC tie.

**Requirements:**

- R1. The Balancing Authority shall implement Confirmed Interchange ~~exactly as agreed upon in the Interchange confirmation process as received from the Interchange Authority.~~

**Measures:**

- M1. The Balancing Authority shall provide evidence that Implemented Interchange matches Confirmed Interchange as submitted by the Interchange Authority.

- M1.1 Evidence shall demonstrate that the Interchange was implemented in the Balancing Authority’s Area Control Error (ACE) equation, or the system that calculates the ~~area control error~~ ACE equation. Evidence may be on a net basis or an individual Interchange basis.

- M1.2 Balancing Authorities that are interconnected with a direct current tie shall demonstrate that the Interchange was implemented in the ACE equation or modeled as an equivalent generator / load within its area.

Commenter(s)	Yes	No	Comments
Alan Johnson-Mirant		X	Okay with the requirement, but have a couple of questions about the measures section. First it’s unclear to me what is meant by the phrase “...or the system that calculates the area control error equation.” When would this not be the BA? Secondly, if evidence is allowed to be provided on a net basis (instead of individual), fail to see how compliance can be measured.
<p>The phrase, ‘the system that calculates the ACE equation’ was added to ensure that whatever way the BA puts the Implemented Interchange values into the system (automatic system or manual system) the values correspond to the information provided by the IA. The BA must implement what the IA tells them to implement.</p> <p>The measure only addresses the fact that the BA did what the IA told them to do - this could be done using individual or net values.</p>			
Ev Lucenti-Power Decisions		X	If “implement Confirmed Interchange” refers to implementing the schedule change, then there needs to be a time frame of 1 hour before the schedule change to verify and confirm the upcoming “implantation of Confirmed Interchange.”

Version 0 Standard INT-003 requires BA’s to perform checkout prior to the hour in which it occurs, As envisioned, this requirement will remain after the Version 1 INT standards are approved and thus provides the verification process asked about in this comment



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

Roman Carter for Southern Co Generation (10); Marc Butts for Southern Co Svcs(9)		X	As stated in question 1, it is suggested that IA communication be provided to the IDC (an involved party to the transaction for Eastern Interconnect) for the Arranged Interchange to transition to a Confirmed Interchange.
The requirement for communication of a Confirmed Interchange status by the Interchange Authority to the IDC or other NERC identified reliability analysis system is included in INT-008-1, Requirement 1.1.2 as “Necessary Interchange information to NERC-identified reliability analysis services”			
Bert Gumm-Idaho Pwr		X	Unsure. The language is very vague and many individuals I’ve spoken with have communicated several differing interpretations.
This requirement and associated measures were modified – please review the latest version and let us know if the requirement and measures are still unclear.			
Patti Metro for FRCC (15)	X		For clarification, is the evidence that is required in 401(b)(1)(i) the rolling three months worth of values described in the compliance monitoring portion of the standard?
Yes. Note that the Compliance section of this standard was modified to more clearly state what data must be made available to the Compliance Monitor for the various types of compliance audits.			
Karl Tammer for RTO/ISO Council (9); Gregory Campoli-NYISO		X	Evidence should include all transactions, rather than be limited to those considered purely in tie line control (ACE).
The ACE equation as defined in the BAL standards identifies all schedules in the Net Scheduled Interchange component, including dynamic schedules, which would impact reliability. It is unclear what other “transactions” are being referred to in the comment and why evidence would be required.			
Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC Guy Zito for NPCC CP9 Wkg Group(13)		X	Consistency with our position that DC Inter Area Ties should be treated as Interchange. Measurements – b.1 “Evidence must include all the transactions not just those in the ACE equation...”, (include all DC tie flows)
Agree. A new measure was added to this Standard to address the handling of DC Ties. This supports your suggestion.			
Ed Riley-CA ISO, CA ISO	X		The evidence should include all transactions (dynamics etc.), whether or not they specifically feed into the ACE calculation.
The ACE equation as defined in the BAL standards identifies all schedules in the Net Scheduled Interchange component, including dynamic schedules, which would impact reliability. It is unclear what other “transactions” are being referred to in the comment and why evidence would			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

<a href="#">be required.</a>			
Pete Henderson / Khaqan Khan- The IMO-The IMO		X	There may be cases where DC ties are an interconnection between two BA's. Such aspects about DC inter Area ties needs to be addressed as an Interchange.
<a href="#">Agree. A new measure was added to this Standard to address the handling of DC Ties. This supports your suggestion.</a>			
Robert Schwermann for WECC Int Wkg Grp (26)		X	Yes, we agree with the requirement as written, but feel that due to the fact that we are not sure what the interchange process is it is difficult to set a specific requirement. WECC would suggest that a defined process with timelines and a central process be defined. If NERC declines to give specific methodology in the development of Standards, WECC would reserve the right to develop such specific methodology that may or may not be compatible with other interconnected NERC regions.
<a href="#">This set of Standards was revised and does now include a 'Timing Table' that links the various requirements together. Two new requirements were added to the set of Coordinate Interchange Standards to close the 'gaps' in the process, and the sequence of standards was reorganized so they appear in chronological order.</a>			
<a href="#">WECC has the right to develop its own standards.</a>			
Mark Creech for TVA (4)	X		Pending clarification the word "evidence".
<a href="#">Rather than define specifically what constitutes 'evidence', the revised standard lists what documentation must be available to the Compliance Monitor so the Compliance Monitor can assess compliance. By leaving the definition of 'evidence' as open-ended as possible, the standard doesn't require entities to use any specific tool or system and therefore doesn't require investment in unnecessary resources.</a>			
Susan Morris for SERC (1)	X		However, more clarification is needed for the statement in Section 401.b.1.i requiring evidence demonstrating that Confirmed Interchange was implemented in the Balancing Authority's ACE equation. How do you prove that each transaction is in your ACE equation? EMS? The term "evidence" must be defined.
<a href="#">Rather than define specifically what constitutes 'evidence', the revised standard lists what documentation must be available to the Compliance Monitor so the Compliance Monitor can assess compliance. By leaving the definition of 'evidence' as open-ended as possible, the standard doesn't require entities to use any specific tool or system and therefore doesn't require investment in unnecessary resources.</a>			
Al DiCaprio (4)-PJM	X		Yes, BAs must implement what the IA has verified.
<a href="#">Yes, this is what was intended.</a>			
William Smith-Allegheny Power	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standards**

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Gerald Rheault-Manitoba Hydro	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Doug Hills for MISO CA Wkg Group	X		
Peter Burke-American Trans Co	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Shirley Buckmier-BPAT	X		
Steven Cobb-SRP	X		
Ed Davis-Entergy	X		
Tom Hawley-We Energies	X		

**8. Do you agree with the proposed compliance monitoring process in section 401?**

**Summary Consideration:** The Compliance Monitoring section was rearranged to conform to the new format for NERC Reliability Standards and was modified to add more specificity on the information that needs to be made available to the Compliance Monitor as part of an audit or a triggered investigation.

The data retention requirement was modified to be more practical. The revised data retention requirements should provide sufficient data for the Compliance Monitor to review without placing too much of a burden on the BA.

The requirement that specified 'how' the Compliance Monitor will verify compliance (by verifying BA data against corresponding data from the IA) has been removed because there may be other ways the Compliance Monitor may verify compliance. In addition, the methods used for verifying compliance have been revised so they are listed as 'options' for the Compliance Monitor, rather than 'requirements'. Thus, the Compliance Monitor 'May' use a variety of techniques to assess compliance, but the Compliance Monitor is not 'Required' to use all the listed techniques. These changes were recommended by the drafting team's Compliance representatives to minimize restrictions on the Compliance Monitor that are labor-intensive and may be unnecessary.

The Compliance Monitoring Process for 401 (now INT-009-1) was changed as follows:

**1. Compliance Monitoring Process**

**1.1. Compliance Monitoring Responsibility**

Regional Reliability Organization

**1.2. Compliance Monitoring Period and Reset Timeframe**

The Performance-Reset Period shall be twelve months from the last noncompliance to ~~requirement 401(a)~~ Reliability Standard INT-009-1\_R1.

**1.3. Data Retention**

~~Balancing Authorities found noncompliant shall keep data until deficiencies resulting in noncompliance are resolved. The Balancing Authority and Interchange Authority shall each keep three months of historical data. The Compliance Monitor shall keep audit records for a minimum of three calendar years.~~

**1.4. Additional Compliance Information**

Each Balancing Authority shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation by self-certification to the Compliance Monitor.

Subsequent to the initial compliance review, compliance ~~will~~ may be:

1.4.1 Verified by audit at least once every three years.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

- 1.4.2 Verified by spot checks in years between audits.
- 1.4.3 Verified by annual audits of noncompliant Balancing Authorities, until compliance is demonstrated.
- 1.4.4 Verified at any time as the result of a complaint. Complaints must be lodged within 60 days of the incident. ~~Complaints will be evaluated by the~~ The Compliance Monitor ~~will evaluate complaints.~~

~~The Compliance Monitor shall verify Balancing Authority data by comparing it to corresponding Interchange Authority data.~~

The Balancing Authorities shall make the following available for inspection by the Compliance Monitor upon request:

- 1.4.5 For compliance audits and spot checks, all data and system log records for the audit period which indicate a Balancing Authority implemented all instances of the Interchange Authority’s communication under Reliability Standard INT-009-1\_R1 concerning the implementation of a Confirmed Interchange. The Compliance Monitor may request up to a three month period of historical data ending with the date the request is received by the Balancing Authority
- 1.4.6 For specific complaints, only those data and system log records associated with the specific Interchange event contained in the complaint which indicates a Balancing Authority implemented the Interchange Authority’s communication under Reliability Standard INT-009-1\_R1 concerning the implementation of the Confirmed Interchange for that specific Interchange.
  - ~~——(i) Rolling three months worth of Balancing Authorities’ Implemented Interchange values as submitted to them by the Interchange Authorities.~~
- ~~1.4.7 Indication of whether Interchange data is block or ramp schedule.~~

Commenter(s)	Yes	No	Comments
Lloyd Linke for MAPP RRC and OC (9)			It is not clear that Item 4(i) will provide the information required to monitor compliance. It could be interpreted as simply providing the information that was provided by the IA to the BA and not what the BA actually implemented. The correct measure would be to verify that the actual Implemented Interchange entered into the BA’s ACE equation was the same as that sent to it by the IA.

The 1<sup>st</sup> Measure for this revised standard does require that the BA have evidence to demonstrate that it implemented Interchange in its ACE equation that matches Confirmed Interchange as submitted by the Interchange Authority.

The revised Compliance Monitoring section of this standard requires the BA to make available to the Compliance Monitor data and system logs to verify that implemented Interchange in its ACE equation matched the Confirmed Interchange provided by the IA.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Ron Gunderson-NB PPD		X	It is not clear that Item 4(i) will provide the information required to monitor compliance. It could be interpreted as simply providing the information that was provided by the IA to the BA and not what the BA actually implemented. The correct measure would be to verify that the actual Implemented Interchange entered into the BA's ACE equation was the same as that sent to it by the IA. Please clarify the terms block or ramp schedule.
<p>The intent is to ensure that the BA implemented what the IA sent. Additional details were added to clarify what type of data must be produced to demonstrate compliance.</p> <p>The terms, 'block or ramp schedule' were removed from the standard.</p>			
Ev Lucenti-Power Decisions		X	Check by investigation as the result of a complaint. Verify process is document during on-site reviews.
<p>The standard was revised to add two paragraphs that clarify what information must be made available to the Compliance Monitor for triggered investigations and for more routine audits. If you still feel additional clarification is needed, please let us know during the next posting,</p>			
John Horakh-MAAC		X	Section 401 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.
<p>Most commenters seemed to agree with the self-certification and this was not changed.</p>			
Patti Metro for FRCC (15)		X	<ol style="list-style-type: none"> <li>1. The following is suggested as a more grammatical re-wording for 401(d)(1): Each Balancing Authority shall demonstrate compliance by self-certification to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation.</li> <li>2. In 401(d)(2), is the initial compliance review the self-certification described in 401(d)(1)?  What is the difference between the audit [401(d)(1)(i)] and the spot check [401(d)(1)(ii)]? If the spot check is some type of self-certification submittal not an actual on-site visit, a more descriptive term such as random check could be used with an explanation of what the check would include.</li> <li>3. In 401(d)(2)(iv), a complaint must be lodged within 60 days of the incident, and in 401(d)(4)(i) a rolling 3 months worth of values must be maintained. It is, therefore, implied that the Compliance Monitor only has 30 days to complete the appropriate investigation.</li> <li>4. In 401(d)(3) the performance-reset period is tied to not meeting the requirement 401(a). Shouldn't the compliance monitoring process be linked to the measures which are in 401(b) rather than the requirements? The measures are supposed to be the specific items to look</li> </ol>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			<p>at to insure that you are meeting the requirement</p> <p>5. For 401(d)(4)(i), how will the Compliance Monitor be able to determine that the appropriate values were used to calculate ACE? For 401(d)(4)(ii), Interchange data is either block or ramp. Does this imply that both block or ramp is acceptable, or is this just for data storage? If both are allowed, how is the data stored and would it be part of the rolling average?</p>
<p>1. The intent is to verify within the first year of any new standard that the entity is compliant. During the first year the self-certification will be done for all entities within the region. Compliance of some entities will also be demonstrated by an on-site visit (assuming that 1/3 of the regions entities will be audited every three years.</p> <p>2. Spot checks could be self-certification or an actual request for specific data.</p> <p>3. As envisioned, once the complaint has been initiated the data will be collected by the Compliance Monitor for review. The investigator will use the collected data and not rely of the entities locally stored information.</p> <p>4. Compliance should be directly tied to the measurement, which is derived from the standard.</p> <p>5. The individual Interchange details will be obtained from the IA. The measure will determine if the BA implemented what the IA told then to implement. If there were both ramp and block schedules, the IA would be providing the desired Interchange for each time frame.</p>			
Bert Gumm-Idaho Pwr		X	<p>It appears to be less restrictive than the WECC RMS requirements and sanctions. We feel that the greater the requirement for performance, the greater the performance. Therefore, If this standard is approved, WECC should be allowed to maintain its' own, more stringent standards.</p>
<p>WECC always has the option of having more stringent requirements for its region.</p>			
Shirley Buckmier-BPAT; Steven Cobb-SRP		X	<p>The WECC currently has a Reliability Management System in place for monitoring reliability Standard and Policy compliance and assigning sanctions for non-compliance. BPAT believes that compliance monitoring and formulation of non-compliance sanctions should the responsibility of the local Reliability Council. The CI standard should state that the Regional Council's monitoring and sanction program shall be comparable to, or at least as restrictive , as those defined by the NERC Standard.</p>
<p>The NERC Reliability Standards Process Manual assigns the NERC Standard Drafting Teams the responsibility of helping the industry reach consensus on NERC standards, including the compliance elements. This does not preclude WECC from having more stringent requirements or levels of non-compliance for WECC Standards.</p>			
Robert Schwermann for WECC Int Wkg Grp (26)		X	<p>The WECC currently has a Reliability Management System in place for monitoring reliability Standard and Policy compliance and assigning sanctions for non-compliance. WECC reserves the right to apply sanctions that are equivalent to or more restrictive than NERC standard</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			sanctions.
WECC always has the option of having more stringent requirements for its region.			
Ed Riley-CA ISO, CA ISO	X		This standard impacts the WECC RMS program (which is filed with FERC and other appropriate regulatory organizations), and there may need to be a regional difference on measuring non-compliance and sanctions. This response applies to 401 through 404.
WECC always has the option of having more stringent requirements for its region. A Regional Difference is only required for a Regional Standard that is LESS restrictive than the associated NERC Standard.			
Alan Johnson-Mirant	X		Think its okay, but wondering whether the BA's 90 day data retention requirement is sufficient given that complaints can be lodged up to 60 days after an incident. Doesn't seem to leave the compliance monitor with a lot of time to take action.
Agree that the 90 days doesn't leave the Compliance Monitor much time to act, but the SDT was trying to minimize the burden of keeping data.			
Theodore G. Pappas-NYSRC; Gregory Campoli-NYISO; Kathleen Goodman-ISO NE  Guy Zito for NPCC CP9 Wkg Group(13)	X		Although NYSRC (NYISO, ISO-NE) feels audits are desirable for demonstrating compliance, we are concerned that the potential exists for excessive audits
Agree. The revised standard does not require that the Compliance Monitor conduct all the listed audits – in the revised standard language was changed to indicate the Compliance Monitor, 'may' use a variety of audits to verify compliance.			
James Spearman/Florence Belser (7)-PSC of SC	X		The term "Compliance Monitor" should be better defined within the Standard itself. This applies to the IA, BA, etc. functions as well. Considering the variety of grid operating configurations in place (vertically integrated utilities, RTOs, etc.), some concepts for who will actually perform the functions outlined should be provided.
The revised set of Standards lists the Regional Reliability Organization as the Compliance Monitor.			
Gerald Rheault-Manitoba Hydro	X		
Joel Mickey-ERCOT	X		
Karl Tammer for RTO/ISO Council (9)	X		



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Ken Githens-Allegheny Energy	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Doug Hils for MISO CA Wkg Group	X		
Scott Moore for SPP ORWG (8)	X		
Susan Morris for SERC (1)	X		
Tom Hawley-We Energies	X		
Roman Carter for Southern Co Generation (10)	X		
William Smith-Allegheny Power	X		
Al DiCaprio (4)-PJM	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Peter Burke-American Trans Co	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Ed Davis-Entergy	X		

**9. Do you agree with the proposed levels of non-compliance in section 401?**

**Summary Consideration:** In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.

The Levels of Non-Compliance for 401 (now INT-009-1) was changed as follows:

**2. Levels of Non-compliance**

- 2.1 Level one: ~~90 to 99% of the records confirm that Implemented Interchange matches corresponding Interchange Authority Interchange.~~ One incident (as defined in Reliability Standard INT-009-1\_D) of not implementing a Confirmed Interchange as distributed by the Interchange Authority
- 2.2 Level two: ~~80 to 89% of the records confirm that Implemented Interchange matches corresponding Interchange Authority Interchange.~~ Two incidents (as defined in Reliability Standard INT-009-1\_D) of not implementing a Confirmed Interchange as distributed by the Interchange Authority
- 2.3 Level three: ~~Less than 80% of the records confirm that Implemented Interchange matches corresponding Interchange Authority Interchange.~~ Three incidents (as defined in Reliability Standard INT-009-1\_D) of not implementing a Confirmed Interchange as distributed by the Interchange Authority
- 2.4 Level four: Four incidents (as defined in Reliability Standard INT-009-1\_D) of not implementing a Confirmed Interchange as distributed by the Interchange Authority or ~~N~~no records are available to review as defined in Reliability Standard INT-009-1\_D.

Commenter(s)	Yes	No	Comments
Alan Johnson-Mirant		X	Please see response to question #4.
Please see consideration of comments on question #4.			
Bert Gumm-Idaho Pwr		X	WECC, or other Regional Councils, should be allowed to deviate from the level set in the standard, so long as their requirements (sanctions) meet or exceed those required by the standard.
Agreed. WECC standards or other Regional Councils may establish more restrictive requirements or sanctions than those required by this NERC standard. A Regional Difference in this standard is needed only if a Region wants to establish requirements that are LESS restrictive than this NERC standard.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Shirley Buckmier-BPAT		X	The Regional Councils should establish the levels of non-compliance as long as the levels are comparable to, or at least as restrictive, as those defined by NERC.
<p>SDTs must follow the Reliability Standards Process Manual which indicates that levels of non-compliance must be included in NERC Reliability Standards. This does not preclude any Region from establishing more restrictive standards than NERC and in doing so can have different levels of non-compliance as long as those new levels are equal to or more restrictive than the NERC standards.</p>			
Steven Cobb-SRP; Robert Schwermann for WECC Int Wkg Grp (26)		X	The Regional Councils should establish the levels of non-compliance as long as the levels are comparable to, or at least as restrictive, as those defined by NERC. The CI Standard does not define the assessment period for which sanctions will be calculated. Is it intended that this period be monthly? 11&12, 14&15, 17&18.
<p>SDTs must follow the Reliability Standards Process Manual which indicates that levels of non-compliance must be included in NERC Reliability Standards. This does not preclude any Region from establishing more restrictive standards than NERC and in doing so a Region can have different levels of non-compliance as long as those new levels are equal to or more restrictive than the NERC standards.</p> <p>There is no 'performance reporting' (assessment) period for this standard. The Performance-Reset Period for all the Coordinate Interchange Standards is 12 months from the last non-compliance. A sanction can be assessed any time compliance is assessed and found to be non-compliant – in these Coordinate Interchange Standards, non-compliance can be found as a result of self-certification, routine audits, spot checks, follow-up audits or triggered investigations.</p>			
Ed Riley-CA ISO, CA ISO	X		See # 8
<p>Please see consideration of comments on question #8.</p>			
Doug Hills for MISO CA Wkg Group		X	What is a record? Is a monthly transaction a record, or is each hour, day, week a record?
<p>The standard has been revised so that it no longer references a 'record'. Instead, levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p>			
Al DiCaprio (4)-PJM		X	It would seem inconsistent to have a standard that requires all schedules be implemented as agreed to, but then allow a 20% margin of error. Regions should decide compliance levels for interchange.
<p>The standard has been revised so that levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p> <p>The standard does not permit any error. The levels of non-compliance are to assess the degree of non-compliance.</p> <p>SDTs must follow the Reliability Standards Process Manual which indicates that levels of non-compliance must be included in NERC Reliability Standards. This does not preclude any Region from establishing more restrictive standards than NERC and in doing so a Region can have</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

different levels of non-compliance as long as those new levels are equal to or more restrictive than the NERC standards.		
Richard Kafka-Pepco	X	Again, this goal should be 100%. Much smaller ranges and a higher “low limit” for level 3.
<p>The standard has been revised so that levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p> <p>The standard does not permit any error. The levels of non-compliance are to assess the degree of non-compliance.</p>		
Karl Tammer for RTO/ISO Council (9)	X	To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed
<p>The standard has been revised so that levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p> <p>The standard does not permit any error. The levels of non-compliance are to assess the degree of non-compliance.</p>		
Patti Metro for FRCC (15)	X	There is some concern whether there is a percentage less than 80% that is just as bad as having no records at all. Is 20% compliance really the same as 79%? This should be considered in determining Level 4 non-compliance.
<p>The standard has been revised so that it no longer references a ‘record’. Instead, levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p> <p>The standard does not permit any error. The levels of non-compliance are to assess the degree of non-compliance.</p>		
Ev Lucenti-Power Decisions	X	There needs to be a penalty matrix that includes penalties for any sending or receiving parties that implement schedule changes without verification and agreement with the other party.
This is the intention of this set of Standards.		
Peter Burke-American Trans Co	X	How should lack of Implemented Interchange evidence be counted? What should be done with a BA that has no complaints against it but is unable to produce 20% worth of positive evidence? Positive evidence being something other than the fact that no other entities have filed a complaint with the audited BAs compliance monitor.
<p>The standard has been revised so that it no longer references a ‘record’. Instead, levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.</p> <p>The three types of audits (audit at least once every three years, spot checks in years between audits and annual audits of non-compliant IAs) will provide a mechanism for measuring compliance.</p>		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Gregory Campoli-NYISO; Kathleen Goodman-ISO NE; Pete Henderson/Khaqan Khan; Theodore G. Pappas-NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)	X		For the purposes of bringing more clarity; The NYISO (ISO-NE; NYSRC; The IMO)proposes that as per “requirements” and “measurements” of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to “ .....confirm that implemented Interchange matches corresponding “Confirmed Interchange submitted by the Interchange Authority”
The wording in the levels of non-compliance was changed to clarify the intent and to align more closely with the requirement and measures.			
Gerald Rheault-Manitoba Hydro	X		Manitoba Hydro agrees with the percentages proposed but suggests that the wording of “Levels of Noncompliance” be changed from “corresponding Interchange Authority Interchange” to “corresponding Interchange Authority Confirmed Interchange” to clarify the intent.
The standard has been revised so that levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.			
The wording in the levels of non-compliance was changed to clarify the intent and to align more closely with the requirement and measures.			
James Spearman/Florence Belser (7)-PSC of SC	X		It must be recognized that any problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.
The standard has been revised so that levels of non-compliance are linked to the number of incidents rather than a % of events. This change supports the comments submitted indicating that any incident could have an adverse reliability impact.			
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Raj Rana-AEP	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Susan Morris for SERC (1)	X		
William Smith-Allegheny Power	X		
Tom Hawley-We Energies	X		
Ed Davis-Entergy	X		

**10. Do you agree with the proposed requirements and measures in section 402?**

**Summary Consideration:** The Requirements and Measures for 402 (now INT-007-1) was changed to move the list of items the IA must verify to determine that Arranged Interchange is balanced and valid from the 'Measures' to the 'Requirements'.

**Requirement s**

- R1. The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange by verifying the following:
  - R1.1 Source megawatts equal sink megawatts (plus losses, if appropriate)
  - R1.2 Interchange is between registered Balancing Authorities
  - R1.3 Generation source and load sink
  - R1.4 There are contiguous transmission service arrangements across Transmission Service Providers from the Source to the Sink Balancing Authorities
  - R1.5 Megawatt profile is defined
  - R1.6 Ramp start and stop times are defined
  - R1.7 Interchange duration is defined
  - R1.8 Each Reliability Authority, Balancing Authority, and Transmission Service Provider has provided approval. If an Interchange Schedule change is directed by the Reliability Authority for reliability-related reasons, (as authorized in NERC Reliability Standards), then the Reliability Authority's approval is the only approval that is required.

**Measures**

- M1. For each Arranged Interchange, the Interchange Authority shall provide evidence that it has verified the Arranged Interchange information prior to the dissemination of the ~~transitioned to~~ Confirmed Interchange, ~~the Interchange Authority shall show evidence that it has verified that:~~
  - (i) ~~Source MW= sink MW (plus losses, if appropriate)~~
  - (ii) ~~Interchange is between a source Balancing Authority and a sink Balancing Authority~~
  - (iii) ~~There is a contiguous transmission arrangement across Transmission Service Providers from the source to the sink Balancing Authorities~~
  - (iv) ~~MW magnitude is defined~~
  - (v) ~~Ramp start and stop times are defined~~

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p><del>(vi) Interchange duration is defined</del></p> <p><del>(vii) Each Reliability Authority, Balancing Authority, and Transmission Service Provider has provided approval.</del></p> <p><del>(1) For a reliability related change requested by a Reliability Authority, no other entity approvals are required.</del></p>			
Commenter(s)	Yes	No	Comments
Bert Gumm-Idaho Pwr		X	The language is very vague and many individuals I've spoken with have communicated several differing interpretations
<p>Please be more specific in identifying the portion of the requirements and measures you feel are too vague.</p>			
Gregory Campoli-NYISO; Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)		X	The NYISO (ISO NE, NYSRC) suggest the following wording (b) vii, "Each Reliability Authority, Balancing Area, and Transmission Service Provider has <u>been notified and</u> provided approval <u>or denial</u> ."
<p>This measure is only intended to evaluate whether or not the IA has verified that the Arranged Interchange is valid and balanced. It does not evaluate notification. A new standard was added to this set of Coordinate Interchange Standards to address the IA's distribution of Arranged Interchange.</p>			
Patti Metro for FRCC (15)		X	In 402(a)(1), clarification should be provided for the terms "valid" and "balanced". These terms are very unclear and subjective. In 402(b)(1)(vii)(1), there is confusion on what is meant by a reliability related change. For example, could the RA change the ramp rate that is under the purview of the BA without the BA having to agree again or is a reliability change something more specific than this example?
<p>The standard was modified to list the elements that the IA must verify prior to transitioning Arranged Interchange to Confirmed Interchange.</p> <p>The term, 'reliability-related reasons' is used in the revised standard to differentiate from 'market-related reasons'. The RA has the authority to direct changes needed to support reliability.</p>			
Peter Burke-American Trans Co		X	The way this requirement reads is that the IA shall verify that Arrange Interchange is balanced and valid.  Suggestion: The Interchange Authority shall submit Arrange Interchange's to the required Reliability Authority, Balancing Authority and Transmission Service Provider for the purpose of consideration of the Arrange Interchange. The Interchange Authority shall transition an



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			<p>Arrange Interchange to a Confirmed Interchange when and if the required Reliability Authority, Balancing Authority and Transmission Service Provider provide their approval.</p> <p>Measures: Measure (1)(vii)(1) seems out of place in this standard This requirement focuses on Arranged Interchanges coming from a PSE. This measure should either be included in a stand-alone standard or the requirements in this standard should be expanded.</p> <p>(Please see comment for question 21)</p>
<p>This requirement does require the IA to verify that the Arranged Interchange is balanced and valid before transitioning the Arranged Interchange to Confirmed Interchange. To clarify this, the SDT moved the details of the items the IA must check from the 'Measures' to the 'Requirements' section of the standard.</p> <p>Ensuring that each RA, BA and TSP has provided its approval is just one of the items the IA must check as part of the process of verifying that an Arranged Interchange is valid and balanced.</p> <p>Please see consideration of comment for question 21.</p>			
Raj Rana-AEP		X	See comments under #5.
See consideration of comments under #5.			
Robert Schwermann for WECC Int Wkg Grp (26)		X	<p>Yes we agree, but who is the authority and the process. It goes back to the statement in #7. We think that NERC needs to define who specifically will be responsible for what function. Currently the Control area has specific functions relegated to them and we feel that NERC needs to continue to assign responsibility to specific functions for specific entities. As stated earlier, if NERC departs from its present mindset then this should be well stated and the reliability regions should be encouraged to develop their own specific methodologies.</p>
<p>Entities are currently identifying who will be responsible for what function. Whatever entity registers to provide the Interchange Authority Function must assume responsibility for the requirements assigned to the IA. NERC will not 'appoint' entities to serve specific functions.</p>			
Roman Carter for Southern Co Generation (10) Marc Butts for Southern Co Svcs (9)	X	X	<ol style="list-style-type: none"> <li>1. It is recommended that ramp rate be added as required reliability data. Since there is no standard stating a default ramp rate (as Policy 3 prescribes), it is recommended that the rate be a required piece of data for the BA to checkout in its approval process. If a Standard is established providing a standard ramp rate for the Eastern and Western Interconnect, the ramp rate would only be required in a "Request for Interchange" if it was different from the Standardized rate.</li> <li>2. Also, the SAR specifically mentions which reliability data is required as a minimum. This Standard just verifies that certain data is provided for. Are we to interpret that this</li> </ol>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			<p>verifiable data is the minimum amount acceptable?</p> <p>3. It is suggested that Requirement 402 (b) (1) be reworded to say “For each Arranged Interchange transitioned to Confirmed Interchange, the Interchange Authority shall show evidence that it has verified the following minimum amount of required data:”</p>
<p>1. The SDT believes R1.6 is complete as stated. Adding ramp rate would be redundant.</p> <p>2. The verifications listed include all the reliability-related data identified. If you are aware of any other data needed for reliability, please let us know.</p> <p>3. The standard was modified to move the list of items that must be verified from the Measures section of the Standard to the Requirements section of the Standard.</p>			
Mark Creech for TVA (4)	X		<p>The words “balance and evidence” should be clearly defined in this SAR.</p> <p>TVA feels that 402(b)(1)(vii)(1) should be changed to 402(b)(1)(viii), and should state that at a request for a reliability related change by a Reliability Authority, no other entity approvals are required.</p>
<p>The requirement was revised so that the list of items to be ‘verified’ by the IA is contained within the requirement. If these items on the list can be verified, then the Arranged Interchange is ‘balanced and valid’.</p> <p>The first draft of the standard did include language specifying that if an RA requested a change, then the RA’s approval is the only approval required, This was retained in the revised standard, but was moved to the Requirements section.</p>			
Shirley Buckmier-BPAT Steven Cobb-SRP	X		<p>See point #2 under question #23.</p>
<p>See consideration under question #23</p>			
Susan Morris for SERC (1)	X		<p>However, more clarification is needed for the statement in Section 402.b.1 requiring “for each Arranged Interchange transitioned to Confirmed Interchange, the Interchange Authority shall show evidence that it verified.....” The term “evidence” must be defined.</p>
<p>Most entities seem comfortable by leaving ‘evidence’ as it was presented in the standard. The types of evidence that may be used can be identified in the Technical Reference, but by leaving the definition open the standard allows each IA to use its existing processes and systems to conduct the verification process. If the standard required a particular type of evidence, then some entities may have to unnecessarily change existing processes to meet the requirement, and this is not what was intended.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Al DiCaprio (4)-PJM	X		Yes, NERC needs the standard to obligate IAs to validate the Arranged Interchange that they receive.
<a href="#">Agree. This is what was intended.</a>			
William Smith-Allegheny Power	X		
Alan Johnson-Mirant	X		
Ed Riley-CA ISO, CA ISO	X		
Gerald Rheault-Manitoba Hydro	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Karl Tammer for RTO/ISO Council (9)	X		
Ken Githens-Allegheny Energy	X		
Doug Hils for MISO CA Wkg Group	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Richard Kafka-Pepco	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Tom Hawley-We Energies	X		
Ed Davis-Entergy	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Ev Lucenti-Power Decisions			No Comment
Lloyd Linke for MAPP RRC and OC (9)			The MAPP Regional Reliability Council has no comment on this aspect of the Standard.

**11. Do you agree with the proposed compliance monitoring process in section 402?**

**Summary Consideration:** The Compliance Monitoring section was rearranged to conform to the new format for NERC Reliability Standards and was modified to add more specificity on the information that needs to be made available to the Compliance Monitor as part of an audit or a triggered investigation.

The data retention requirement was modified to be more practical. The revised data retention requirements should provide sufficient data for the Compliance Monitor to review without placing too much of a burden on the BA.

The requirement that specified 'how' the Compliance Monitor will verify compliance (by verifying IA data against corresponding data from BAs, RAs, etc.) has been removed because there may be other ways the Compliance Monitor may verify compliance. In addition, the methods used for verifying compliance have been revised so they are listed as 'options' for the Compliance Monitor, rather than 'requirements'. Thus, the Compliance Monitor 'May' use a variety of techniques to assess compliance, but the Compliance Monitor is not 'Required' to use all the listed techniques. These changes were recommended by the drafting team's Compliance representatives to minimize restrictions on the Compliance Monitor that are labor-intensive and may be unnecessary.

**2. Compliance Monitoring Process**

**1.1. Compliance Monitoring Responsibility**

Regional Reliability Organization

**1.2. Compliance Monitoring Period and Reset Timeframe**

The Performance-Reset Period shall be twelve months from the last noncompliance to [402\(a\)-Reliability Standard INT-007-1\\_R1](#).

**1.3. Data Retention**

The Interchange Authority shall keep three months of historical data. The Compliance Monitor shall keep audit records for a minimum of three calendar years. ~~Interchange Authorities found noncompliant shall keep data until deficiencies resulting in noncompliance are resolved.~~

**1.4. Additional Compliance Information**

Each Interchange Authority shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation by self-certification to the Compliance Monitor.

Subsequent to the initial compliance review, compliance ~~will~~ may be:

**1.4.1** Verified by audit at least once every three years.

**1.4.2** Verified by spot checks in years between audits.

**1.4.3** Verified by annual audits of noncompliant Interchange Authorities, until compliance is demonstrated.

**1.4.4** Verified at any time as the result of a complaint. Complaints must be lodged within 60 days of the incident. ~~Complaints will be evaluated by the~~ The Compliance Monitor will evaluate complaints.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

~~The Compliance Monitor shall verify Interchange Authority data by comparing it to corresponding Balancing and Reliability Authority, Purchasing-Selling Entity, and Transmission Service Provider data.~~

Each Interchange Authority shall make the following available for inspection by the Compliance Monitor upon request:  
~~Rolling three months worth of Interchange related data, as listed in 402(b)(1).~~

- 1.4.5** For compliance audits and spot checks, all data and system log records for the audit period which indicate an Interchange Authority’s verification that all Arranged Interchange was balanced and valid as defined in Reliability Standard INT-007-1\_R1. The Compliance Monitor may request up to a three-month period of historical data ending with the date the request is received by the Interchange Authority.
- 1.4.6** For specific complaints, only those data and system log records associated with the specific Interchange event contained in the complaint which indicate an Interchange Authority’s verification that an Arranged Interchange was balanced and valid as defined in Reliability Standard INT-007-1\_R1 for that specific Interchange

Commenter(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO			See # 8
<a href="#">See consideration of #8.</a>			
Bert Gumm-Idaho Pwr		X	It appears to be less restrictive than the WECC RMS requirements and sanctions. We feel that the greater the requirement for performance, the greater the performance. Therefore, if this standard is approved, WECC should be allowed to maintain its’ own, more stringent standards.
<a href="#">Agreed. Regions have the right to establish requirements and sanctions that are more restrictive than NERC Reliability Standards.</a>			
Shirley Buckmier-BPAT; Steven Cobb-SRP; Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #8
<a href="#">See consideration of comments under #8.</a>			
Alan Johnson-Mirant		X	Process may be okay but have a couple of questions. One, if under part (2)(iv) complaints can be lodged up to 60 days after the incident is the requirement for the IA to retain data for 90 days (3 months) sufficient? Secondly, under part (5) the compliance monitor is to verify IA data by comparing to entities including the PSE and TSP. However, I didn’t observe any data retention requirements in the standard for either the PSE or TSP. Shouldn’t there be so that the compliance monitor can do its job?

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>As envisioned, once the complaint is logged, the Compliance Monitor will collect the specific data required to conduct its investigation. The 90 day window permits the timely collection of such data without burdening every IA with a need to keep data for so long that the retention becomes burdensome.</p> <p>The Compliance Monitoring section was modified to eliminate the requirement that the Compliance Monitor verify the Interchange Authority data by comparing it to corresponding Balancing and Reliability Authority, Purchasing-Selling Entity, and Transmission Service Provider data. The Drafting Team's Compliance Representatives indicated that there may be other ways of verifying compliance and including the requirement was overly restrictive.</p>			
John Horakh-MAAC		X	Section 402 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit.
<p>Most entities agreed with the self-certification that was proposed.</p>			
Patti Metro for FRCC (15)		X	We have the same questions in regards to the compliance monitoring process for 402 as provided for 401, therefore, refer to the response to question 8. In addition, for 402(d)(5), how will the comparing of data be accomplished? References to keeping data are included in 401 and 403 for the RA, BA and TSP, however, this portion of the standard references the PSE having data, but there is no reference in the standard for a PSE to maintain any data.
<p>See response to question 8.</p> <p>The Compliance Monitoring section was modified to eliminate the requirement that the Compliance Monitor verify the Interchange Authority data by comparing it to corresponding Balancing and Reliability Authority, Purchasing-Selling Entity, and Transmission Service Provider data. The Drafting Team's Compliance Representatives indicated that there may be other ways of verifying compliance and including the requirement was overly restrictive.</p>			
Peter Burke-American Trans Co	X		Number (5) list the Purchasing/Selling Entity but there is no requirement currently in this standard that requires the PSE to retain any evidence. What evidence does the SDT expect the Compliance Monitor to get from the PSE? Requirement 403 states that the RA, BA and TSP need only to provide evidence that they responded to a request from the IA. What evidence does the SDT expect the Compliance Monitor to receive from the necessary RAs, BAs and TSPs? If a RA, BA or TSP only retains the minimum amount of evidence then all they would have is evidence showing a response, which might not include information about the request.
<p>The Compliance Monitoring section was modified to eliminate the requirement that the Compliance Monitor verify the Interchange Authority data by comparing it to corresponding Balancing and Reliability Authority, Purchasing-Selling Entity, and Transmission Service Provider data. The Drafting Team's Compliance Representatives indicated that there may be other ways of verifying compliance and including the requirement was overly restrictive.</p>			
Theodore G. Pappas-NYSRC;	X		Although the NYSRC (ISO-NE, NYISO) feels audits are desirable for demonstrating compliance,

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Kathleen Goodman-ISO NE; Guy Zito for NPCC CP9 Wkg Group(13)Gregory Campoli- NYISO			we have concerns that the potential exists for excessive audits.
<p><a href="#">Agree. The Compliance Monitoring sections of the Coordinate Interchange Standards were all changed to indicate that, subsequent to the initial compliance review, compliance 'may' be verified through other listed techniques. (The original set of standards used the word, 'will'.)</a></p>			
William Smith-Allegheny Power	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
Karl Tammer for RTO/ISO Council (9)	X		
Gerald Rheault-Manitoba Hydro	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Doug Hils for MISO CA Wkg Group	X		
Pete Henderson / Khaqan Khan- The IMO-The IMO	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Al DiCaprio (4)-PJM	X		



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Tom Hawley-We Energies	X		
Ed Davis-Entergy	X		
Susan Morris for SERC (1)	X		
Ev Lucenti-Power Decisions			No Comment

**12. Do you agree with the proposed levels of noncompliance in section 402?**

**Summary Consideration:** In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.

**2. Levels of Non-compliance**

- 2.1 Level one: ~~90 to 99% of the Interchange-related data includes all items listed in 402(b)(1).~~ One item of Interchange-related data listed in Reliability Standard INT-007-1\_R1 is not verified as defined in Reliability Standard INT-007-1\_D.
- 2.2 Level two: ~~80 to 89% of the Interchange-related data includes all items listed in 402(b)(1).~~ Two items of Interchange-related data listed in Reliability Standard INT-007-1\_R1 are not verified as defined in Reliability Standard INT-007-1\_D.
- 2.3 Level three: ~~Less than 80% of the Interchange-related data includes all items listed in 402(b)(1).~~ Three items of the Interchange-related data listed in Reliability Standard INT-007-1\_R1 are not verified as defined in Reliability Standard INT-007-1\_D.
- 2.4 Level four: ~~Four items of the Interchange-related data listed in Reliability Standard INT-007-1\_R1 are not verified or N~~ no records available to review as defined in Reliability Standard INT-007-1\_D.

Commenter(s)	Yes	No	Comments
Peter Burke-American Trans Co			Is the following example correct? An Interchange Authority transitions 10 Arrange Interchanges to Confirmed Interchanges in the audited 3 months and 1 of those 10 is missing "Interchange duration is defined". That one would be counted against the IA and that IA should receive a level one non-compliance.
The levels of non-compliance have been modified to link to a number of incidents rather than a % of records. In the example you provided, this would be one incident and would receive a level one non-compliance. The intent is to motivate IAs to support 100% compliance to protect reliability.			
Ed Riley-CA ISO, CA ISO			See # 8
See consideration of #8.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Shirley Buckmier-BPAT		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Steven Cobb-SRP; Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Alan Johnson-Mirant		X	Please see response to question #4.
<a href="#">Please see consideration of comments under question #4.</a>			
Al DiCaprio (4)-PJM		X	It would seem inconsistent to have a standard that requires all schedules be implemented as agreed to, but then allow a 20% margin of error. Regions should decide compliance levels for interchange.
<p><a href="#">The standard does not permit non-compliance but addresses levels for non-compliance.</a></p> <p><a href="#">In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</a></p>			
Bert Gumm-Idaho Pwr		X	WECC, or other Regional Councils, should be allowed to deviate from the level set in the standard, so long as their requirements (sanctions) meet or exceed those required by the standard.
<a href="#">Agreed. No NERC Regional Difference is needed in this standard unless the Regional requirement or sanction is LESS restrictive than the proposed NERC Requirement or sanction.</a>			
Doug Hills for MISO CA Wkg Group		X	What is a record? Is a monthly transaction a record, or is each hour, day, week a record?
<a href="#">The standard has been modified so it no longer references a record. In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</a>			
Patti Metro for FRCC (15)		X	We have the same questions in regards to the levels of noncompliance for 402 as provided for 401, therefore, refer to the response to question 9.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Please see consideration of comments to question 9.			
Richard Kafka-Pepco		X	Again, I do not understand why such a large percentage of “incorrect” would be allowed.
<p>The standard does not permit non-compliance but addresses levels for non-compliance. The drafting team will review the band width of non-compliance.</p> <p>In the general questions section of this comment form, several commenters indicated that using % didn’t adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p>			
Gerald Rheault-Manitoba Hydro	X		Manitoba Hydro agrees with the concept of using percentage compliance for this item; however the wording of the “Levels of Noncompliance” is unclear as to exactly how this percentage is to be determined and over what time frame (a year ,a month, etc). This should be clarified.
<p>In the general questions section of this comment form, several commenters indicated that using % didn’t adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p> <p>The Compliance Monitoring section of the standard was modified to clarify what information must be provided to the Compliance Monitor as part of an audit. The audited data is limited to three months of data.</p>			
Gregory Campoli-NYISO; Karl Tammer for RTO/ISO Council (9)	X		To encourage a high level of compliance, the ranges for the levels of non-compliance could be made tighter than what is proposed.
<p>In the general questions section of this comment form, several commenters indicated that using % didn’t adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p>			
James Spearman/Florence Belser (7)-PSC of SC	X		It must be recognized that <b>any</b> problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.
<p>In the general questions section of this comment form, several commenters indicated that using % didn’t adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p>			
Joel Mickey-ERCOT	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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John Horakh-MAAC	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
William Smith-Allegheny Power	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Susan Morris for SERC (1)	X		
Theodore G. Pappas-NYSRC	X		
Tom Hawley-We Energies	X		
Ed Davis-Entergy	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ev Lucenti-Power Decisions			No Comment

**13. Do you agree with the proposed requirements and measurements in section 403?**

**Summary Consideration:** The Requirements and Measures were changed to add more specificity to the responsibility of each of the Functional Entities involved in the reliability assessment period. Additional changes were made to indicate the timeframe in which these tasks must be accomplished. These were changes requested by Stakeholders.

**A. Requirements**

**R1.** Prior to the expiration of the reliability assessment period defined in the Timing Table, Column B, the Reliability Authority, Balancing Authority and Transmission Service Provider shall respond to a request from an Interchange Authority to transition an Arranged Interchange to a Confirmed Interchange. ~~by acknowledging that the Arranged Interchange is acceptable and reliable with respect to their functional responsibilities.~~

R1.1 Each involved Reliability Authority shall evaluate the Arranged Interchange with respect to transmission reliability.

R1.2 Each involved Balancing Authority shall evaluate the Arranged Interchange with respect to the ramp.

R1.3 Each involved Transmission Service Provider shall evaluate the Arranged Interchange with respect to the transmission service arrangements.

**B. Measures**

**M1.** The Reliability Authority, Balancing Authority, and Transmission Service Provider shall each provide evidence that they it responded to each request from an Interchange Authority (relative to transitioning an Arranged Inter change to a Confirmed Interchange) within the applicable time frame defined in the Timing Table, Column B

Commenter(s)	Yes	No	Comments
Bert Gumm-Idaho Pwr		X	The language is very vague and many individuals I've spoken with have communicated several differing interpretations
Please be more specific in identifying what part of the requirements or measures you feel are vague.			
Doug Hills for MISO CA Wkg Group		X	The measurements imply that out of thousands of transactions, the participant can be judged Level 4 non-compliant if it misses one transaction. We disagree with the Regional exemption, as a BA, ERCOT should interface with the IA
The measure and associated levels of non-compliance have been modified. Under the revised levels of non-compliance, a single instance of not responding to the IA's request within the time specified in the Standard's time table would result in a Level 1 non-compliance.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>ERCOT regional difference was a part of the original SAR but has been removed from the revised standard.</p>		
Peter Burke-American Trans Co	X	<p>The way this currently reads, the RA, BA and TSP would be required to approve all Arrange Interchange requests submitted by the IA. Suggestion: The RA, BA and TSP shall respond to Arranged Interchange submitted by an IA. The RA, BA and TSP shall notify the IA if the submitted Arranged Interchange has their approval or denial with respect to their functional responsibilities.</p>
<p>The standard's requirement and measure were revised to clarify what was intended.</p>		
Robert Schwermann for WECC Int Wkg Grp (26)	X	<p>See comments #7 &amp; #10</p>
<p>Please see the consideration of comments for questions #7 &amp; #10.</p>		
Ron Gunderson-NB PPD	X	<p>The measure is very ambiguous without a timing requirement. It could be interpreted that a response within a year meets the standard. At a minimum there should be a minimum time prior to the start of the interchange that the various entities need to respond by in order to meet the standard.</p>
<p>A 'Timing Table' has been added to the revised standard, and the requirement and measure have been modified to reference the Timing Table.</p>		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X	<p>The type of evidence needs to be defined e.g. schedules, tape recordings or other documentation</p>
<p>Most entities seem comfortable by leaving 'evidence' as it was presented in the standard. The types of evidence that may be used can be identified in the Technical Reference, but by leaving the definition open the standard allows each IA to use its existing processes and systems to conduct the verification process. If the standard required a particular type of evidence, then some entities may have to unnecessarily change existing processes to meet the requirement, and this is not what was intended.</p>		
Alan Johnson-Mirant	X	<p>The last part of requirement 1 is not clear. Propose replacing "... reliable with respect to their functional responsibilities" with "...will result in no adverse reliability impact with respect to their functional responsibilities."</p>
<p>The requirement was revised by subdividing the requirement and stating more clearly how the RA, BA and TSP are expected to evaluate the Arranged Interchange. This supports your suggestion.</p>		
Al DiCaprio (4)-PJM	X	<p>Yes, at a minimum all Reliability entities must be obligated to respond to the IA, since they ensure the integrity of the transmission system.</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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<a href="#">This is what was intended.</a>			
William Smith-Allegheny Power	X		
Gerald Rheault-Manitoba Hydro	X		
Gregory Campoli-NYISO	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Karl Tammer for RTO/ISO Council (9)	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Patti Metro for FRCC (15)	X		
Theodore G. Pappas-NYSRC	X		
Tom Hawley-We Energies	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Roman Carter for Southern Co	X		



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Generation (10)			
Scott Moore for SPP ORWG (8)	X		
Shirley Buckmier-BPAT	X		
Steven Cobb-SRP	X		
Ed Davis-Entergy	X		
Susan Morris for SERC (1)	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ed Riley-CA ISO, CA ISO			
Ev Lucenti-Power Decisions			No Comment

**14. Do you agree with the proposed compliance monitoring process in section 403?**

**Summary Consideration:** The Compliance Monitoring section was modified as follows:

The term, 'responsible entity' was replaced with the list of Functions responsible for compliance with this standard

The data retention requirement was modified to be more practical. The revised data retention requirements should provide sufficient data for the Compliance Monitor to review without placing too much of a burden on the BA.

The requirement that specified 'how' the Compliance Monitor will verify compliance (by verifying BA, RA, PSE and TSP data by comparing it to corresponding Interchange Authority data) has been removed because there may be other ways the Compliance Monitor may verify compliance. In addition, the methods used for verifying compliance have been revised so they are listed as 'options' for the Compliance Monitor, rather than 'requirements'. Thus, the Compliance Monitor 'May' use a variety of techniques to assess compliance, but the Compliance Monitor is not 'Required' to use all the listed techniques. These changes were recommended by the drafting team's Compliance representatives to minimize restrictions on the Compliance Monitor that are labor-intensive and may be unnecessary.

The list of methods that may be used for assessing compliance was expanded to include periodic audits and spot checks as well triggered investigations.

Additional language was added to specify what types of information must be made available to the Compliance Monitor as part of an audit or a triggered investigation.

Compliance Monitoring Process

**1.1 Compliance Monitoring Responsibility**

Regional Reliability Organization

**1.2 Compliance Monitoring Period and Reset Timeframe**

The Performance-Reset Period shall be twelve months from the last noncompliance to [403\(a\) Reliability Standard INT-006-1\\_R1](#).

**1.3 Data Retention**

The Balancing Authority, Reliability Authority, and Transmission Service Provider shall keep three months of historical data. The Compliance Monitor shall keep audit records for a minimum of three calendar years. ~~Responsible entities found noncompliant shall keep data until deficiencies resulting in noncompliance are resolved.~~

**1.4 Additional Compliance Information**

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

The ~~responsible entity~~ Reliability Authority, Balancing Authority and Transmission Service Provider shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation by self-certification to the Compliance Monitor.

Subsequent to the initial compliance review, compliance ~~may~~ will be:

- 1.4.1 Verified by audit at least once every three years.
- 1.4.2 Verified by spot checks in years between audits.
- 1.4.3 Verified by annual audits of noncompliant Interchange Authorities, until compliance is demonstrated.
- 1.4.4 Verified at any time as the result of a complaint. Complaints must be lodged within 60 days of the incident. ~~Complaints will be evaluated by the~~ The Compliance Monitor will evaluate complaints.

~~The Compliance Monitor shall verify Balancing Authority, Reliability Authority, Purchasing/Selling Entity and Transmission Service Provider data by comparing it to corresponding Interchange Authority data.~~

The ~~responsible entity~~ Balancing Authority, Reliability Authority, and Transmission Service Provider shall make the following available for inspection by the Compliance Monitor upon request:

~~— Rolling three months worth of hourly Interchange records that indicate that each Interchange Authority request was responded to.~~

- 1.4.5 For compliance audits and spot checks, all data and system log records for the audit period which indicate a reliability entity identified in Reliability Standards INT-006-1\_R1 responded to all instances of the Interchange Authority’s communication under INT-005-1\_R1 concerning the pending transition of an Arranged Interchange to Confirmed Interchange. The Compliance Monitor may request up to a three month period of historical data ending with the date the request is received by the Balancing Authority, Reliability Authority, or Transmission Service Provider.
- 1.4.6 For specific complaints, only those data and system log records associated with the specific Interchange event contained in the complaint which indicates a reliability entity identified in INT-006-1\_R1 has responded to the Interchange Authority’s communication under INT-005-1\_R1 concerning the pending transition of Arranged Interchange to Confirmed Interchange for that specific Interchange.

Committer(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO			See # 8
See consideration of comments under question #8.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #8
See consideration of comments under question #8.			
Shirley Buckmier-BPAT; Steven Cobb-SRP		X	See comments under question #8
See consideration of comments under question #8.			
Bert Gumm-Idaho Pwr		X	The standard requires proof of performance to a Compliance Monitor yet no "Levels of Noncompliance" are listed in 403(e). The sanctions would not apply, therefore it would not be enforceable. A defined time frame is also required.
A Timing Table has been added to this Standard. The revised standard more clearly states what types of evidence must be provided and what entity is responsible for providing the evidence.			
John Horakh-MAAC		X	Section 403 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit. Section 403 (d) (2) requires that subsequent to the initial compliance review, compliance is verified only as the result of a complaint. At a minimum, compliance should also be verified by audit at least once every three years, similar to the verification requirements in Section 401 (d) (2) and Section 402 (d) (2).
Most commenters seemed to accept the self-certification during the first year.			
The standard was revised to add audits to the techniques that may be used by the Compliance Monitor to verify compliance.			
Alan Johnson-Mirant		X	Process may actually be okay, but wanted to point out a couple of things. One, I think the data retention requirement is unclear. The three-month requirement is listed as a subpart of part (3), which is directed at entities found to be non-compliant. This can be interpreted to mean that there is no data retention requirement for compliant entities. Structuring the section in a fashion similar to part (d) of section 402 could clear this up. I'll also raise the 60-day complaint period versus 90 days of data as a concern. Finally, under part (4) the compliance monitor is to verify BA, RA, PSE and TSP data by comparing to the IA's data. However, I don't see in the standard any data retention requirements in the standard for the PSE.
The standard was revised to include a data retention requirement of 3 months for the RA, BA and TSP – and three calendar years for the Compliance Monitor.			
Agree that with the 90 day data retention requirement there isn't much time for the Compliance Monitor to conduct an investigation, however the SDT is trying to avoid overly burdensome data retention requirements.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

The requirement to verify data against the PSE's data has been removed from the standard.			
Patti Metro for FRCC (15)		X	We have the same questions in regards to the compliance monitoring process for 403 as provided for 401, therefore, refer to the response to question 8. In addition, why have the audits and spot checks been removed from the compliance monitoring process for 403? Also, as discussed in question 11 there is no reference in the standard for the PSE to maintain any data.
Please see consideration of comments for question 8.			
The standard has been revised and audits and spot checks have been added as options for the Compliance Monitor.			
The requirement for the Compliance Monitor to verify data with the PSE has been removed from the standard.			
Peter Burke-American Trans Co		X	Why in number (4) is the PSE included? The PSE is not listed in the requirements for this standard. What information would the Compliance Monitor expect to get or be required to receive from a PSE?
The requirement for the Compliance Monitor to verify data with the PSE has been removed from the standard.			
James Spearman/Florence Belser (7)-PSC of SC		X	It must be recognized that <b>any</b> problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.
Several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.			
William Smith-Allegheny Power	X		
Al DiCaprio (4)-PJM	X		
Gerald Rheault-Manitoba Hydro	X		
Gregory Campoli-NYISO	X		
Joel Mickey-ERCOT	X		
Karl Tammer for RTO/ISO	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Council (9)			
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Doug Hils for MISO CA Wkg Group	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Tom Hawley-We Energies	X		
Susan Morris for SERC (1)	X		
Theodore G. Pappas-NYSRC	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ed Davis-Entergy	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Ev Lucenti-Power Decisions			No Comment
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15. Do you agree with the proposed levels of noncompliance in section 403 (INT-006-1)?

**Summary Consideration:**

In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.

The levels of non-compliance have been modified so there are four levels.

**2. Levels of Non-Compliance**

- 2.1 Level 1:** Not specified. One incident (as determined in Reliability Standard INT-006-1\_D) of not responding to the Interchange Authority
- 2.2 Level 2:** Not specified. Two incidents (as determined in Reliability Standard INT-006-1\_D) of not responding to the Interchange Authority
- 2.3 Level 3:** Not specified. Three incidents (as determined in Reliability Standard INT-006-1\_D) of not responding to the Interchange Authority
- 2.4 Level 4:** Four incidents (as determined in Reliability Standard INT-006-1\_D) of not responding to the Interchange Authority or if ~~E~~ evidence not available or not provided as defined in INT-006-1\_D1.4.

Commenter(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO			See # 8
<a href="#">See consideration of comments under question #8.</a>			
Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Shirley Buckmier-BPAT		X	See comments under question #9



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<a href="#">See consideration of comments under question #9.</a>			
Steven Cobb-SRP		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Alan Johnson-Mirant		X	If we're going to measure and monitor compliance for this requirement, there should be a penalty for non-compliance.
<a href="#">Agreed. The revised standard includes four levels of non-compliance.</a>			
Ron Gunderson-NB PPD		X	There are no levels of non-compliance specified.
<a href="#">Agreed. The revised standard includes four levels of non-compliance.</a>			
Scott Moore for SPP ORWG (8)		X	Why couldn't the levels of noncompliance parallel those of 401 and 402 in utilizing percentages of responses to requests for evidence?
<a href="#">The revised standard includes four levels of non-compliance and the levels are linked to the number of incidents o not responding to the IA's request with respect to transitioning an Arranged Interchange to a Confirmed Interchange within the timeframe specified in the new Timing Table.</a>			
Lloyd Linke for MAPP RRC and OC (9)		X	There are no levels of compliance specified.
<a href="#">The revised standard includes four levels of non-compliance and the levels are linked to the number of incidents o not responding to the IA's request with respect to transitioning an Arranged Interchange to a Confirmed Interchange within the timeframe specified in the new Timing Table.</a>			
Bert Gumm-Idaho Pwr		X	The "Levels of Noncompliance" in 403 (e) are "Not Specified". Does this infer that the sanctions proceed directly to step 4?
<a href="#">The revised standard includes four levels of non-compliance and the levels are linked to the number of incidents o not responding to the IA's request with respect to transitioning an Arranged Interchange to a Confirmed Interchange within the timeframe specified in the new Timing Table.</a>			
James Spearman/Florence Belser (7)-PSC of SC		X	No proposed levels of noncompliance provided.
<a href="#">The revised standard includes four levels of non-compliance and the levels are linked to the number of incidents of not responding to the IA's</a>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

request with respect to transitioning an Arranged Interchange to a Confirmed Interchange within the timeframe specified in the new Timing Table.			
Peter Burke-American Trans Co		X	Is the following assumption correct: If the BA, RA or TSP reviewed 100 Arranged Interchanges and 1 out of that 100 has no positive evidence that they responded to the Arrange Interchange that that RA, BA or TSP would be given a level four non-compliance. Positive evidence is evidence provided by the RA, BA or TSP. The IA could have evidence that they received a response but that would not benefit the RA, BA or TSP.
The revised standard includes four levels of non-compliance and the levels are linked to the number of incidents of not responding to the IA's request with respect to transitioning an Arranged Interchange to a Confirmed Interchange within the timeframe specified in the new Timing Table.			
Gerald Rheault-Manitoba Hydro		X	The wording for this section is ambiguous. When using the term "Evidence not available or provided", is it supposed to mean that the entity could not provide evidence because the requirement was not being done or because even if the requirement was being met the entity was not maintaining acceptable records so the performance could be monitored. This is not clear from the wording. The level of non compliance for not fulfilling the requirements should be more severe than for not having adequate records
The Drafting Team modified this set of standards to conform to comments submitted by Stakeholders in response to the first posting of this standard.  Evidence is needed to document performance. The Drafting Team will ask Stakeholders if they agree with the revised levels of non-compliance in the set of revised standards. .			
Mark Creech for TVA (4)		X	TVA feels that section 403 should have the same levels of non-compliance as sections 401 and 402.
The standard was revised to conform to this suggestion.			
Doug Hills for MISO CA Wkg Group		X	The measurements imply that out of thousands of transactions, the participant can be judged Level 4 non-compliant if it misses one transaction.
In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.  This standard was revised to include four levels of non-compliance – and a single event results in a level one noncompliance.			
Patti Metro for FRCC (15)		X	Why are the levels of noncompliance different in this portion of the standard from those in 401

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			and 402? Isn't a % also appropriate in 403?
<p>The standard was revised to include four levels of non-compliance.</p> <p>In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p>			
Tom Hawley-We Energies		X	
Gregory Campoli-NYISO; Karl Tammer for RTO/ISO Council (9)	X		Levels of noncompliance utilizing percentages of responses to requests for evidence, similar to those in 401 and 402 may be applicable
<p>In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p>			
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Marc Butts for Southern Co Svcs(9)	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
William Smith-Allegheny Power	X		
Roman Carter for Southern Co Generation (10)	X		
Al DiCaprio (4)-PJM	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Susan Morris for SERC (1)	X		
Theodore G. Pappas-NYSRC	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ed Davis-Entergy	X		
Ev Lucenti-Power Decisions			No Comment

**16. Do you agree with the proposed requirements and measurements in section 404?**

**Summary Consideration:**

**Requirements**

R1. Prior to the expiration of the time period defined in the Timing Table, Column C, the Interchange Authority shall distribute ~~communicate whether the Arranged Interchange has transitioned to a Confirmed Interchange to all entities involved in the Interchange.~~ to all Balancing Authorities (including Balancing Authorities on both sides of a direct current tie), Reliability Authorities, Transmission Service Providers and Purchasing-Selling Entities involved in the Arranged Interchange whether the Arranged Interchange has transitioned to a Confirmed Interchange.

R1.1 For Confirmed Interchange, the Interchange Authority shall also communicate:

R1.1.1 Start and stop times, ramps, and megawatt profile to Balancing Authorities.

R1.1.2 Necessary Interchange information to NERC-identified reliability analysis services.

**Measures**

M1. For each Arranged Interchange, the Interchange Authority shall provide evidence that it has ~~communicated~~ distributed the ~~appropriate~~ final status and Confirmed Interchange information specified in Reliability Standard INT-008-1\_R1 to ~~all entities~~ Balancing Authorities, Reliability Authorities, Transmission Service Providers and Purchasing-Selling Entities involved in the ~~transaction~~ Arranged Interchange within the applicable time frame. If denied, the IA shall tell all involved parties that approval has been denied.

M2. For each Arranged Interchange that includes a direct current tie, the Interchange Authority shall provide evidence that it has communicated the final status to the Balancing Authorities on both sides of the direct current tie, even if the Balancing Authorities are neither the Source or Sink for the Interchange.

Commenter(s)	Yes	No	Comments
Bert Gumm-Idaho Pwr		X	We feel that "all entities" requires clarification. The standard makes no mention of the PSE yet following some discussion it is felt that that LSE/GPE need to be informed, in addition to any Transmission Operator or Balancing Authority.

The term, 'entities' was replaced with the applicable Functions.

The revised standard does require the IA to inform all involved PSEs of the determination of whether an Arranged Interchange has transitioned to a Confirmed Interchange

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>Marc Butts for Southern Co Svcs(9); Roman Carter for Southern Co Generation (10)</p>		<p>X</p>	<p>As stated previously, it is suggested the IA shall communicate with the IDC.</p>
<p>The requirement was intended to mandate that the information be communicated to the end users – and the IDC is a ‘tool’ used to effect that communication, but the IDC is not an ‘end user’.</p>			
<p>Mark Creech for TVA (4)</p>		<p>X</p>	<p>The Coordinate Interchange Reference Document does not agree with standard 400-Coordinate Interchange section 404. The statement “all parties involved” is used in the reference document, and the statement “all entities involved” is used in the SAR. The SAR and the reference document need to be consistent with terms and words. Also, the SAR needs to explicitly state what parties or entities are to be contacted by the Interchange Authority.</p> <p>Note: Under the current policy the adjacent control areas are “all parties” that we confirm interchange transactions. The sink control area having the responsibility to confirm the entire transaction. If these “parties” are the ones referred to as being “all parties” then we can agree to this section.</p>
<p>The Standard has been revised so that the term, ‘entities’ was replaced with the applicable Function.</p>			
<p>Doug Hills for MISO CA Wkg Group</p>		<p>X</p>	<p>The measurements imply that out of thousands of transactions, the IA can be judged Level 4 non-compliant if it misses one transaction. We disagree with the Regional exemption, as a BA, ERCOT should interface with the IA</p>
<p>The levels of non-compliance have been modified so there are four levels of non-compliance. Missing one transaction may have very serious consequences. In the general questions section of this comment form, several commenters indicated that using % didn’t adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.</p> <p>ERCOT has withdrawn its request for a Regional Difference.</p>			
<p>Peter Burke-American Trans Co</p>		<p>X</p>	<p>This requirement seems to place a heavy burden on the IA. The IA receives a request from a PSE and then solicits the necessary RA’s, TSP’s and BA’s for rulings. Once all the required rulings have been received it seems that they should only have to notify the submitting PSE and the approving RA’s, TSP’s and BA’s. The requirement would force them to also notify all other entities that were playing a role in the submitted interchange. It seems reasonable that once an interchange has gotten a ruling, the IA should notify the submitting PSE along with the RA’s, TSP’s and BS’s that were solicited, but it should be the role of the PSE to notify all other involved entities. You use the word “interchange” in the Requirement but change it to “transaction” in the Measures. What is the difference? If no difference exists then it would be beneficial to use only one word. What does the SDT mean by “Final Status”? It seems that</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			the requirement has the IA notifying entities if the submitted Arrange Interchange was approved or not. The words “final status” seems to imply something more than that.
<p>The standard has been revised so the word, ‘transaction’ is not used.</p> <p>Final status is whether the Arranged Interchange has been transitioned to a Confirmed Interchange</p>			
Robert Schwermann for WECC Int Wkg Grp (26)		X	Same comments as #7, #10, #13
<p>See consideration of comments on questions #7, #10, and #13.</p>			
Ron Gunderson-NB PPD		X	See below. Either the standard needs to require a response from each BA or the compliance monitoring process needs to change. <i>(Item (3) (i) in the compliance monitoring process requires IA’s to keep three months of data showing that each interchange request was responded to, but there is no requirement in the standard for a BA to respond.)</i>
<p>The BA needs to keep this data under Standard INT-009-1 to demonstrate that its implemented interchange matches the Confirmed Interchange as received from the IA.</p>			
Alan Johnson-Mirant	X		Think that all entities that could be a party to the Interchange should be specifically mentioned (e.g., RA, BA, TSP, PSE) instead of using the phrase “all entities” such that it is not left up to interpretation as to whom the IA must communicate with.
<p>Agree. This change was made.</p>			
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		The type of evidence needs to be defined e.g. tape recordings
<p>The SDT avoided being too prescriptive in describing the type of evidence to prevent entities from having to install new systems or processes. As implied with the use of the term, ‘e.g.,’ tape recordings are just one media that may be used to collect information which may show evidence.</p>			
Al DiCaprio (4)-PJM	X		
Gerald Rheault-Manitoba Hydro	X		
Gregory Campoli-NYISO	X		
James Spearman/Florence Belser (7)-PSC of SC	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Karl Tammer for RTO/ISO Council (9)	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
William Smith-Allegheny Power	X		
Patti Metro for FRCC (15)	X		
Raj Rana-AEP	X		
Theodore G. Pappas-NYSRC	X		
Tom Hawley-We Energies	X		
Ed Davis-Entergy	X		
Susan Morris for SERC (1)	X		
Scott Moore for SPP ORWG (8)	X		
Shirley Buckmier-BPAT	X		
Steven Cobb-SRP	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ed Riley-CA ISO, CA ISO			
Richard Kafka-Pepco			
Ev Lucenti-Power Decisions			No Comment



**17. Do you agree with the proposed compliance monitoring process in section 404?**

**Summary Consideration:**

The Compliance Monitoring section was modified to add more specificity on the information that needs to be made available to the Compliance Monitor as part of an audit or a triggered investigation.

The data retention requirement was modified to be more practical. The revised data retention requirements should provide sufficient data for the Compliance Monitor to review without placing too much of a burden on the BA.

The requirement that specified 'how' the Compliance Monitor will verify compliance (by verifying IA data against corresponding data from the BA, RA, etc. has been removed because there may be other ways the Compliance Monitor may verify compliance. In addition, the methods used for verifying compliance have been revised so they are listed as 'options' for the Compliance Monitor, rather than 'requirements'. Thus, the Compliance Monitor 'May' use a variety of techniques to assess compliance, but the Compliance Monitor is not 'Required' to use all the listed techniques. These changes were recommended by the drafting team's Compliance representatives to minimize restrictions on the Compliance Monitor that are labor-intensive and may be unnecessary.

Additional language was added to specify what types of information must be made available to the Compliance Monitor as part of an audit or a triggered investigation.

**1. Compliance Monitoring Process**

**1.1. Compliance Monitoring Responsibility**

Regional Reliability Organization

**1.2. Compliance Monitoring Period and Reset Timeframe**

The Performance-Reset Period shall be twelve months from the last non-compliance to [404\(a\) Reliability Standard INT-008-1\\_R1](#).

**1.3. Data Retention**

The Interchange Authority shall keep three months of historical data. The Compliance Monitor shall keep audit records for a minimum of three calendar years. ~~Interchange Authorities found noncompliant shall keep data until deficiencies resulting in noncompliance are resolved.~~

**1.4. Additional Compliance Information**

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Each Interchange Authority shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation by self-certification to the Compliance Monitor.

Subsequent to the initial compliance review, compliance ~~will~~ may be:

- 1.4.1 Verified by audit at least once every three years.
- 1.4.2 Verified by spot checks in years between audits.
- 1.4.3 Verified by annual audits of noncompliant Interchange Authorities, until compliance is demonstrated.
- ± 1.4.4 Verified at any time as the result of a complaint. Complaints must be lodged within 60 days of the incident. The Compliance Monitor will evaluate complaints. ~~Complaints will be evaluated by the Compliance Monitor.~~

~~The Compliance Monitor shall verify Interchange Authority data by comparing it to corresponding Balancing Authority, Reliability Authority, Purchasing-Selling Entity, and Transmission Service Provider data.~~

Each Interchange Authority shall make the following available for inspection by the Compliance Monitor upon request:

~~Rolling three months worth of hourly Interchange records that indicate that each Interchange Authority request was responded to.~~

- 1.4.5 For compliance audits and spot checks, all data and system log records for the audit period which indicate the Interchange Authority’s distribution of all Arranged Interchange final status and Confirmed Interchange information to all entities involved in an Interchange per Reliability Standard INT-008-1\_R1. The Compliance Monitor may request up to a three-month period of historical data ending with the date the request is received by the Interchange Authority
- 1.4.6 For specific complaints, only those data and system log records associated with the specific Interchange event contained in the complaint which indicate that the Interchange Authority distributed the Arranged Interchange final status and Confirmed Interchange information to all entities involved in that specific Interchange.

Commenter(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO			See # 8
Please see consideration of comments on question #8.			
Alan Johnson-Mirant		X	My concerns are similar to those expressed in response to question 14. In addition, I think item (3)(i) is incorrectly written. I propose replacing it with the following: “Rolling three months worth of hourly Interchange records that indicate that the status of each Arranged Interchange was

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			communicated to the BA, RA, TSP and PSE as appropriate.”
Please see consideration of comments on question #14.			
Bert Gumm-Idaho Pwr		X	The standard requires proof of performance to a Compliance Monitor yet no "Levels of Noncompliance" are listed in 404(e). The sanctions would not apply, therefore it would not be enforceable. A defined time frame is also required.
A Timing Table has been added to this Standard.			
John Horakh-MAAC		X	Comments: Section 404 (d) (1) requires compliance within the first year to be demonstrated by self-certification. This should be demonstrated by audit. Section 404 (d) (2) requires that subsequent to the initial compliance review, compliance is verified only as the result of a complaint. At a minimum, compliance should also be verified by audit at least once every three years, similar to the verification requirements in Section 401 (d) (2) and Section 402 (d) (2).
Most entities agreed with the self-certification that was proposed.			
The standard was revised as suggested and includes, as options for the Compliance Monitor, audits every three years and spot checks in years between audits.			
Patti Metro for FRCC (15)		X	We have the same questions in regards to the compliance monitoring process for 404 as provided for 401, therefore, refer to the response to question 8. In addition, for 404(d)(3)(i), because the measurement for 404 is to provide final status it does not make sense that there would be compliance monitoring for a rolling three months that would indicate that each IA request was responded to. Also, as discussed in question 11 there is no reference in the standard for the PSE to maintain any data
Please see response to comments on question #8.			
The requirement that specified 'how' the Compliance Monitor will verify compliance (by verifying IA data against corresponding data from the BA, RA, etc. has been removed because there may be other ways the Compliance Monitor may verify compliance.			
Ron Gunderson-NB PPD		X	Item (3) (i) in the compliance monitoring process requires IA's to keep three months of data showing that each interchange request was responded to, but there is no requirement in the standard for a BA to respond.
The standard has been revised to include a requirement for the BA to respond, within the timeframe specified in a new Timing Table, to the IA's request to evaluate the Arranged Interchange with respect to the ramp.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #8
<a href="#">Please see consideration of comments under question #8.</a>			
Shirley Buckmier-BPAT; Steven Cobb-SRP		X	See comments under question #8
<a href="#">Please see consideration of comments under question #8.</a>			
James Spearman/Florence Belser (7)-PSC of SC	X		It must be recognized that <b>any</b> problem may result in reduced reliability whether originating from a small or large entity. The approach adopted by the SDT is compliance-based rather than performance-based. Is the objective good data or a reliable system? The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working.
<a href="#">Agreed. The levels of non-compliance have been modified in support of your comment.</a>			
Peter Burke-American Trans Co	X		Why in number (4) is the PSE included? Nowhere in this standard does the PSE have to maintain and collect evidence? What does the SDT expect the Compliance Monitor to receive from the RA, BA and TSP? (The PSE is not included because the PSE's responsibilities are not part of this standard.) Reviewing standard 403, the RA, BA or TSP does not have to collect evidence that they received confirmation back for the IA once they have approved an Interchange. So how can an IA say that they have performed something when those entities that they need to communicate with are not required to save the communication?
<a href="#">The PSE was added to the requirements for the revised standard. The IA is required to let the PSE know whether the Arranged Interchange has transitioned to a Confirmed Interchange</a>			
Ed Davis-Entergy	X		
William Smith-Allegheny Power	X		
Al DiCaprio (4)-PJM	X		
Gerald Rheault-Manitoba Hydro	X		
Gregory Campoli-NYISO	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Joel Mickey-ERCOT	X		
Karl Tammer for RTO/ISO Council (9)	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Mark Creech for TVA (4)	X		
Doug Hils for MISO CA Wkg Group	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Roman Carter for Southern Co Generation (10)	X		
Scott Moore for SPP ORWG (8)	X		
Susan Morris for SERC (1)	X		
Theodore G. Pappas-NYSRC	X		
Tom Hawley-We Energies	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Richard Kafka-Pepco			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Ev Lucenti-Power Decisions			No Comment
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**18. Do you agree with the proposed levels of noncompliance in section 404?**

**Summary Consideration:**

In the general questions section of this comment form, several commenters indicated that using % didn't adequately address the reliability-related consequences of non-compliance and the SDT made changes to the levels of non-compliance for all the Coordinate Interchange Standards so that sanctions are linked to the number of incidents rather than a % or records.

**2. Levels of Non-Compliance**

- 2.1 Level 1:** ~~Not specified.~~ One incident (as defined in Reliability Standard INT-008-1\_D) of not distributing final status and information to all involved entities.
- 2.2 Level 2:** ~~Not specified.~~ Two incidents (as defined in Reliability Standard INT-008-1\_D) of not distributing final status and information to all involved
- 2.3 Level 3:** ~~Not specified.~~ Three incidents (as defined in Reliability Standard INT-008-1\_D) of not distributing final status and information to all involved.
- 2.4 Level 4:** Four incidents (as defined in Reliability Standard INT-008-1\_D) of not distributing final status and information to all involved or if evidence is not available or not provided as defined in Reliability Standard INT-008-1\_D1.4.

Committer(s)	Yes	No	Comments
Ed Riley-CA ISO, CA ISO			See # 8
<a href="#">See consideration of comments under question #8.</a>			
Robert Schwermann for WECC Int Wkg Grp (26)		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Shirley Buckmier-BPAT		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Steven Cobb-SRP		X	See comments under question #9
<a href="#">See consideration of comments under question #9.</a>			
Alan Johnson-Mirant		X	If we're going to measure and monitor compliance for this requirement, there should be a penalty for non-compliance.
<a href="#">Agreed. The revised standard includes four levels of non-compliance.</a>			
Gerald Rheault-Manitoba Hydro		X	same comment as in #15 above
<a href="#">See consideration of comments under question #15.</a>			
Bert Gumm-Idaho Pwr		X	The "Levels of Noncompliance" in 404(e) are "Not Specified". Does this infer that the sanctions proceed directly to step 4?
<a href="#">The levels of non-compliance were modified and the term, 'not specified' is no longer used in this standard.</a>			
James Spearman/Florence Belser (7)-PSC of SC		X	No proposed levels of noncompliance provided.
<a href="#">The revised standard does provide four levels of non-compliance.</a>			
Lloyd Linke for MAPP RRC and OC (9)		X	There are no levels of compliance specified.
<a href="#">The revised standard does provide four levels of non-compliance.</a>			
Ron Gunderson-NB PPD		X	There are no levels of non-compliance specified.
<a href="#">The revised standard does provide four levels of non-compliance.</a>			
Tom Hawley-We Energies		X	Levels not specified.
<a href="#">The revised standard does provide four levels of non-compliance.</a>			
Mark Creech for TVA (4)		X	Same comment as question 15.
<a href="#">Please see response to comments on question #15.</a>			



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Patti Metro for FRCC (15)		X	We have the same questions in regards to the levels of noncompliance for 404 as provided for 403, therefore, refer to the response to question 15.
<a href="#">Please see response to comments on question #15.</a>			
Peter Burke-American Trans Co		X	Please reference question 15. The question asks how much lack of evidence is needed before a level four non-compliance is assigned to a IA.
<a href="#">Please see response to comments on question #15.</a>			
Scott Moore for SPP ORWG (8)		X	See the response to Question 15.
<a href="#">Please see response to comments on question #15.</a>			
Gregory Campoli-NYISO; Karl Tammer for RTO/ISO Council (9)	X		Levels of noncompliance utilizing percentages of responses to requests for evidence, similar to those in 401 and 402 may be applicable.
<a href="#">The levels of non-compliance were modified so they are linked to the number of incidents where the IA failed to distribute the final status and information to all involved entities or could not provide evidence it distributed this information to all involved entities.</a>			
Doug Hills for MISO CA Wkg Group		X	The measurements imply that out of thousands of transactions, the IA can be judged Level 4 non-compliant if it misses one transaction.
<a href="#">The levels of non-compliance were modified, and a single incident will result in a level one non-compliance. This change was made to reflect consideration of the comments submitted suggesting that any incident may have an adverse impact on reliability.</a>			
Ed Davis-Entergy	X		
Al DiCaprio (4)-PJM	X		
William Smith-Allegheny Power	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Marc Butts for Southern Co Svcs(9)	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Theodore G. Pappas-NYSRC	X		
Roman Carter for Southern Co Generation (10)	X		
Susan Morris for SERC (1)	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ev Lucenti-Power Decisions			No Comment
Richard Kafka-Pepco			

19. Do you agree with the concept that . . . losses will be handled as just another type of Interchange?			
<b>Summary Consideration:</b> Most commenters did agree with the concept that physical losses will be handled as just another type of Interchange. Financial losses are outside the scope of this set of reliability-related standards.			
Commenter(s)	Yes	No	Comments
Kathleen Goodman-ISO NE; Pete Henderson / Khaqan Khan- The IMO; Theodore G. Pappas- NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)		X	ISO-NE believes the issue of losses may appropriately be handled by mutual agreements or methodologies established between the BA's and the IA's.
<p>It is the responsibility of the IA to ensure that transmission losses are addressed (i.e. the interchange is balanced); the method for accounting is out of the scope of this drafting team as this is more of a "how" question.</p> <p>All losses are associated with a corresponding Request for Interchange. The TSP verifies that the values are correct. Implementation of losses (if necessary) is accomplished through communication between the IA and the BAs</p>			
Roman Carter for Southern Co Generation (10)  Marc Butts for Southern Co Svcs(9)		X	According to the CI Standard Reference Document for self-provided losses, the IA will serve as the loss distributor by setting up individual transactions with the "intermediary" BAs on behalf of the Purchasing-Selling Entity. Are these individual transactions with the Intermediary BAs separate and independent from the original "Request for Interchange"? In today's terms, is the IA making separate "tags" with each TSP for the losses or is the IA simply asking the TSP to confirm the mw loss amounts allocated by the PSE for each TSP along the path in the original "Request for Interchange"? If it is the last scenario, which we believe to be so, the explanation for this needs to be more definitive and specific. Finally, are settlements (either financial or self-provided) for transmission losses a reliability issue? It appears to be a better topic for NAESB to establish the Standard for loss allocations.
<p>It is the responsibility of the IA to ensure that transmission losses are addressed (i.e. the interchange is balanced); the method for accounting is out of the scope of this drafting team as this is more of a "how" question.</p> <p>All losses are associated with a corresponding Request for Interchange. The TSP verifies that the values are correct. Implementation of losses (if necessary) is accomplished through communication between the IA and the BAs.</p> <p>Reliability requires that the provision of losses must be addressed in a way that ensures that:</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

$$(\text{Sum of the Interchange out of a source BA}) = (\text{Sum of the Interchange into the sink BA}) \text{ plus or minus (the sum of the losses)}$$

How the above gets implemented is not a reliability issue. The standard does not mandate separate transactions, the standard tries to explain the concept in terms of independent schedules if the method is used. The real requirement is that the IA does not allow a non-zero net for the above equation. Thus a schedule of 100 'OUT' of the source and a 'deduction' of 2 for some intermediate BA and a schedule of 98 'IN' at the sink, is a perfectly acceptable solution.

<p>Susan Morris for SERC (1) Ed Davis-Entergy</p>		<p>X</p>	<p>“The concept that Implemented Interchange requires equal and opposite use by two BA’s in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange” is misleading and does not conform to the examples contained in the CI Standard Reference Document Appendix C. This concept is reasonably close only when the transmission service losses of all intermediate Transmission Service Providers are settled financially. However, Interchange from the source BA is increased by the amount of losses provided in-kind and that loss provision must be identified as being associated with the original Interchange. Even the Reference Document identifies this loss provision as a “component” of a larger “composite” interchange.</p> <p>Also, separating the provision of losses from the principal Interchange will complicate the business practices associated with Interchange and cause the industry to incur additional unnecessary expense. Implementing this concept will increase the number of required Arranged Interchanges dramatically to accommodate the loss provision in-kind and will complicate the tracking of the Arranged Interchange and the associated losses provided in-kind.</p> <p>Finally, implementation of this concept is a change to existing business practices. This reliability standard should only reference existing business practices and should not attempt to implement new business practices. New business practices should be developed by NAESB.</p> <p>Therefore, we think this new business practice for provision of losses in-kind is without merit and an unnecessary complication to these NERC reliability standards.</p>
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A separate interchange may be submitted for physical losses if that is “how” the industry chooses to make the processes work. That method was described in the Technical Reference document of the Functional Model but is not mandated by the Coordinate Interchange standard.

This is not a business practice change in light of the Functional Model’s tasks, however it is a change to today’s processes. The development of this set of Coordinate Interchange standards is being coordinated with NAESB’s team that is working on the associated Business Practices.

All losses are associated with a corresponding Request for Interchange. The TSP verifies that the values are correct. Implementation of losses (if necessary) is accomplished through communication between the IA and the BAs.

Reliability requires that the provision of losses must be addressed in a way that ensures that:

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>(Sum of the Interchange out of a source BA) = (Sum of the Interchange into the sink BA) plus or minus (the sum of the losses)</p> <p>How the above gets implemented is not a reliability issue. The standard does not mandate separate transactions, the standard tries to explain the concept in terms of independent schedules if they are used. The real requirement is that the IA does not allow a non-zero net for the above equation. Thus a schedule of 100 'OUT' of the source and a 'deduction' of 2 for some intermediate BA and a schedule of 98 'IN' at the sink, is a perfectly acceptable solution.</p> <p>Based on comments and discussions subsequent to the posting, the Drafting Team has revised its technical reference to clarify handling of losses. As anticipated, the level of work involved in handling losses will be about the same level of work as you experience today.</p>			
Doug Hills for MISO CA Wkg Group		X	<p>The Standard should recognize that the Net Scheduled Interchange for the IA must balance to zero, even if multiple BAs are involved along the path for proper delivery of losses - the Implemented Interchange in that example would not be equal and opposite between the two BAs. The Standard should capture loss provision in the coordination required of the IA and the BAs along the "path".</p>
<p>It is the responsibility of the IA to ensure that the transmission losses are addressed (i.e. the interchange is balanced); the method for accounting is out of the scope of this drafting team as this is more of a "how" question.</p> <p>All losses are associated with a corresponding Request for Interchange. The TSP verifies that the values are correct. Implementation of losses (if necessary) is accomplished through communication between the IA and the BAs.</p> <p>Reliability requires that the provision of losses must be addressed in a way that ensures that:</p> <p>(Sum of the Interchange out of a source BA) = (Sum of the Interchange into the sink BA) plus or minus (the sum of the losses)</p> <p>How the above gets implemented is not a reliability issue. The standard does not mandate separate transactions, the standard tries to explain the concept in terms of independent schedules if the method is used. The real requirement is that the IA does not allow a non-zero net for the above equation. Thus a schedule of 100 'OUT' of the source and a 'deduction' of 2 for some intermediate BA and a schedule of 98 'IN' at the sink, is a perfectly acceptable solution.</p>			
Gregory Campoli-NYISO		X	
Ken Githens-Allegheny Energy		X	
Gerald Rheault-Manitoba Hydro	X		<p>Compensation for losses is a financial transaction and should regulated by the business standard process (NAESB responsibility), not the reliability process. This could be handled using either a financial settlement or return of energy.</p>
<p>Agree that compensation for losses is not a reliability issue. For physical delivery of losses, however, the transmission losses must be included in a transaction to ensure that the Net Scheduled Interchange between source and sink BAs is zero.</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Bert Gumm-Idaho Pwr	X		We agree, this is the method currently in use for CA's in the WECC today.
Most commenters agreed with this method.			
Mark Creech for TVA (4)	X		This statement also needs to reflect that losses may be handled by this or other approved methods.
Agreed			
Patti Metro for FRCC (15)	X		We agree with this concept, but were concerned whether the tool (OATI presently) developed would be able to process the number of transactions that might be required. In the example shown in the reference document, there would be a total of 5 transactions (1 main deal and 4 transactions for losses) this could be cumbersome.
<p>This standard does not describe the "how." Although the example in the Reference Document shows 5 interchanges, the standard does not require 5 or 1 or any number of interchange. The net interchange of all parties must agree. The example (from the Functional Model Technical Document) is only one conceptual way of meeting the standard.</p> <p>All losses are associated with a corresponding Request for Interchange. The TSP is verifying that the values are correct. Implementation of losses (if necessary) is accomplished through communication between the IA and the BAs.</p> <p>Reliability requires that the provision of losses must be addressed in a way that ensures that:</p> <p style="padding-left: 40px;">(Sum of the Interchange out of a source BA) = (Sum of the Interchange into the sink BA) plus or minus (the sum of the losses)</p> <p>How the above gets implemented is not a reliability issue. The standard does not mandate separate transactions, the standard tries to explain the concept in terms of independent schedules. The real requirement is that the IA does not allow a non-zero net for the above equation. Thus a schedule of 100 'OUT' of the source and a 'deduction' of 2 for some intermediate BA and a schedule of 98 'IN' at the sink, is a perfectly acceptable solution.</p> <p>Based on comments and discussions subsequent to the posting, the Drafting Team has revised its technical reference to clarify to address losses. As anticipated, the level of work involved in handling losses will be about the same level of work as you experience today.</p>			
Robert Schwermann for WECC Int Wkg Grp (26)	X		We agree as this is present methodology that is successful
Most commenters agreed with this method.			
William Smith-Allegheny Power	X		
Alan Johnson-Mirant	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Al DiCaprio (4)-PJM	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Karl Tammer for RTO/ISO Council (9)	X		
Lloyd Linke for MAPP RRC and OC (9)	X		
Steven Cobb-SRP	X		
Tom Hawley-We Energies	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Ron Gunderson-NB PPD	X		
Scott Moore for SPP ORWG (8)	X		
Shirley Buckmier-BPAT	X		
Ed Riley-CA ISO, CA ISO			
Ev Lucenti-Power Decisions			No Comment
Peter Burke-American Trans Co			

Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard

20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange?			
<b>Summary Consideration:</b> There seems to be general agreement that dynamic schedules are covered by this standard as a type of bilateral interchange.			
Commenter(s)	Yes	No	Comments
Patti Metro for FRCC (15)		X	We do agree that dynamic schedules would be covered by this standard, but think the standard should include some type of parameters on the electronic tag that supports dynamic schedules, such as, how much does the dynamic schedule have to change before the tag has to be changed? Today's process is a % of the dynamic schedule.
Specific tools, processes and procedures such as tagging are not specified in this standard because there may be other tools, processes or procedures that may work as well as tagging. The standard focuses on 'what' needs to happen.			
Robert Schwermann for WECC Int Wkg Grp (26)		X	We have no specific Yes/No answer. Dynamic Schedules need to be handled by the local reliability region. This is a difficult issue and needs to be handled on a regional basis with regional standards.
Regional difference may need to be specified. The appropriate regions should apply for differences.  Regional Differences need only be approved as part of a NERC Reliability Standard if the Regional Difference is less stringent than the associated NERC standard.			
Shirley Buckmier-BPAT		X	There needs to be recognition that the profile for a Dynamic Schedule has to include both the minimum and maximum expected values during the scheduling period, the reason is for reliable assessment of transmission capacity. Averages don't work. This should be coordinated with NERC's Dynamic Transfer Paper (reference document ).
The coordination aspects of Dynamic Schedules are covered by the set of proposed standards.  This comment seems to suggest a change in the current process for specification of Dynamic Schedules. We suggest a new SAR to change those specifications.			
Bert Gumm-Idaho Pwr	X		This topic has been at the center of debate for some time. If it is covered by this standard there will be the need to have some flexibility for Regional differences.
Regional difference may need to be specified. The appropriate regions should apply for differences.  Regional Differences need only be approved as part of a NERC Reliability Standard if the Regional Difference is less stringent than the			



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<a href="#">associated NERC standard.</a>			
Scott Moore for SPP ORWG (8)	X		While dynamic schedules are bilateral interchange, the handling of losses and their true-up is significantly different from typical bilateral interchange. The standard and the reference document are silent on the treatment of losses for dynamic schedules.
<a href="#">The Standard includes the requirement of the provision of losses, if appropriate, for all schedules.</a>			
Karl Tammer for RTO/ISO Council (9); Gregory Campoli-NYISO	X		Recognizing that Dynamic Schedules are a type of Dynamic Transfer and that psuedo ties are not included in this standard. Mention of this in the preamble may add clarity.
<a href="#">The standard does not have a preamble, but these concepts are addressed in the revised Technical Reference.</a>			
Mark Creech for TVA (4)	X		Pending an explicit definition of the term dynamic schedule.
<a href="#">The V0 Glossary included the following definition of Dynamic Schedule:</a>			
<a href="#">A telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as a schedule for interchange accounting purposes. Commonly used for scheduling jointly owned generation to or from another control area.</a>			
Doug Hills for MISO CA Wkg Group	X		Including the treatment of losses
<a href="#">Ageee. The Standard includes the requirement of the provision of losses, if appropriate, for all schedules</a>			
Steven Cobb-SRP	X		SRP strongly recommends that <u>all</u> Dynamic Transfers be subject to the Assessment, Confirmation, and Implementation processes defined in the Coordinate Interchange Standard. We believe that Dynamic Schedules and Pseudo Ties are identical in their function and their impacts to the interconnected system.  The only difference between Dynamic Schedule and Pseudo Tie type Dynamic Transfers is that they affect different variables in the ACE equation. The argument that Pseudo Ties impact the Actual Interchange side of the ACE equation and should be excluded for this Standard exploits a technicality that compromises system reliability and places those entities that use Dynamic Schedules at a reliability and market disadvantage.  If Dynamic Schedules provide visibility for a coordination and curtailment process that excludes Pseudo Ties, the user of the Dynamic Schedule will be subject to curtailments that may be exacerbated by Pseudo Ties that aren't curtailed. This type of process is contrary to SAR Market Interface Principle #2 "An Organization Standard shall not give any market participant

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

			<p>an unfair competitive advantage.”</p> <p>As with Dynamic Schedules, Pseudo Ties are not strictly limited to use by adjacent Balancing Authorities. They may extend across the boundaries of several Balancing Authorities and require contiguous transmission arrangements. As a result, Pseudo Ties must undergo the same kinds of reliability assessment given to Dynamic Schedules and other types of planned Interchange. Exempting Pseudo Ties from this Standard would indicate that existing Dynamic Schedules could be converted to Pseudo Ties and also be exempted from the Coordinate Interchange Standard process without impacting system reliability. This is simply not the case. Excluding Pseudo Ties from this Standard would seem to contradict the Standard’s name: “Coordinate Interchange.”</p>
<p>The use of dynamics schedules is a type of bilateral interchange that is covered by the requirements of this standard. The Implemented Interchange defined by the telemetered quantities associated with a dynamic schedule is applied to the Net Scheduled Interchange term of the ACE equation.</p> <p>The use of pseudo-ties requires that both Balancing Authorities include the actual telemetered qualities in the Net Actual Interchange component of the ACE equation; therefore, pseudo-ties are not included in the standard.</p> <p>The concern that Pseudo-ties can be used to circumvent requirements applied to a dynamic schedule, however legitimate, is one beyond the scope of this drafting Team and the SAR it is to work with. The same issue noted by the commenter exists with the current Version 0 standards. We suggest that a separate SAR be requested to address the issues of both Dynamic Transfers.</p>			
Al DiCaprio (4)-PJM	X		
Ed Riley-CA ISO, CA ISO	X		
Gerald Rheault-Manitoba Hydro	X		
William Smith-Allegheny Power	X		
James Spearman/Florence Belser (7)-PSC of SC	X		
Joel Mickey-ERCOT	X		
John Horakh-MAAC	X		
Alan Johnson-Mirant	X		
Kathleen Goodman-ISO NE	X		
Ken Githens-Allegheny Energy	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Lloyd Linke for MAPP RRC and OC (9)	X		
Marc Butts for Southern Co Svcs(9)	X		
Roman Carter for Southern Co Generation (10)	X		
Ron Gunderson-NB PPD	X		
Pete Henderson / Khaqan Khan-The IMO-The IMO	X		
Raj Rana-AEP	X		
Richard Kafka-Pepco	X		
Susan Morris for SERC (1)	X		
Guy Zito for NPCC CP9 Wkg Group(13)	X		
Ed Davis-Entergy	X		
Theodore G. Pappas-NYSRC	X		
Tom Hawley-We Energies	X		
Ev Lucenti-Power Decisions			No Comment
Peter Burke-American Trans Co			

<p><b>21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.</b></p>			
<p><b>Summary Consideration:</b> There was no consensus on this issue. The SDT added another 'standard' to the set of Coordinate Interchange Standards to address some of the special cases identified by industry participants. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
Commenter(s)	Yes	No	Comments
Ev Lucenti-Power Decisions			401 states that confirmed interchange must be implemented exactly as agreed to in the interchange confirmation process. Does this extend to the situation described above? If the parameters are changed, is it a new "interchange"?
<p>Any change in schedule that causes a change in Interchange must be coordinated before being implemented.</p>			
Karl Tammer for RTO/ISO Council (9); Pete Henderson/Khaqan Khan  Gregory Campoli-NYISO	X	X	Defining the Emergency procedures in the Standard and the applicability of the standard in emergencies would add clarity.
<p>The SDT added another 'standard' to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
Bert Gumm-Idaho Pwr		X	If it is not defined in this standard, then the development of an "Emergency" or "Curtailement/Adjustment" standard will be required. It currently is not defined in this standard.
<p>The SDT added another 'standard' to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
James Spearman/Florence Belser (7)-PSC of SC		X	While the Standard references the Standard Reference Document, the PSCSC is concerned users may not hold the Reference Document in the same high regard that they hold the Standard itself. The PSCSC would prefer the key provisions of the Reference Document be rolled into the Standard itself.
<p>Standards contain measurable requirements that while the Standard Reference Document contains background and implementation</p>			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>suggestions for the standard. Please be more specific in letting us know of any requirements that are in the technical reference but not in the standards.</p>			
<p>Robert Schwermann for WECC Int Wkg Grp (26)</p> <p>Shirley Buckmier-BPAT</p>		<p>X</p>	<p>As we have stated earlier it tells us what, but does not tell us how. Is the emergency functionality covered in another standard? If not there should be specific emergency direction. Also refer to the previous comments about a general departure from present NERC specific directives</p>
<p>Standards contain the measurable “what”, not the ‘how’.</p> <p>The SDT added another ‘standard’ to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
<p>Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC</p> <p>Guy Zito for NPCC CP9 Wkg Group(13)</p>		<p>X</p>	<p>Standardized coordination modes and/or guidelines need to be defined or referred to within the standards to adequately address the reliability requirements.</p> <p>ISO-NE (NYSRC) believes more clarity is needed in defining what the Emergency procedures are in the Standard. Again, the Reference Document seems to hold these important details yet they are not clearly part of the Standard.</p> <p>Perhaps this needs to be addressed and coordinated with Standard 1000 Prepare for and Respond to Abnormal and Emergency Conditions.</p>
<p>The SDT added another ‘standard’ to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
<p>Ken Githens-Allegheny Energy</p>		<p>X</p>	<p>The standard is unclear. Appendix B in the reference document does clarify what should happen. I personally do not like depending on an addition document to explain the standard. The standard should include all the information needed as a stand-alone document.</p>
<p>Standards contain the measurable “what”, not the ‘how’.</p> <p>The SDT added another ‘standard’ to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.</p>			
<p>Lloyd Linke for MAPP RRC and OC (9)</p>		<p>X</p>	<p>Implemented Interchange changes also need to be adequately communicated and acknowledged by BA adjacent to but not in control of DC Ties between interconnections.</p>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Ron Gunderson-NBPPD			
Agreed. The standard was modified to specifically include DC Ties.			
Patti Metro for FRCC (15)		X	That was a question we had. Why isn't there a requirement for the IA to communicate changes to a confirmed or implemented interchange? The reference document seems to imply that this would be covered under the requirements included in the standard, but we saw this as a "hole" and believe there should be something specific in the standard.
Changes to schedules go through the same approval process as the initial schedule for reliability purposes.			
Peter Burke-American Trans Co		X	This standard fails to address changes to a Confirmed Interchange or Implemented Interchange determined necessary by a Reliability Authority. Changes from a PSE seem to align with this standard except for the above comments. Requirement 404 only requires communication with entities when an Interchange has transitioned from an Arrange Interchange to a Confirmed Interchange. There is no requirement for the IA to make additional notification about changes. The SDT should add additional requirements to this standard to address changes to Confirmed Interchange or Implemented Interchange.
Changes to schedules go through the same approval process as the initial schedule for reliability purposes. A new standard INT-010 has been created to address the process of changing interchange for a loss of generation condition by a BA or an imminent reliability-risk mitigation by an RA.			
Raj Rana-AEP		X	If timing requirement is too restrictive, it could affect the reliability. The standard should recommend or provide a guideline as to what is acceptable from the reliability standpoint.
Timing requirements are contained in the revised standard.			
Steven Cobb-SRP		X	See note #5 in question #23.
See response to note #5 in question #23.			
Ed Riley-CA ISO, CA ISO	X		Additional language may be required that better explains the inclusion of emergency procedures.
The SDT added another 'standard' to the set of Coordinate Interchange Standards to address some of the special cases identified by Stakeholders. One of these special cases is a modification to the approval process when the RA needs to modify an existing Interchange for imminent reliability-related reasons.			

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Alan Johnson-Mirant	X		From a reliability standpoint, I think the coordination is covered. However, the standard doesn't cover getting the changes back to the PSE, which I believe it should.
Changes to schedules go through the same approval process as the initial schedule for reliability purposes.			
Al DiCaprio (4)-PJM	X		By handling changes (changes for commercial or changes for emergencies or changes for any other interchange-related activity) all in the same way (i.e. that all parties agree) is an appropriate NERC standard.
Agreed.			
Mark Creech for TVA (4)	X		This statement addresses the reliability requirements as depicted in Figure 4 of the Coordinate Interchange Reference Document.
Agreed.			
John Horakh-MAAC	X		Standard is adequate
Agreed.			
Tom Hawley-We Energies	X		As long as changes are scrutinized in the same manner as initially arranged interchange.
Agreed.			
William Smith-Allegheny Power	X		
Gerald Rheault-Manitoba Hydro	X		
Joel Mickey-ERCOT	X		
Marc Butts for Southern Co Svcs(9)	X		
Doug Hils for MISO CA Wkg Group	X		
Richard Kafka-Pepco	X		
Roman Carter for Southern Co Generation (10)	X		

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

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Scott Moore for SPP ORWG (8)	X		
Susan Morris for SERC (1)	X		
Ed Davis-Entergy	X		



**22. Should a requirement for acknowledging the receipt of Confirmed Interchange from the Interchange Authority be included in the standard?**

**Summary Consideration:** There was no consensus on this issue. The Drafting Team defaulted to leaving the standard without an additional requirement. The Drafting Team felt that requiring the additional acknowledgement was only to detect a communication failure and it is impractical to try and double check and detect all possible failure modes in the coordination process. The BA-to-BA check out required by INT-003-0 provides one type of double check and as envisioned, INT-003-0 will not be retired when these proposed Version 1 INT Standards are implemented. This shall serve as a response to all comments below.

Commenter(s)	Yes	No	Comments
Ev Lucenti-Power Decisions		X	Not required if schedule changes are confirmed.
Gerald Rheault-Manitoba Hydro		X	A procedure requiring the BA and PSE to acknowledge receipt of Confirmed Interchange should not be included in the Standard. The compliance review process will determine whether proper notification was provided. If there is a need to have an acknowledgement process it should be part of the normal business practices related to this activity.
Gregory Campoli-NYISO; Kathleen Goodman-ISO NE; Theodore G. Pappas-NYSRC  Guy Zito for NPCC CP9 Wkg Group(13)		X	The NYISO (ISO-NE; NYSRC) understands this has been omitted due to its redundancy, however the Standard should clarify this and why.
Tom Hawley-We Energies		X	They should be informed, but not 'required' to acknowledge receipt to facilitate implementation.
Marc Butts for Southern Co Svc(9)		X	
Pete Henderson / Khaqan Khan- The IMO-The IMO		X	
Peter Burke-American Trans Co		X	
Richard Kafka-Pepco		X	
Roman Carter for Southern Co Generation (10)		X	

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Susan Morris for SERC (1)		X	
Joel Mickey-ERCOT		X	
Ed Davis-Entergy		X	
John Horakh-MAAC		X	
Karl Tammer for RTO/ISO Council (9)		X	
Ed Riley-CA ISO, CA ISO		X	
William Smith-Allegheny Power		X	
Al DiCaprio (4)-PJM		X	
Bert Gumm-Idaho Pwr	X		BA's and PSE's should be required to acknowledge the receipt of Confirmed Interchange to ensure adequate communication for a reliably balanced system.
Robert Schwermann for WECC Int Wkg Grp (26)	X		How can Interchange be confirmed when the confirmation process does not include the entities that will implement said Interchange? A requirement needs to be included for reliability purposes; a tool such as the current E-Tag methodology is a must for reliability purposes.
Doug Hills for MISO CA Wkg Group	X		With regard to the BA: there has to be an audit trail to reflect which entity failed to perform its required operation. If the IA is to ensure the implementation of interchange, that acknowledgement is necessary.
Patti Metro for FRCC (15)	X		The BA and PSE should be required to acknowledge confirmed interchange from the IA. It is important for these entities be involved in the process because the BA and PSE are responsible for resources involved in the transactions.
Mark Creech for TVA (4)	X		The BA and PSE should be active in confirmed acknowledgments because any change or delay in the state of the transaction could directly affect resources of which they are responsible.
James Spearman/Florence Belser (7)-PSC of SC	X		The PSCSC believes the IA would certainly want such acknowledgement.
Alan Johnson-Mirant	X		Believe it would help to "complete the loop" and provide the compliance monitor with data to help it in performing its function.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Raj Rana-AEP	X		In order to keep proper accounting.
Scott Moore for SPP ORWG (8)	X		If there are passive approvals in the process, then the lack of acknowledgement can become a reliability issue.
Shirley Buckmier-BPAT	X		Bas and PSEs must acknowledge the receipt of Confirmed Interchange. How can interchange be confirmed when the confirmation process does not include the entities that will implement said interchange. A requirement needs to be included for reliability purposes; a tool such as the current E-Tag methodology is a must for reliability.
Steven Cobb-SRP	X		BAs and PSEs must acknowledge the receipt of Confirmed Interchange. How can Interchange be confirmed when the confirmation process does not include the entities that will implement said Interchange?
Ron Gunderson-NB PPD	X		Acknowledgement of BA's should required to provide positive feedback that the IA successfully notified the BA of a Confirmed Interchange
Ken Githens-Allegheny Energy	X		
Lloyd Linke for MAPP RRC and OC (9)			The MAPP Regional Reliability Council has no comment on this aspect of the Standard.

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<b>23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.</b>	
<b>Commenter(s)</b>	<b>Comments</b>
William Smith-Allegheny Power	Allegheny Power feels that due to the importance of the associated Business Practice Standards currently being developed by NAESB, it is essential that these Business Practice Standards be implemented in conjunction with the standard. Also this SAR is a good candidate for field-testing prior to implementation.
<a href="#">Agree.</a>	
Alan Johnson-Mirant	Overall, the drafting team has put together a very good document. The Reference Document is very helpful as well. The one area that may need additional debate is with respect to the Arranged Interchange cycle of the Interchange life cycle. The standard doesn't fully address activity occurring during this cycle, although it is considered to be part of the reliability period and not the market period (hence a NERC issue to resolve). I assume this was intentional since the reference document states that this standard covers the reliability related aspects of the Confirmed Interchange and Implemented Interchange cycles (p 4 of 18). That being the case, it seems that we need another standard developed within NERC to address this cycle. That would result in three separate standards/practices (2 in NERC, 1 in NAESB) to address the interchange transaction process. As an observation, it seems that we're heading down the wrong track to reach greater efficiency.
<a href="#">The SDT added some more details, including a 'Timing Table' to bring more specificity to the set of standards. Please let us know if you feel the revised set of standards covers all the reliability-related steps in the process of coordinating interchange. If you feel the revised standards are still missing reliability-related steps in the process, please be specific in identifying what you think is missing.</a>	
Bert Gumm-Idaho Pwr	Please refer to the WECC comments for this section.
<a href="#">Please see consideration of the WECC comments for this section.</a>	
Ed Riley-CA ISO, CA ISO	<ol style="list-style-type: none"> <li>1. Exchanges across DC ties, pseudo ties, and dynamic exchanges should be specifically included in this standard.</li> <li>2. There should be a requirement for adjacent BAs to perform pre-operating hour checkouts.</li> <li>3. The standard should not go into effect until the industry has had a transition period and it has been field-tested. The standard should include all requirements identified in the SAR. These requirements must be in sufficient detail such that the standard is a stand alone document. The reference document should only contain supporting information and examples.</li> </ol>
<a href="#">1. The standard was revised to specifically address the handling of DC ties. Pseudo-ties because they are reflected in the NET Actual</a>	

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

Interchange of ACE are not within the scope of this standard. IF the commenter believes the Dynamic Transfers (Pseudo-ties and Dynamics schedules) require special consideration then a separate SAR outlining the issues is recommended.

2. Version 0 Standard INT-003 requires BA's to perform checkout prior to the hour in which it occurs. As envisioned, this requirement will remain in place when the Version 1 INT standards are approved and thus provide the verification process asked about in this comment

3. The SDT agrees that this standard should be field tested before being finalized and presented to the industry for balloting.

Several commenters indicated that the standard should include more of the details from the reference document, and the SDT did try to move essential details to the revised set of standards. If you feel that there is something specific in the reference document that should be included in the revised set of standards, please let us know.

<p>Kathleen Goodman-ISO NE</p> <p>Theodore G. Pappas-NYSRC</p> <p>Guy Zito for NPCC CP9 Wkg Group(13)</p>	<ol style="list-style-type: none"> <li>1. There is an outstanding issue with the inclusion of a monetary sanction matrix and what its implications are. ISO-NE has previously expressed concerns over its inclusion and maintains that the use of market mechanisms, where possible as well as letters of increasing degrees of severity and notifications to regulatory agencies are more effective in ensuring compliance to reliability criteria and standards. Failure of NERC to gain authority through reliability legislation could result in NERC pursuing actions to implement "Plan B," a "voluntary" approach affording NERC the authority to perform these types of monetary sanctions. ISO-NE has also indicated that any posted Standard, with the included matrix, may not be supported. There are, however, proceedings at NERC by the Compliance Certification Committee (CCC) to address alternative sanction proposals and ISO-NE (NYSRC) will continue to work to oppose monetary sanctions.</li> <li>2. ISO-NE (NYSRC) recommends a more logical order to the Standard, (i.e., chronological sequence); "Implementation of Interchange" should be last, not first.</li> <li>3. ISO-NE (NYSRC) does not believe multiple IA's within a RA is a workable solution, furthermore, we feel that there may be a need for an Interconnection-wide IA for oversight.</li> <li>4. Effective Period – "The effective date upon the approval of the NERC Board of Trustees" is not a practical implementation. There needs to be a reasonable transition period built in, to allow Areas to make any necessary changes to achieve compliance.</li> <li>5. ISO-NE (NYSRC) believes all requirements must be documented and detailed in the Standard itself, not in the Reference Document. Any Reference Documents associated with a Standard should be used strictly as a training tool; the Standard should be a "stand-alone" document and be self-explanatory.</li> </ol>
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1. The SDT has no authority to address your concerns about monetary sanctions. This issue has been brought to the SAC's attention for their consideration and resolution.

2. The revised set of standards has been re-ordered so they follow a more logical sequence.

3. The SDT has no authority to dictate the number of IAs within an Interconnection or within a Reliability Authority Area. These are issues you

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

	<p>should bring forward to the Functional Model Review Task Group for their consideration.</p> <ol style="list-style-type: none"> <li>4. Agree that there should be some time between the date the Board adopts the standards and the first date entities are expected to come into compliance.</li> <li>5. Several commenters indicated that the standard should include more of the details from the reference document, and the SDT did try to move essential details to the revised set of standards. If you feel that there is something specific in the reference document that should be included in the revised set of standards, please let us know.</li> </ol>
<p>Gregory Campoli- NYISO</p>	<ol style="list-style-type: none"> <li>1. There is an outstanding issue with the inclusion of a monetary sanction matrix and what its implications are. ISO-NE, NYSRC, as well as NYISO, have previously expressed concerns over its inclusion and maintain that the use of market mechanisms where possible, as well as, letters of increasing degrees of severity and notifications to regulatory agencies are more effective in ensuring compliance to reliability criteria and standards. Failure of NERC to gain authority through reliability legislation could result in NERC pursuing actions to implement “Plan B,” a “voluntary” approach affording NERC the authority to perform these types of monetary sanctions. ISO-NE and NYSRC have indicated that any posted Standard, with the included matrix, will not be supported. There are, however, proceedings at NERC by the Compliance Certification Committee (CCC) to address alternative sanction proposals and NYISO will continue to work to oppose monetary sanctions.</li> <li>2. The NYISO also endorses the comments submitted by the ISO/RTO Council Standards Review Committee.</li> <li>3. The NYISO recommends a more logical order to the Standard, (i.e., chronological sequence); “Implementation of Interchange” should be last, not first.</li> <li>4. The Effective Period should allow for a reasonable transition period to allow Areas to make any necessary changes to achieve compliance.</li> <li>5. Field-testing this standard may be beneficial for the industry.</li> <li>6. All requirements must be complete and detailed in the Standard. The Reference Document should be used to provide examples and supplemental reference.</li> </ol>
	<ol style="list-style-type: none"> <li>1. The SDT has no authority to address your concerns about monetary sanctions. This issue has been brought to the SAC’s attention for their consideration and resolution.</li> <li>2. Please see the consideration of comments submitted by the ISO/RTO CSRC.</li> <li>3. The revised set of standards has been re-ordered so they follow a more logical sequence.</li> <li>4. Agree that there should be some time between the date the Board adopts the standards and the first date entities are expected to come into compliance.</li> </ol>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

<p>5. The SDT agrees that this standard should be field tested before being finalized and presented to the industry for balloting.</p> <p>6. Several commenters indicated that the standard should include more of the details from the reference document, and the SDT did try to move essential details to the revised set of standards. If you feel that there is something specific in the reference document that should be included in the revised set of standards, please let us know.</p>	
<p>James Spearman/Florence Belser (7)-PSC of SC</p>	<p>1. While the Standard references the Standard Reference Document, the PSCSC is concerned users may not hold the Reference Document in the same high regard that they hold the Standard itself. The PSCSC would prefer the key provisions of the Reference Document be rolled into the Standard itself.</p> <p>2. The Standard Reference Document states the Standard is performance-based. The PSCSC maintains that the real objective is reliability, and not complete transaction records. They are merely an indicator that the process mechanics are working. It seems there should be some additional penalty for reliability issues which arise from process transgressions.</p>
<p>Several commenters indicated that the standard should include more of the details from the reference document, and the SDT did try to move essential details to the revised set of standards. If you feel that there is something specific in the reference document that should be included in the revised set of standards, please let us know.</p> <p>In trying to promote compliance, the SDT revised the levels of non-compliance in the standard to sanction each instance where the performance requirement wasn't met. This is intended to motivate entities to always meet the performance requirements. If sanctions were only levied when there was an adverse reliability impact, then entities could 'get away with' routine poor performance, and only be sanctioned when something really nasty occurs.</p>	
<p>Ken Githens-Allegheny Energy</p>	<p>AE would recommend any associated business practice standard be in place and implemented at the same time this standard is implemented.</p>
<p>Agree. The SDTs from NERC and NAESB are trying to coordinate the development of the associated standards.</p>	
<p>Karl Tammer for RTO/ISO Council (9)</p>	<ol style="list-style-type: none"> <li>1. DC tie lines should be part of this standard, regardless of how the DC tie lines are modeled in a BA's area control algorithm, if the DC tie is an interconnection between two BAs.</li> <li>2. Using the complete definition of the ACE equation, pointing out that the omitted components are not germane to this standard, would provide clarity.</li> <li>3. Add requirement that adjacent BA's must check out with each other.</li> <li>4. The Effective Period should allow for a reasonable transition period to allow Areas to make any necessary changes to achieve compliance. Field-testing this standard may be beneficial for the industry.</li> <li>5. All requirements must be complete and detailed in the Standard. The Reference Document should be used to provide examples and supplemental reference.</li> </ol>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

	<ol style="list-style-type: none"> <li>1. The standard was revised to specifically include requirements for DC ties.</li> <li>2. Please provide additional clarification.</li> <li>3. V0 included a requirement to address this checkout before implementation (INT-003)</li> <li>4. Agree that there should be some time between the date the Board adopts the standards and the first date entities are expected to come into compliance.</li> <li>5. Several commenters indicated that the standard should include more of the details from the reference document, and the SDT did try to move essential details to the revised set of standards. If you feel that there is something specific in the reference document that should be included in the revised set of standards, please let us know.</li> </ol>
<p>Lloyd Linke for MAPP RRC and OC (9)</p>	<ol style="list-style-type: none"> <li>1. Particular care should be taken in determining impacts to BA's adjacent to DC Ties between interconnections. Communications affecting both Interconnections need to be verified.</li> <li>2. Provisions should be made to address Interchange supplied by a reserve sharing pool using CBM or TRM.</li> <li>3. During an emergency, the normal approval process takes too much time and should not be used.</li> </ol>
	<ol style="list-style-type: none"> <li>1. The standard was revised to specifically include requirements for DC ties.</li> <li>2. Provisions for reserve sharing pools using CBM or TRM are implemented as specified in this standard or contained in other standards. The type of transmission that is used to deliver reserves is beyond the scope of this standard.</li> <li>3. Agree that the normal approval process takes too long during an emergency. The revised standard includes language that indicates for reliability-related changes to an Interchange Schedule, only the RAs approval is needed.</li> </ol>
<p>Mark Creech for TVA (4)</p>	<p>TVA would prefer that this SAR is field tested prior to implementation. • This SAR appears to require extensive communication between all participants involved. So, depending upon the clarification of terms, in all the commented sections, development of communication protocols and appropriate tools that all participants must have to carry-out the intent of the SAR may-be required. • Coordinate Interchange Reference Document...pg 12 of 18. The statement sufficient information for all approval entities is a broad statement and needs clarification. What information required for one company may be defined as different for another.</p>
	<p>The SDT agrees that this standard should be field tested before being finalized and presented to the industry for balloting.</p> <p>The standard was revised to add more specificity to the requirements. If you think more details are still needed, please let us know which requirements you think are too vague.</p>
<p>Patti Metro for</p>	<p>There is a concern that there should be a requirement for the IA to verify approvals from the RA and the Transmission Service Provider to complete reliability analysis. In this case, the BA should be notified of the approval prior to</p>



**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

FRCC (15)	implementation of the interchange. Is this concern, included in what is addressed in Figure 1 of the reference document? Since the drafting team indicated in the conference call and the presentation at the January 2004 Standing Committee Meeting that because of the uncertainty of the Functional Model, there has not been much thought in the implementation of the standard, we advise that this standard be reviewed and revised as necessary based on the tasks of the entities identified in version 2 of the functional model. It's not clear, for example, that the BA's responsibility to approve interchange ramp rates is properly supported in the standard with the information to be provided (such as specific generator source/sink for some transactions)."
<p>The standard contains the requirement that the IA receives approvals from RAs and TSP's before the Interchange is approved. Also, the BA's are required to evaluate interchange with respect to ramping capability.</p>	
Pete Henderson / Khaqan Khan-The IMO-The IMO	<p>(1) It is proposed that standard should follow a more logical order i.e. standard 401 re: "Implementation of Interchange" should be outlined at the end of the set of standards</p> <p>(2) We feel that a reasonable transition period should be given for the implementation of this standard to allow sufficient lead time to the Areas for achieving compliance.</p> <p>(3) The reference document/background is useful for the purposes of understanding the associated application modes of standard.</p>
<p>1. The set of standards was reorganized so they follow a more chronological order.</p> <p>2. Agree that there should be some time between the date the Board adopts the standards and the first date entities are expected to come into compliance.</p> <p>3. The SDT has updated the reference document so it accurately reflects the changes made to the set of standards. We appreciate your endorsement of this document.</p>	
<p>Robert Schwermann for WECC Int Wkg Grp (26)</p> <p>Shirley Buckmier-BPAT</p> <p>Steven Cobb-SRP</p>	<p>1. We suggest that the following definitions be added:</p> <ul style="list-style-type: none"> <li>- Source Balancing Authority The Balancing Authority in which the generator of a specific Interchange Schedule is located.</li> <li>- Sink Balancing Authority The Balancing Authority in which the load for a specific Interchange Schedule is located.</li> </ul> <p>"Source" and "Sink" are used throughout the document. In most cases they are accompanied by "Balancing Authority." In at least one case they aren't (402.b.1.i) We suggest that defining and utilizing Sink BA and Source BA terms will ensure clarity and consistency.</p> <p>2. It is the WECC Interchange and Scheduling and Accounting Subcommittee (ISAS) view that the functional model throughout does not set parameters for the market to be held accountable for reliability criteria. We say it is a NAESB</p>

	<p>problem. We need to have specific language in the standards that states that ALL entities are accountable for complying with standards in order to participate in the interchange process.</p> <ol style="list-style-type: none"> <li>3. NERC for many years has promoted standardization of rules for all reliability regions. NERC, in this standard, departs from that policy and opts for a more generic approach. It is the WECC view that the reliability and market operating entities need specific guidance such as the guidance that the current Policy 3 provides. If NERC is departing from this policy please state this in some form of statement that would create the necessity for regions such as WECC to develop their own standards based on the NERC new general specifications.</li> <li>4. The CI Standard does not include a methodology for Assessment, Confirmation, and Implementation, of 'Intrachange' Schedules that may impact parallel paths in Adjacent Balancing Authority Areas. These schedules impact Interchange and should be coordinated.</li> <li>5. The CI Standard does not address processes, responsibilities, or ramifications associated with the correct or erroneous denial of an Interchange Schedule.</li> <li>6. 402.a.1. states: "The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange." We suggest the terms "balanced and valid" either be defined or replaced with a more definitive explanation. Is this statement referring to a single Interchange Schedule between two discrete BAs, or Net Scheduled Interchange between two BAs? How does the IA "balance" the Interchange?</li> <li>7. In the Reference Document, page 8, the second bullet in the 402 Standard Measurement states: "Interchange is implemented by the source Balancing Authority and the sink Balancing Authority." The Standard states: "Interchange is between a source Balancing Authority and a sink Balancing Authority." Which statement is correct?</li> <li>8. 402.b.1.vii.1 states: "For a reliability related change requested by a Reliability Authority, no other entity approvals are required." We suggest that the parties making the change MUST confirm emergency changes.</li> <li>9. 404.b.1 states: "For each Arranged Interchange, the Interchange Authority shall provide evidence that it has communicated the appropriate final status to all entities involved in the transaction." What do "each", "final", and "all entities" mean? Could it be stated: "The Interchange Authority shall provide evidence that it has communicated to the Reliability Authority(s), Balancing Authority(s), and Transmission Service Provider(s) involved with the Interchange Transaction that the Interchange Transaction has been confirmed and it is approved for implementation." The term "Interchange Transaction" is used above based on its current NERC definition.</li> </ol>
	<ol style="list-style-type: none"> <li>1. The definitions of Source BA and Sink BA are included in V0 glossary and don't need to be re-defined for use in this standard. The SDT modified the standard (what had been 402.b.1.i and is now INT-007-1_R1.1) as suggested to use the appropriate term, "Source BA" or "Sink BA."</li> <li>2. Each standard needs to identify what Functions are responsible for compliance with the requirements within that standard.</li> </ol>

	<ol style="list-style-type: none"> <li>3. This standard is not a one-for-one replacement of Policy 3. WECC may develop more stringent or more specific standards. NERC’s new Reliability Standards were intended to be developed in a manner that included more objective performance requirements without necessarily including all the details describing ‘how’ to achieve that compliance. In the past, providing a description of ‘how’ to achieve a performance goal sometimes resulted in specifying processes or tools that represented just one acceptable method of meeting compliance, not the ‘only’ method of meeting compliance. The intent here is to provide clear, measurable performance standards while leaving entities latitude on ‘how’ to achieve that performance.</li> <li>4. Since “Intrachange” schedules referred to will not cross BA boundaries they will not be scheduled and not require the coordination which is the scope of this Drafting Team. “Intrachange” schedules are effectively no different than varying generation dispatch patterns on parallel flows and would be evaluated in a similar manner. Consideration of parallel flows can be done by any of the involved Functional Model (FM) entities as appropriate while performing their reliability tasks. For example, during the reliability period, the RA in the current draft (or possibly TOP in future FM versions) could be performing a reliability evaluation which considers parallel flows caused by various factors (Interchange, dispatch/commitment patterns, etc.). In many cases evaluating individual Interchange (or “intrachange” per the comment) effects on parallel flows prior to implementation is not effective because their effect on flowgates can be counteracted by offsetting flow(s). The consideration of parallel flows (and adjustment if necessary) is most effectively done from a composite model of all interchange (and other system conditions) at a point in time after confirmation has taken place.</li> <li>5. There is an appeals process that can be used by any entity that feels it has been unfairly treated as a result of a NERC Reliability Standard. The revised standard more clearly states that the IA must communicate whether the Arranged Interchange has been transitioned to a Confirmed Interchange.</li> <li>6. 402.a.1 (INT-007-1) has been revised so the details of what must be reviewed to ensure that the Interchange is valid and balanced are listed as part of the requirement. If the criteria are all met, then the Interchange is considered valid and balanced. The SDT does not think that these terms will be misunderstood, and therefore hasn’t defined these terms.</li> <li>7. Both documents are saying essentially the same thing – and both are accurate.</li> <li>8. Under 402.b (INT-007-1), the RA is making the change and is giving its own approval for that change. The authority of an RA to require a change in interchange for reliability reasons during an emergency or other imminent risk is consistent with other standards (e.g. IRO-001-0, R3)</li> <li>9. Several commenters expressed a need for more specificity under 404.b.1 and the SDT modified the standard to provide the list of Functions in the place of the word, ‘entities’ and to indicate that the final status includes whether the Arranged Interchange has transitioned to Confirmed Interchange. This change supports your suggestion.</li> </ol>
<p>Ron Gunderson-NB PPD</p>	<ol style="list-style-type: none"> <li>1. Definition and scope of the Interchange Authority should be clarified in the functional model.</li> <li>2. Particular care should be taken in determining impacts to BA’s adjacent to DC Ties between interconnections. Communications affecting both Interconnections need to be verified.</li> <li>3. Provisions should be made to address Interchange supplied by a reserve sharing pool using CBM or TRM.</li> </ol>

**Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard**

	<p>4. During an emergency, the normal approval process takes too much time and should not be used.</p>
	<ol style="list-style-type: none"> <li>1. The SDT doesn't have the authority to modify the Functional Model. Work is however underway with the Functional Model Working Group and Interchange Subcommittee to clarify the Functional Model task of the IA.</li> <li>2. The standard was modified to specifically include consideration of DC ties.</li> <li>3. Provisions for reserve sharing pools using CBM or TRM are implemented as specified in this standard or contained in other standards. The type of transmission that is used to deliver reserves is beyond the scope of this standard.</li> <li>4. Agree that the normal approval process takes too long during an emergency. The revised standard includes language that indicates for reliability-related changes to an Interchange Schedule, only the RAs approval is needed – this bypasses strict adherence for a limited time to the standards' normal requirements.</li> </ol>
<p>Scott Moore for SPP ORWG (8)</p>	<p>In the DC Tie section of the reference document: Regardless how the BA models the DC ties in his control algorithm, if the DC tie is an interconnection between two BAs, the DC ties should be incorporated into this standard. For example, a BA could model the tie as a load/generator and still use it as a connection to another BA. In the Terminology section of the reference document: To prevent confusion, the entire ACE equation should used in the reference document or a disclaimer stating that the omitted components are not relevant to this issue should be included.</p>
<p>The standard was modified to specifically include consideration of DC ties.</p>	
<p>Susan Morris for SERC (1)</p>	<p>Page 2 of the Coordinate Interchange Standard, version 1 lists terms referring to entities performing specific functions as defined in the Functional Model. Please add "Compliance Monitor" to this list of terms. The draft Standard makes references to the Compliance Monitor however; it does not explain the origin of this term.</p>
<p>Version 0 Glossary included a definition of the Compliance Monitor so the SDT did not add the definition to this standard.</p>	
<p>Charles Yeung-Reliant</p>	<ol style="list-style-type: none"> <li>1. Reliant proposes that any ballot by the NERC RBB on the CI Standard not be taken until such time NERC-NAESB coordination on standards transition is in place.</li> <li>2. Reliant is concerned that the CI Standard in its proposed form falls significantly short of what industry needs to operate reliable systems and conduct business in markets. Though Reliant understands it is not within NERC's purview to develop business practices, the reality is that there may be severe impacts to the standards development process if the NERC CI Standard is approved absent an industry understanding of it's inter-relationship with the NAESB CI Business Standard. This is particularly important for the NERC CI Standard because of the drafting team's reliance on the NERC Functional Model White Paper, to guide in the definition of responsibilities of the functional areas to the NERC CI Standard. The Functional Model is focused on the needs for reliable operations, but assumes market designs and functions which may not be best suited for the industry</li> </ol>

## Consideration of Comments on 1<sup>st</sup> Posting of Coordinate Interchange Standard

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	<p>in the near future. It is important to note that the Functional Model White Paper is a NERC Board approved document and not a result of the consensus stakeholder process of NAESB, tasked to develop business practices for the industry.</p> <ol style="list-style-type: none"><li>3. NERC explains that the new NERC Reliability Standards will rely on other documents not a part of the mandatory standard. The manual states that, "These documents may explain or facilitate implementation of standards but do not themselves contain mandatory requirements subject to compliance review."</li><li>4. Reliant understands this reference as requiring documents, such as the NAESB CI Business Practices (in development today) as one such document which the industry will rely upon.</li><li>5. The difficulty that will be imposed on the industry by approving the NERC CI Standard before the NAESB CI Business Practices are ready is that when the NAESB development of the CI Business Practices gets more detailed, any changes that may be needed to reflect the market designs subsumed within the Business Practices, particularly in relationships and responsibilities between the various functional entities, will require NERC to undergo the entire SAR-Std process again for the same standard. This will delay implementation of the reliability standard and impose additional burden on the industry to re-do the NERC CI Standard.</li></ol>
<ol style="list-style-type: none"><li>1. The Drafting Teams for NERC and NAESB are trying to coordinate the development and implementation of their standards so they are both implemented at the same time.</li><li>2. Please be specific in identifying any reliability-related steps of the coordination of interchange process that are not addressed by the revised set of Coordinate Interchange standards.</li><li>3. Agree. All requirements are intended to be included in the Standards. Explanatory information that may aid in understanding or applying standards is intended to be included in Supporting Documents.</li><li>4. Agree. NERC may not mandate compliance with NAESB Business Practices.</li><li>5. The Drafting Teams from NERC and NAESB are working closely together to try to make sure the entire process of coordinating interchange is addressed in either the NERC Reliability Standards or in the NAESB Business Practices, with no duplications and no omissions, and as much common language as possible.</li></ol>	