

Coordinate Interchange SAR Consideration of Comments on Third Posting of SAR

Background

The Coordinate Interchange SAR was posted for a third public comment period from *February 1 – March 2, 2003*. The SAR DT asked industry participants to provide feedback on the revisions made to the SAR through a special SAR Comment Form that contained eleven questions.

In this document, the comments have been cut and pasted under each of the eleven questions. The SAR DT's consideration of comments is provided in yellow highlighted text immediately under each question. The blue boxes (adjacent to questions asking for feedback about specific requirements in the SAR), contain text from the second version of the SAR with 'track changes' to show what text has been revised based on the consideration of the comments submitted

You can view the comments in their original format at:

<http://www.nerc.com/~filez/sar-approved.html>

If you feel that your comment has been overlooked, 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, Tim Gallagher in the NERC office at 609-452-8060 or at:

tim.gallagher@nerc.net

The Coordinate Interchange SAR Drafting Team wishes to thank all who participated by submitting comments to help refine the scope of this SAR. The changes suggested during the third posting of the SAR were relatively minor, and the SAR DT has incorporated these changes in version 4 of the SAR. Version 4 of the SAR has been forwarded to the Standards Authorization Committee for approval to move this SAR forward to the Standards Drafting stage.

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1. Do you agree with the definition provided for Interchange Transaction?

INTERCHANGE TRANSACTION. An agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.

Summary Consideration:

- There was no consensus on how to best change this definition, however several commenters indicated ways of clarifying this definition and these clarifications are reflected in the revised definition.

<p>Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4</p>	<p>No</p> <p>Not sure that we understand the first sentence How is the interchange transaction a “request” for an interchange schedule? Isn’t the request today known as a TAG? Isn’t the request, the way of providing the necessary information of the transaction, or proposed schedule? The second sentence is the same as the definition for transaction shown in item 2 below. This is not totally clear.</p> <p>An overall comment for all of these definitions, is that NERC needs to be very careful about defining terms specific to a particular SAR or standard. The terms need to be defined well enough that one meaning is understood in any application. It adds confusion and allows for more interpretation when the same term can mean different things in different documents. The definition for Interchange Transaction and Interchange Schedule are already in the NERC Operating Manual and they are different than both of these.</p>
<p>Karl Tammer NYISO 2</p>	<p>No</p> <p>This proposed definition is incongruent and circular with proposed definition for an Interchange Schedule in question 3. This defines a commercial arrangement as a request.</p> <p>The present NERC Definition from the Operating Manual is appropriate, although we recognize the need to modify the term Control Area to make the definition consistent with the Functional Reliability Model:</p> <p>“A TRANSACTION that crosses one or more Control Area boundaries.”</p> <p>Whereas an interchange transaction may become part of an interchange schedule, it is not necessarily only a request. If the need in a standard is to describe a requirement for an Interchange Transaction, then it would be appropriate to state it as such.</p>
<p>Monroe Landrum Southern Company Svcs 1</p>	<p>No</p> <p>This definition should be revised in the following manner:</p> <ul style="list-style-type: none"> - The definition is not sufficiently clear in defining the activity. The first sentence should be revised to the following: “A request for a Transaction to be submitted to an Interchange Authority as part of the Interchange Confirmation process to be implemented as an Interchange Schedule.” The second sentence should be stricken. - The above revision would also solve the problem presented by the second sentence of the present definition that appears to simply replicate the current definition of “transaction”. This should be addressed regardless of whether the first comment above is adopted.

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	<p>- The term being defined should be changed to “Interchange Transaction Request” from “Interchange Transaction”. This would clarify that the activity being defined is not a completed transaction but only the submission of a requested Interchange Transaction to the Interchange Authority.</p>
<p>Tom Hawley We Energies 3</p>	<p>No</p> <p>Wording not clear; implies an Interchange Transaction is a request rather than a request that if authorized results in an energy flow. Not sure the word “commercial” needs to be there. Also, is focused on bilateral transactions and doesn’t seem to fit an LMP market such as MISO’s forthcoming Midwest Market.</p>
<p>Doug Hils Cinergy 1</p>	<p>No</p> <p>Same definition as NERC Policy.</p>
<p>Gerald Beckerle Ameren 1,3,5</p>	<p>No</p> <p>Term too easily confused with other terms, suggest “Interchange Schedule Request”</p>
<p>Alan Boesch Nebraska Pub Pwr District 1</p>	<p>No</p> <p>I do not think that this definition covers all interchange transactions. It does not include the implementation of an Interchange Schedule from a generator participant when the generator is located in another BA. The definition could be modified as follows: (Definition of Interchange Transaction: A request for an Interchange Schedule. A agreement to transfer energy from a source to a sink.)</p>
<p>Carter Edge SEPA 4</p>	<p>No</p> <p>There is little difference between Interchange Transaction and Transaction. I assume that the Interchange Transaction is the “Tag” and the Transaction is the contract?</p>
<p>Mitchell Needham Tennessee Valley Authority 6 and others</p>	<p>No</p> <p>This could be called an Interchange Schedule Request. The definition should not be the same as the definition shown in question 2 for transaction. An interchange schedule request would be a subset of the overall commercial agreement. Under this scenario, can an LSE also be a PSE?</p>
<p>George Bartlett Entergy Services 1</p>	<p>No</p> <p>We have several concerns associated with this definition. The principal question is at what point in the interchange development process does the industry wish to have a term defined as INTERCHANGE TRANSACTION. Apparently the authors wish that point to be when a “request for an Interchange Schedule” is made. It presumes all other approvals for the commercial arrangements have been obtained, including obtaining all “reservations” for transmission service. We can agree with this definition. However, we suggest the following to provide more relevant detail to this definition: “A request for an Interchange Schedule of a Transaction approved by all entities.”</p>

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	Also, please delete the existing second sentence of this definition as being exactly the same as the proposed definition of TRANSACTION, confusing to the reader, and not adding information to the definition of INTERCHANGE TRANSACTION.
Terry Bilke Midwest ISO 2	Neutral I'm not sure the word commercial is needed. There may be other reasons for transactions (reserve sharing, inadvertent payback, etc.). My concern is that the addition of this word is intended to move this standard to NAESB. Finally, I thought other entities (i.e. Control Areas for reserve sharing, Reliability Authorities for reliability Redispatch) could implement schedules.
Kenneth Githens Allegheny Energy Supply 5	Neutral
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Raj Rana American Electric Power 1,3,5,6	Yes - We agree with this definition as long as it applies to point-to-point transactions only. This definition will have to be revisited in the post-SMD world.
Ed Riley CA ISO 2	Yes
Gerald Rheault Manitoba Hydro 1,3,5	Yes
William Smith Allegheny Power 1	Yes
Robert Williams PacifiCorp 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Yes
Edward Stein FirstEnergy Solutions	Yes

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6	
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes

2. Do you agree with the definition provided for Transaction?

Summary Consideration:

- There was no consensus on this definition. The term is not used in the revised SAR and has been dropped.



Tom Hawley We Energies 3	No Eliminate the word “commercial.”
Gerald Beckerle Ameren 1,3,5	No Term too easily confused with other terms, not sure of the need.
Alan Boesch Nebraska Pub Pwr District 1	No It does not have to be a commercial agreement. If it is a commercial agreement that is fine but it should not be limited to only that type of an Interchange Schedule. It could be modified as follows: An agreement to transfer energy from a source to a sink. OR An agreement to transfer energy between Balancing Authorities.
Carter Edge SEPA 4	No There is little difference between Interchange Transaction and Transaction. I assume that the Interchange Transaction is the “Tag” and the Transaction is the contract?
George Bartlett Energy Services 1	No In keeping with the authors definition of INTERCHANGE TRANSACTION, we suggest this definition be changed to “A commercial agreement, arranged by a Purchasing-Selling Entity, to transfer energy from a source Generator to a sink LSE for which all commercial reservations and pre-schedule reliability approvals have been obtained.” The existing definition is incomplete and should be deleted.
Terry Bilke Midwest ISO 2	Neutral I’m not sure the word commercial is needed. There may be other reasons for transactions (reserve sharing, inadvertent payback, etc.). My concern is that the addition of this word is intended to move this standard to NAESB. Finally, I thought other entities (i.e. Control Areas for reserve sharing, Reliability Authorities for reliability Redispatch) could implement schedules.
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral

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Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	Yes
Mitchell Needham Tennessee Valley Authority 6 and others	Yes This could be called a Commercial Agreement.
Karl Tammer NYISO 2	Yes This is the current definition in the NERC Operating Manual, and is adequate
Ed Riley CA ISO 2	Yes The definition of a Transaction only refers to “energy”. How is “Capacity” captured in this process? E.g. Operating reserve bought from outside the control area.
Monroe Landrum Southern Company Svcs 1	Yes
Doug Hils Cinergy 1	Yes
Gerald Rheault Manitoba Hydro 1,3,5	Yes
William Smith Allegheny Power 1	Yes
Robert Williams PacifiCorp 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Yes
Edward Stein FirstEnergy Solutions 6	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes

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Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
Kenneth Githens Allegheny Energy Supply 5	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes
Raj Rana American Electric Power 1,3,5,6	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes

3. Do you agree with the definition provided for Interchange Schedule?

INTERCHANGE SCHEDULE. An authorized interchange transaction, approved by all entities, that is implemented (goes physical) between an IA and BAs . It becomes part of the Net Scheduled Interchange in the ACE equation.

Summary Consideration: The definition has been revised to add the word, 'interchange' and to add the parenthetical phrase, 'goes physical' to more clearly distinguish between Interchange Transactions and Interchange Schedules.

<p>Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4</p>	<p>No</p> <p>Shouldn't the first sentence say "An authorized interchange transaction .." rather than just transaction? Isn't it really implemented between BA's and the only thing the IA does is pass the information? Again, we are not really clear on this.</p>
<p>Consideration:</p> <p>The definition has been modified to include the word, 'interchange' before the word transaction. According to the Functional Model, the implementation is between the BA and IA.</p>	
<p>Karl Tammer NYISO 2</p>	<p>No</p> <p>This proposed definition is incongruent and circular with proposed definition for an Interchange Transaction in question 1. This defines a schedule and a transaction as being the same.</p> <p>The present NERC Definition from the Operating Manual is appropriate, although we recognize the need to modify the term Control Area to make the definition compatible Functional Reliability Model:</p> <p>"The planned INTERCHANGE between two ADJACENT CONTROL AREAS that results from the implementation of one or more INTERCHANGE TRANSACTION (S)..” An interchange schedule is comprised of authorized interchange transactions. If the need in a standard is to describe an approval for an Interchange Transaction, then it would be appropriate to state it as such.</p>
<p>Consideration:</p> <p>The proposed definition for Interchange Transaction has been modified so that there is a more clear distinction between Interchange Schedule and Interchange Transaction.</p> <p>In the functional model, the distinction between Interchange Transactions and Interchange Schedules is dependent upon 'what goes physical'. The Interchange Schedule is what goes physical.</p>	
<p>Monroe Landrum Southern Company Svcs 1</p>	<p>No</p> <p>The present definition does not sufficiently define an "interchange schedule." It should be revised as follows:</p> <p>"An authorized Interchange Transaction request approved by all entities that are in the approval process which is implemented by Balancing Authorities through an Interchange Authority. The Interchange</p>

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	Schedule then becomes part of the Net Scheduled Interchange in the ACE equation of the Balancing Authorities.”
The proposed definition for Interchange Transaction has been modified so that there is a more clear distinction between Interchange Schedule and Interchange Transaction.	
The references to Net Scheduled Interchange and ACE have been dropped since they are not relevant to this SAR.	
Tom Hawley We Energies 3	No “All entities” is vague. Could be something like “all materially affected entities” or something otherwise more specific.
Consideration: The entities involved are those that are parties that have agreed to the transaction.	
Doug Hils Cinergy 1	No I suggest: Interchange Schedule: “An energy schedule implemented between the Balancing Authority and the Interchange Authority.” Net Interchange Schedule: “The sum of the Interchange Schedules between a Balancing Authority and an Interchange Authority” Net Scheduled Interchange: “The sum of all Net Interchange Schedules for a Balancing Authority or Interchange Authority. The value used by a Balancing Authority in the determination of Area Control Error and Inadvertent Interchange.”
Consideration: Net Interchange Schedule and Net Scheduled Interchange are not terms used in this SAR. While the proposed definition of Interchange Schedule is technically correct, it does not help distinguish between an Interchange Transaction. The revised definition meets with the Requestor’s approval.	
Gerald Beckerle Ameren 1,3,5	No Term too easily confused with other terms, suggest “Approved Interchange Schedule”
Consideration: The definitions have been revised to more clearly distinguish an Interchange Transaction from an Interchange Schedule.	
Alan Boesch Nebraska Pub Pwr District 1	No The transaction is implemented between Balancing Authorities. The Interchange Authority may be no more than a software package. I would suggest that the definition be modified as follows: (Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between Balancing Authorities. It becomes part of the Net Scheduled Interchange in the ACE equation.)

<p>Consideration:</p> <p>Under the Functional Model, the transaction is implemented between the IA and BAs.</p>	
<p>Carter Edge SEPA 4</p>	<p>No</p> <p>The Interchange Schedule should be an authorized Interchange transaction..... as per the definition.</p>
<p>Consideration:</p> <p>The definition has been revised to add the word, 'interchange', as suggested.</p>	
<p>Terry Bilke Midwest ISO 2</p>	<p>No</p> <p>"All entities" is ambiguous. Perhaps "all required functional entities". Also, I may have the functional model wrong, but isn't the schedule approved by the IAs for the schedule is implemented between source and sink BAs though I may have the representing the source and sink BAs (which could be the same entity)?</p>
<p>Consideration:</p> <p>While the term 'all entities' may seem ambiguous, the entities involved differs from scenario to scenario.</p>	
<p>George Bartlett Energy Services 1</p>	<p>No</p> <p>The terminology used in this definition is sufficiently vague that the definition may be OK, it may not. What is the definition of an "authorized transaction"? What is meant by "approved by all entities"? Does "entities" here include the Generators that should be providing the energy and the LSEs that should be receiving the energy? The Purpose section of the SAR contains a statement that BAs implement the Interchange Schedule exactly as agreed upon in the "Interchange Confirmation" process. We need to understand the Interchange Confirmation process, and what it is, before we can understand what is meant in this definition.</p>
<p>Consideration:</p> <p>While the term 'all entities' may seem ambiguous, the entities involved differs from scenario to scenario.</p> <p>In the functional model, the distinction between Interchange Transactions and Interchange Schedules is dependent upon 'what goes physical'. The Interchange Schedule is what goes physical.</p> <p>To clarify the concepts between and Interchange Transaction and Interchange Schedule see the charts attached to version 4 of the SAR.</p>	
<p>Roman Carter Southern Co. Generation & Energy Marketing 3,5,6</p>	<p>Neutral</p> <p>It would read better if stated "Implementation of an authorized interchange transaction, approved by all entities, between the source BA and IA or between the IA and the sink BA. It becomes part of the Net Scheduled Interchange in the ACE equation".</p>

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<p>Consideration: The definition has been revised to add the word, 'interchange' and to add the parenthetical phrase, 'goes physical' to more clearly distinguish between Interchange Transactions and Interchange Schedules. The references to Net Scheduled Interchange and ACE have been dropped since they are not relevant to this SAR.</p>	
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Ed Riley CA ISO 2	Yes However, each transaction is implemented between more than one Balancing Authority, and more than one Interchange Authority. Therefor the CAISO would like to amend the language to read "...between Balancing Authorities and Interchange Authorities.."
Raj Rana American Electric Power 1,3,5,6	Yes - We agree with this definition as long as it applies to point-to-point transactions only. What does it mean by "all entities" – a definition is needed for this term.
Gerald Rheault Manitoba Hydro 1,3,5	Yes
William Smith Allegheny Power 1	Yes
Robert Williams PacifiCorp 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Champagne Hydro-Québec TransÉnergie 1	Yes
Edward Stein FirstEnergy Solutions 6	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
Mitchell Needham	Yes

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Tennessee Valley Authority 6 and others	
Lloyd Linke MAPP Reliability Council 2	Yes
Kenneth Githens Allegheny Energy Supply 5	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes

4. Do you think Transmission Grid Emergencies should be included in this SAR or should they be addressed in the SAR called, "Prepare for and Respond to Abnormal or Emergency Conditions"?

Summary Consideration of Comments: The consensus of the comments received indicates that transmission grid emergencies should be addressed in the SAR called, "Prepare for and Respond to Abnormal or Emergency Conditions." The Coordinate Interchange SAR identifies data that must be exchanged under all circumstances, without addressing specific actions to take with that data under emergency conditions.

<p>Karl Tammer NYISO 2</p>	<p>Yes</p> <p>Yes, to the extent that it addresses the requirements for information on transactions that must be provided to alleviate transmission grid emergencies as defined in the "Prepare for and Respond to Abnormal or Emergency Conditions SAR."</p> <p>The "Prepare for and Respond to Abnormal or Emergency Conditions SAR", may detail the process for curtailing transactions in the relief of transmission grid emergencies.</p>
<p>Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Champagne Hydro-Québec TransÉnergie 1</p>	<p>Yes</p> <p>Yes, to the extent that it addresses the requirements of transactions to accommodate transmission grid emergencies as defined in the "Prepare for and Respond to Abnormal or Emergency Conditions SAR."</p> <p>The "Prepare for and Respond to Abnormal or Emergency Conditions SAR", should detail the process for using transactions in the relief of transmission grid emergencies. The information required to provide this relief should be identified in the "Coordinate Interchange Transaction SAR."</p>
<p>Edward Stein FirstEnergy Solutions 6</p>	<p>Yes</p> <p>As long as Transmission Grid Emergency under this SAR deals ONLY with reliability-related data pertaining to interchange schedules.</p>
<p>Terry Bilke Midwest ISO 2</p>	<p>Neutral</p> <p>This is an "either, or" question, not a yes no question. I don't think you should define a Transmission Grid Emergency, but the SAR should say that schedules should only be implemented and maintained within the bounds of limits identified in other reliability standards.</p>
<p>Mitchell Needham Tennessee Valley Authority 6 and others</p>	<p>Neutral</p> <p>This is not actually a neutral response, as question 4 poses two separate scenarios, either of which might be acceptable. It is our position that all emergency procedures should be kept in a common location, and this could occur with a section of the currently proposed standard, or more likely with the additional SAR referenced above. It would be preferable to have a separate SAR.</p>
<p>Ray Morella FirstEnergy Corp 1</p>	<p>Neutral</p>
<p>Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1</p>	<p>No</p> <p>This does not seem relevant to this SAR.</p>

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Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	
Ed Riley CA ISO 2	Transmission Grid Emergencies should be addressed in a separate SAR in order not to delay the process of this SAR, and others, while participants attempt to reach a common definition of "Emergency".
Monroe Landrum Southern Company Svcs 1	No Transmission Grid Emergencies should be in the "Prepare for and Respond to Abnormal or Emergency Conditions" SAR
Tom Hawley We Energies 3	No Transmission Grid Emergencies should not be included in this SAR. These should be addressed by the "Prepare for and Respond to Abnormal or Emergency Conditions SAR.
Doug Hils Cinergy 1	No Address separately.
Gerald Beckerle Ameren 1,3,5	No Normal and abnormal operations should be treated separately
Alan Boesch Nebraska Pub Pwr District 1	No It is hard to answer this question because there are two statements in the question. No- I do not think grid emergencies should be included in this SAR. Yes, they should be addressed in another SAR.
Gerald Rheault Manitoba Hydro 1,3,5	No This definition does not belong in this SAR since the definition is not referenced in the SAR. As suggested it belongs in the SAR "Prepare for and Respond to Abnormal or Emergency Conditions" where it should be referenced.
Carter Edge SEPA 4	No It should be handled through a separate SAR.
Lloyd Linke MAPP Reliability Council 2	No However, this SAR should ensure that Scheduled Net Interchange is implemented correctly under both normal and emergency conditions. Accurate Scheduled Net Interchange implemented at the physical level is essential for related (ACE, TLR, etc.) reliability criteria to be effective.
Richard Kafka Potomac Electric Power Co. 3	No Address in "Prepare for and Respond to Abnormal or Emergency Conditions.
Paul Elwing Lakeland Electric	No

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3	Should be addressed in a separate SAR
Kenneth Githens Allegheny Energy Supply 5	No Not included in this SAR.
John Blazekovich Exelon Corporation 1,3,5,6	No No, Transmission Grid Emergencies definition should not be included in this SAR, it is not used in the body of the SAR, and may be in conflict with future SARs.
Jim Byrd Oncor 1	No Should not be part of this SAR
Gordon Pietsch Great River Energy 1	No As long as the details relating to the Interchange Transaction during an emergency are in another SAR.
George Bartlett Energy Services 1	No The definition should be in a SAR about emergencies, not in this SAR
Raj Rana American Electric Power 1,3,5,6	No - Should be included in the "Prepare for and Respond to Abnormal or Emergency Conditions."
Roger D. Green Southern Company Services - SOCO Generation 5	No - Transmission Grid Emergencies should be included in the SAR called "Prepare for and Respond to Abnormal or Emergency Conditions". The Interchange SAR and standard can reference the other as appropriate.
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	No - It should be included in the SAR "Prepare for and Respond to Abnormal or Emergency Conditions".
Todd Lucas Southern Company 1	No - Transmission Grid Emergencies should not be included in this SAR. It would be more appropriate in the "Prepare and Respond to Abnormal or Emergency Conditions" SAR.
Peter Burke American Transmission Co 1	No
William Smith Allegheny Power 1	No
Robert Williams PacifiCorp 1	No

5. If you do think that Transmission Grid Emergencies should be addressed in this SAR, do you agree with the following definition of a Transmission Grid Emergency?

TRANSMISSION GRID EMERGENCY. Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.

Summary Consideration of Comments: The consensus of comments submitted on this posting indicated that Transmission Grid Emergencies should not be included in this SAR, therefore the definition of a Transmission Grid Emergency is irrelevant to this SAR and defining this term is now outside the scope of this SAR DT. The following comments will be transferred to the SAR DT that addresses the “Prepare for and Respond to Abnormal and Emergency Conditions” SAR.

<p>George Bartlett Energy Services 1</p>	<p>We disagree with the definition even if this definition is included in another SAR. A transmission grid emergency is not “any event with the transmission grid” that causes the violation of or impending violation of “any reliability standard”. “Any reliability standard” is too vague and all encompassing. “Any reliability standard” could include generator adequacy standards violations that is not transmission related. Inclusion of this kind of event in the definition of “any event with the transmission grid” would be inappropriate. We suggest this definition should not be addressed in this SAR and when developed the definition take into consideration the above comment.</p>
<p>Karl Tammer NYISO 2</p>	<p>No This definition should be more specific. Measuring compliance and performance will be problematic. It would be appropriate to include this definition in the “Prepare for and Respond to Abnormal or Emergency Conditions SAR.”</p>
<p>Doug Hils Cinergy 1</p>	<p>No A transmission problem that impacts generation control (CPM and DCM) compliance cannot be generally characterized as a Transmission Grid Emergency though there a instances when it could be.</p>
<p>Gerald Beckerle Ameren 1,3,5</p>	<p>No Definition is too broad. Are all reliability standards written such that any violation or impending violation is intended to be a “Transmission Grid Emergency”?</p>
<p>Gerald Rheault Manitoba Hydro 1,3,5</p>	<p>Not Applicable; No This definition should reference any event that threatens the transmission grid’s ability to deliver the energy demand and could cause load curtailments in the interconnected network. The violation of any reliability standard will leave the network vulnerable to a system emergency occurring but will not always result in one occurring.</p>
<p>Ray Morella FirstEnergy Corp 1</p>	<p>Neutral This definition needs to be expanded to define the extent of a violation. You may have an event that is in violation of a standard, but may not actually create a true grid emergency.</p>
<p>Edward Stein FirstEnergy Solutions 6</p>	<p>Neutral Need to clarify the definition of violation. Not all violations of</p>

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	standards pertain to reliability-related interchange scheduling data.
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Not Applicable This definition needs to be included in the “Prepare for and Respond to Abnormal or Emergency Conditions SAR”.
Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	Not applicable.
Ed Riley CA ISO 2	Not Applicable
Monroe Landrum Southern Company Svcs 1	Not Applicable
Tom Hawley We Energies 3	Not Applicable
Alan Boesch Nebraska Pub Pwr District 1	Not Applicable
William Smith Allegheny Power 1	Not Applicable
Carter Edge SEPA 4	Not Applicable
Richard Kafka Potomac Electric Power Co. 3	Not Applicable
Peter Burke American Transmission Co 1	Not Applicable
Paul Elwing Lakeland Electric 3	Not Applicable
Mitchell Needham TVA 6 and others	Not Applicable
Lloyd Linke MAPP Reliability Council 2	Not Applicable
Kenneth Githens Allegheny Energy Supply 5	Not Applicable
Gordon Pietsch Great River Energy 1	Not Applicable
Raj Rana American Electric Power	Not Applicable

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1,3,5,6	
Roger D. Green Southern Company Services - SOCO Generation 5	Not Applicable
Todd Lucas Southern Company 1	Not Applicable

6. Do you agree with the revised requirements for the Balancing Authority?

Summary Consideration:

The first set of bullets was moved from the BA requirements to the PSE. This requirement was posted in the wrong place in the second posting of the SAR.

The second bullet was changed to say:

“BA to confirm with the IA its approval or denial of the requested interchange schedule.” This clarifies what was intended and more closely matches the terminology used in the Functional Model.

- - BA shall confirm (with the IA) the its approval or denial of the requested Interchange Schedule
 - .BA shall implement Interchange Schedules exaction as agreed upon in the interchange confirmation process

<p>Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4</p>	<p>No</p> <p>This is shown as a requirement for a BA. Shouldn't it really be a requirement of the PSE? The functional model indicates that the BA will approve the interchange transaction, not submit it to the IA. It also seems like the original words, “between Balancing Authorities” make more sense. A PSE does not have to be within one BA area does it, so wouldn't between be more correct?</p> <p>The last sentence states that the BA is to coordinate with the IA. The BA really is the authority service that is approving (by confirming) the ramping capability etc. Coordinate does not seem to be the appropriate word.</p>
<p>The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements so that it matches the functional model.</p> <p>The SAR has been revised to eliminate the word, ‘coordinate’ and to further clarify what was intended with this requirement.</p>	
<p>Monroe Landrum Southern Company Svcs 1</p>	<p>No</p> <p>The “modified text” does not accurately describe the Functional Model’s interaction of a Balancing Authority and an Interchange Authority and should be clarified as follows.</p> <p><input type="checkbox"/> The second hyphen of the “modified text” should be revised as follows to clarify that a Balancing Authority “confirms” that it will meet the ramp rather than “coordinating” with the Interchange Authority:</p> <p>“Affected Balancing Authorities shall confirm with the Interchange Authority that they are able to meet the ramp and verify that they will meet the duration.”</p> <p><input type="checkbox"/> The first hyphen of the “modified text” should be revised to clarify that</p>

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	<p>the second reference to “Transaction” is in fact referencing an “Interchange Transaction Request” as defined herein to clearly distinguish Transaction data from the Interchange Transaction Request data. Accordingly, it should be revised to read:</p> <p>“When an entity wants to transfer energy to another Balancing Authority’s area, the entity initiating the transaction shall submit as a minimum the following reliability-related Interchange Transaction Request data to its IA”</p> <p><input type="checkbox"/> Another item that should be clarified is in the first hyphen of the “modified text”. Although relatively minor, it seems that the third bullet point would be more consistent with the other bullet points if it read as “duration” instead of the current “Interchange transaction’s duration”.</p>
<p>The SAR has been revised to eliminate the word, ‘coordinate’ and to further clarify what was intended with this requirement</p>	
<p>The SAR has been revised to clarify the terminology used to refer to Requested Interchange.</p>	
<p>The SAR has been revised to adopt the third suggested revision.</p>	
<p>Tom Hawley We Energies 3</p>	<p>No</p> <p>Wording seems to imply that the “entity” can only be another BA (perhaps replace “another” with “a”). Also, these requirements must be written to (somehow) apply to an LMP market, not just a bilateral market. I think the comments from the Interchange Subcommittee effectively capture this concern.</p>
<p>The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements and the word, ‘another’ has been dropped.</p>	
<p>Doug Hils Cinergy 1</p>	<p>No.</p> <p>In general, the information given to the BA applies, however please review the comments provided at the end as the “entity” requesting the over/under generation is not clear.</p>
<p>The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements to match the functional model.</p>	
<p>Alan Boesch Nebraska Pub Pwr District 1</p>	<p>No</p> <p>I would make the following changes:</p> <ul style="list-style-type: none"> - When an entity wants to transfer energy to another BA’s area, the entity initiating the transaction shall submit as a minimum the following reliability-related transaction data to its IA: <ul style="list-style-type: none"> o Desire to transfer energy to another BA’s area <ul style="list-style-type: none"> ▪ Megawatt magnitude ▪ Ramp start and stop times ▪ Interchange transaction’s duration ▪ Sufficient information for all approval entities <p>BA to coordinate with the IA will verify the ability of the entity to meet</p>

	the ramp and verify they will meet the duration.
<p>Consideration:</p> <p>Under the functional model, if a BA is to implement interchange schedules, that implementation must be coordinated through an IA.</p> <p>The IA is a function, not an entity. Under the functional model, the IA is the function responsible for coordinating the collection and dissemination of information relative to interchange schedules.</p>	
<p>George Bartlett Entergy Services 1</p>	<p>No –</p> <p>The requirements for the BA should not contain requirements which do not involve the BA. For instance, the first requirement for the BA has nothing to do with the BA. The first requirement is for the “entity” to submit data to its IA. Please delete the first BA requirement starting with “When an entity desires to transfer “ since it does not involve the BA. The second requirement for the BA is problematic. The requirement is in two parts. First, the BA is required to coordinate with the IA the “ability of the entity to meet the ramp”. There are many assumptions in this statement. For example, it is assumed the BA has some contract with the entity specifying the entity’s ramp capability and that the entity will meet the ramp requirements of the energy transfer. The “entity” may not be a generator and it may have no ramp capability at all. Generators have ramp capability, entities do not have ramp capability. What does “coordinate” mean in this instance? Please be more explicit in describing what “coordinate” means in this instance. This requirement should be deleted from the BA requirements and placed on the “entity” (PSE?). The requirement should be for the “entity” to show the IA that the “source(s)” of the energy to be transferred (a physical generator(s)) has the appropriate ramp capability. Then, the IA should communicate to the BA that all the physical generation sources have the physical capability to meet the ramp schedules for Interchange Transactions sourced from those physical generators.</p> <p>The second problematic part of this BA requirement is the BA is to coordinate with the IA and “verify they will meet the duration”. “Duration” of what, the ramp? The schedule? Again, “entities” are not necessarily generators. There are also many assumptions in this statement. Is it assumed the BA has some contract with the “entity” to guarantee the “entity” will meet the “duration”? The only item a BA can verify is that its owned generators, or generators under contract, have the ability to meet the ramp and duration requirements for the transaction. Please make the appropriate changes to these requirements on the BA. We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. For instance, our review of the Functional Model includes at least six Functional Relationships for which there should be corresponding requirements in this SAR and there are no corresponding requirements in this SAR. For instance, per the Functional Model, 1) the BA “Approves Interchange Transactions from a ramping ability perspective” rather than “coordinates”, 2) the BA “implements interchange transactions”, 3) the BA provides balancing and administers Inadvertent paybacks, 4) the BA confirms Actual Interchange with adjacent BAs for “checkout”, 5) requests operating information from generators, 6) and others. This comment applies to all the entries in the Detailed Description.</p>

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<p>1. The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements to match the functional model.</p> <p>2, 3. The SAR has been revised to clarify what was intended in the second requirement for the BA. Specific terminology referencing ramps and duration have been deleted. The BA will need to verify that the ramp's magnitude and transaction's duration can be met and must communicate this to the IA. Under the examples in the Functional Model, if the BA can't confirm the ability to meet the reliability terms of the proposed interchange schedule, then the interchange schedule isn't approved.</p> <p>The six BA requirements are addressed as follows:</p> <ol style="list-style-type: none"> 1) The SAR has been revised to indicate that the BA approves transactions 2) The SAR has been revised to add a requirement that the BA implement approved interchange transactions 3) The Balance Resources and Demand standard will address the requirement to provide 'balancing'; NAESB will address Inadvertent 4) The task of confirming actual interchange for 'checkout' is outside the scope of this SAR and has been referred to NERC's Director of Standards 5) The requirement for the Generator to provide data to the BA is expected to be addressed through agreements <p>This SAR is only addressing scheduled interchange, and the tasks in the Functional Model address other responsibilities beyond this scope. If you have a specific suggestion for an additional requirement, please let us know.</p>	
<p>Michael Gildea</p>	<p>Re: Desire to transfer energy to another BA's area: Sufficient information for all approval entities.</p> <ul style="list-style-type: none"> - What information? <p>Re: BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.</p> <ul style="list-style-type: none"> - CPS1 and CPS2 will determine this. Does the IA have any approval authority in regards to the BA's ramp abilities?
<p>The data addressed here is reliability-related data – the intent is to avoid being overly prescriptive.</p> <p>The SAR has been revised as shown below to clarify that the BA will approve and confirm that the BA can meet the ramp rate and duration. The IA does not have approval authority in regards to the BA's ramp abilities.</p> <p>BA to confirm (with the IA) its approval or denial of requested Interchange Schedules.</p>	
<p>Terry Bilke Midwest ISO 2</p>	<p>No</p> <p>This might be nit picking, but your text assumes the transaction initiator is associated with the source BA.</p>
<p>The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements and the word, 'another' has been dropped.</p>	
<p>Paul Elwing Lakeland Electric 3</p>	<p>No</p> <p>Sufficient information bullet should be modified to say "Sufficient information to comply with the published requirements of all approval entities."</p>
<p>Additional details on this requirement will be addressed by the Standards Drafting Team.</p>	
<p>Raj Rana</p>	<p>No –</p>

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American Electric Power 1,3,5,6	Move the first bullet listed above to Item 10. The BA requirements are too vague. Define "entity". Does it mean PSE?
The SAR has been revised to move the first paragraph and its associated bullets to the PSE requirements. Entity means any organization performing the PSE function.	
Carter Edge SEPA 4	Neutral
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Mitchell Needham Tennessee Valley Authority 6 and others	Yes The wording appears to require verification of operational information.
	This is what was intended – that the data be verified before implementation.
Jim Byrd Oncor 1	Yes Yes, the BA should confirm with the IA that it can meet the ramp.
	The SAR has been revised to eliminate the word, 'coordinate' and to further clarify what was intended with this requirement
Gordon Pietsch Great River Energy 1	Yes Coordinate sounds like a parameter that can be changed and would suggest that the BA just approves or denies.
	The SAR has been revised to eliminate the word, 'coordinate' and to further clarify what was intended with this requirement
Karl Tammer NYISO 2	Yes
Ed Riley CA ISO 2	Yes
Gerald Rheault Manitoba Hydro 1,3,5	Yes
William Smith Allegheny Power 1	Yes
Robert Williams PacifiCorp 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1	Yes

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Roger Chambagne Hydro-Québec TransEnergie 1	
Edward Stein FirstEnergy Solutions 6	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
Kenneth Githens Allegheny Energy Supply 5	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes
Gerald Beckerle Ameren 1,3,5	Yes

7. Do you agree with the revised requirements for the Interchange Authority?

Summary Consideration:

The SAR has been revised to clarify what was intended by “all involved parties”.

The second requirement that was erroneously listed as an IA requirement has been moved to the list of BA requirements.

The third requirement was added to ensure that all steps in the confirmation process were clearly stated.

The word, “will” has been changed to “shall” to clarify that this is intended to be a mandatory requirement.

- The IA shall confirm the approvals from all involved parties (RAs, BAs, TSPs) and shall authorize, upon confirming approvals, the implementation of Interchange Schedules
- The IA shall confirm that Interchange Transactions are balanced and valid prior to physical delivery
- The IA shall communicate reliability related data with all parties (with which the Interchange Transaction must be coordinated)

Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	No In the second bullet on the SAR, it states that “all involved parties of the IA” will implement the interchange transaction. This states a requirement of the ‘involved parties’, not the IA. The IA should be authorizing the implementation of the transaction with the affected generators, BA’s PSE’s, etc. which is done in the first and third bullets. We recommend that the second bullet be removed. Just a side comment, it seems like the 4 items identified as the original text do a better job of describing the requirements. We are not really sure why the SARDT went to the more broader requirement unless it is so the SDT is the group to fill in the particular details.
<p>Consideration:</p> <p>The SAR has been revised so that the second bullet is applicable to just the BA and has been moved to the list of requirements for the BA.</p>	
Monroe Landrum Southern Company Svcs 1	No Clarification is needed for the second hyphen in the “modified text”. The second reference to “Interchange Transaction” in this second hyphen should be modified to read as “Interchange Schedule”. Accordingly, it should read: “Upon confirmation of the Interchange Transaction Request all parties of the Interchange Authority shall implement the Interchange Schedule.”
<p>Consideration:</p> <p>The SAR has been revised to reflect your suggested revision, and the requirement has been moved to the BA.</p>	
Tom Hawley We Energies 3	No Please see the comments from the Interchange Subcommittee.
Doug Hils Cinergy 1	Yes; No If the SAR remains as one only applicable to bilateral transactions, then

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	I agree with the revised requirements.
<p>Consideration:</p> <p>When the Functional Model was developed, the interchange authority function was intended solely to address bilateral transactions. The FMRTG is still working on changes to the FM. We've added a notation to the SAR that indicates that the SAR may need to be changed to conform with the changes to the functional model.</p>	
Gerald Beckerle Ameren 1,3,5	No Wording is confusing. In the second item, what does "all parties of the Interchange Authority" mean?
<p>Consideration:</p> <p>The SAR has been revised to improve the wording of the second bullet. The bullet is applicable to just the BA and has been moved to the list of requirements for the BA. All parties was meant to include all parties involved in the schedule.</p>	
Alan Boesch Nebraska Pub Pwr District 1	No Change as follows: <ul style="list-style-type: none"> - The IA shall confirm the approvals from all involved parties and shall authorize, upon confirming approvals, the implementation of Interchange Schedules — Upon confirmation of the Interchange Transaction all parties of the IA shall implement the Interchange Transaction - The IA will communicate implementation status to all parties
<p>Consideration:</p> <p>Under the Functional Model, the IA does authorize the implementation of the Interchange Schedules. The second bullet has been revised to improve the wording and to move the bullet to another location because it is not stating a requirement applicable to the IA.</p>	
Carter Edge SEPA 4	No The intent of the second bullet is unclear and appears to not be under the control of the IA.
<p>The second bullet has been revised to improve the wording and to move the bullet to another location because it is not stating a requirement applicable to the IA.</p>	
George Bartlett Entergy Services 1	No We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. This comment applies to all the entries in the Detailed Description. In particular, we would like to add the requirement that the IA communicate to the Generators and the LSEs that their transactions have been approved or denied. These two entities should be named explicitly in this part of the SAR.
<p>Consideration:</p> <p>Under the Functional Model, the Generators and LSEs don't have a functional relationship with the IA. The Generators deal with LSEs and PSEs, not with the IA. Under the functional model, if a generator or LSE wants a direct relationship with an IA, then the generator or LSE would be acting as a PSE.</p>	
Paul Elwing Lakeland Electric	No

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3	Change Interchange Transaction to Interchange Schedule in 2 nd Bullet
Consideration:	
The SAR has been revised to reflect your suggested revision.	
Ed Riley CA ISO 2	Neutral Bullet 2: The use of the word “Implement” is confusing. The IA will “approve” all transactions and then pass the transactions on to the BA who actually “implements” them in real time.
Consideration:	
The SAR has been revised to improve the wording of the second bullet and to move the bullet to the list of requirements for the BA.	
Terry Bilke Midwest ISO 2	Neutral. See earlier comments. Somewhere you need to define who are the authorized approving entities to a transaction (BA, IA, RA(s) TSP(s), IA, BA). LSE and Resource should probably be optional approving entities. I believe this is consistent with the <i>NERC Functional Model Review Task Group Report</i> .
Consideration:	
All parties was meant to include all parties involved in the schedule. This was left ‘open’ to accommodate different market structures, but several entities indicated that this should be clarified. The SAR has been revised to more clearly indicate that the IA collects approvals from the RAs, BAs, and TSPs.	
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Neutral Bullet #2 would read better if written “Upon confirmation of the Interchange Transaction, all parties to the interchange transaction shall implement the resulting interchange schedule”.
Consideration:	
The SAR has been revised to improve the wording of the second bullet and to move the bullet to the list of requirements for the BA.	
Karl Tammer NYISO 2	Neutral
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Neutral

<p>Raj Rana American Electric Power 1,3,5,6</p>	<p>Yes – with the following changes: Change “Upon confirmation of the Interchange Transaction all parties of the IA shall implement the Interchange Transaction” to “Upon confirmation of the Interchange Transaction all parties of the IA shall implement the Interchange Schedule.” Also, the last bullet point above is: “The IA will communicate implementation status to all parties” but the SAR is worded: “The IA will communicate reliability related data with all parties (with which the Interchange Transaction must be coordinated) including the RA(s) and TSP(s).” Which wording is correct? We like “The IA will communicate implementation status to all parties.” Define “all parties” Add a set of required timeframe.</p>
<p>Consideration: The SAR has been revised to improve the wording of the second bullet and to move the bullet to the list of requirements for the BA. The SAR has been revised to more clearly indicated that the IA collects approvals from the RAs, BAs, TSPs. The Standards Drafting Team should address a set of timeframes. The IA communicates with various entities during different phases of this process – some communications address data and some address status.</p>	
<p>Mitchell Needham Tennessee Valley Authority 6 and others</p>	<p>Yes Is it the intent of the team to allow for tacit approval, say if a certain time elapses from the request? It is foreseeable that an entity could block a transaction by ignoring the request for approval.</p>
<p>Consideration: This level of detail is beyond the scope of this SAR.</p>	
<p>Edward Stein FirstEnergy Solutions 6</p>	<p>Yes</p>
<p>Gerald Rheault Manitoba Hydro 1,3,5</p>	<p>Yes</p>
<p>William Smith Allegheny Power 1</p>	<p>Yes</p>
<p>Robert Williams PacifiCorp 1</p>	<p>Yes</p>
<p>Ray Morella FirstEnergy Corp 1</p>	<p>Yes</p>
<p>Richard Kafka Potomac Electric Power Co. 3</p>	<p>Yes</p>
<p>Peter Burke American Transmission Co 1</p>	<p>Yes</p>
<p>Lloyd Linke MAPP Reliability Council 2</p>	<p>Yes</p>
<p>Kenneth Githens Allegheny Energy Supply 5</p>	<p>Yes</p>

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John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes

8. Do you agree with the revised requirements for the Reliability Authority?

Summary Consideration:
 The phrase, “be capable of receiving from and confirming . . .” has been changed to “receive and confirm”.
 The SAR was modified to indicate that the RA shall approve or deny the request from the IA from a ‘reliability perspective.’

- The RA shall receive and confirm Interchange Transaction information with the IA
- The RA shall approve or deny the request from the IA based on reliability perspectives.
-

Ed Riley CA ISO 2	No As written the Reliability Authority requirements written apply to the Eastern Interconnection. Currently in the Western Interconnection the Reliability Coordinator (current Western Interconnection version of the RA) does not actually curtail Interchange Transactions during periods of overloads. The RC can give direction to BA’s and IA’s to curtail Interchange Transactions as needed to relieve overloaded paths.
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Consideration:
 While the SAR does not include a requirement that the RA curtail Interchange Transactions during periods of overloads, the Functional Model includes the following language:
 - Issues corrective actions (e.g., curtailments or load shedding) to Transmission Operators, Transmission Service Providers, Balancing Authorities, and Interchange Authorities.¹
 - Under the functional model, the Reliability Coordinator is not the same as the Reliability Authority.

Monroe Landrum Southern Company Svcs 1	No The “new text” describes a role for the Reliability Authority that is broader than the one contemplated for Reliability Authorities under the Functional Model. The role described in the second hyphen would have the Reliability Authority performing the same approval function as the Transmission Service Provider. The Reliability Authority does need to have the ability to view this data. However, to the extent that there is a reliability impact associated with an Interchange Schedule, the Reliability Authority may issue a TLR. This second hyphen should thus be stricken. Likewise, the first hyphen should be revised as follows: “The Reliability Authority shall be capable of receiving and viewing Interchange Schedule information from the Interchange Authority.”
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Consideration:
 The SAR has been revised to more clearly state that the RA approves or denies the request from the IA based on reliability analyses. This is not the same responsibility as the TSP. Under the Functional Model, the TSP approves or denies Interchange Transactions from a transmission service arrangement perspective. The TSP may not have all data needed to evaluate an Interchange Transaction from a reliability perspective. The SAR does not require that the RA take specific corrective actions.

 The intent of the language contained within the SAR, “capable of receiving and confirming,” was to ensure that communication could be exchanged in both directions. The suggested change would not address this.

¹ Page 8 of January 20, 2002 version of Functional Model – 6th bullet under Reliability Authority Relationships

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<p>Alan Boesch Nebraska Pub Pwr District 1</p>	<p>No</p> <p>Change as follows:</p> <ul style="list-style-type: none"> - The RA shall be capable of receiving from and confirming Interchange Transaction information with the IA - The RA shall approve or deny the request from the IA
<p>Consideration:</p> <p>The language in the SAR conforms with the language in the Functional Model. The suggested changes imply that there won't be an IA, but the Functional Model requires that an IA authorize valid and balanced interchange schedules.</p>	
<p>Robert Williams PacifiCorp 1</p>	<p>No</p> <p>Reliability Authority in WECC is not involved in Interchange Scheduling</p>
<p>Consideration:</p> <p>Under the Functional Model, the RA has the following responsibility:</p> <ul style="list-style-type: none"> - Provides Interchange Transaction approvals to Interchange Authority based on reliability perspective² - Under the Functional Model, the Reliability Coordinator is not the Reliability Authority. 	
<p>Michael Gildea</p>	<p>Re: The RA shall approve or deny the request from the IA</p> <ul style="list-style-type: none"> - This is kind of arbitrary, isn't it?
<p>Consideration:</p> <p>The SAR has been revised to more clearly state that the RA approves or denies the request from the IA based on a reliability perspective.</p>	
<p>George Bartlett Energy Services 1</p>	<p>No - In keeping with the Functional Model, the RA approves Interchange Transactions from a reliability perspective. Please add that terminology to the second requirement: "The RA shall approve or deny the request from the IA <u>from a reliability perspective.</u>"</p> <p>We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. This comment applies to all the entries in the Detailed Description.</p>
<p>Consideration:</p> <p>The SAR has been revised to more clearly state that the RA approves or denies the request from the IA based on reliability perspective.</p> <p>This SAR is only addressing scheduled interchange, and the tasks in the Functional Model address other responsibilities beyond this scope. If you have a specific suggestion for an additional requirement, please let us know.</p>	
<p>Terry Bilke Midwest ISO 2</p>	<p>Neutral.</p> <p>Is there a reason for the "be capable of". Shouldn't the RA "receive and either approve or deny". Finally, is there wording in the SAR about the RAs' authority to curtail?</p>

² Page 7 of January 20, 2002 version of Functional Model – 11th bullet under Responsibilities

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<p>Consideration: The SAR has been revised to reflect your suggested change. The RA's authority is addressed in the RA Certification SAR.</p>	
Tom Hawley We Energies 3	Neutral
Gerald Beckerle Ameren 1,3,5	Neutral
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Raj Rana American Electric Power 1,3,5,6	Yes - - Reword the first bullet to read: The RA shall receive and confirm Interchange Transaction information with the IA - Add timeframe for receiving and approval of transaction schedules as requirement.
<p>Consideration: The SAR has been revised to indicate that the RA shall receive and confirm Interchange Transaction information with the IA. The addition of a timeframe is a business practice consideration and is beyond the scope of this SAR.</p>	
Gerald Rheault Manitoba Hydro 1,3,5	Yes The following changes should be implemented in the wording of this text: -in bullet 1 the words "shall be capable of receiving and confirming" should be replaced by "receive and confirm". The determination of ability to receive and confirm should be a requirement of the certification process. -Another bullet "The RA shall analyze the transaction information to determine the impact on transmission system reliability" should be added.
<p>Consideration: The SAR has been revised to indicate that the RA shall receive and confirm Interchange Transaction information with the IA. The SAR has also been revised to indicate that the RA shall approve or deny the request from the IA based on a reliability perspective.</p>	
Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	Yes
Karl Tammer NYISO 2	Yes

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William Smith Allegheny Power 1	Yes
Doug Hils Cinergy 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Champagne Hydro- Québec TransÉnergie 1	Yes
Edward Stein FirstEnergy Solutions 6	Yes
Carter Edge SEPA 4	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
Mitchell Needham Tennessee Valley Authority 6 and others	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
Kenneth Githens Allegheny Energy Supply 5	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes

9. Do you agree with these new requirements for the TSP?

- The TSP shall receive and confirm Interchange Transaction information with the IA
- The TSP shall approve or deny the request from the IA

Summary Consideration:
 The phrase, “be capable of receiving from and confirming . . .” has been changed to “receive and confirm”.

Alan Boesch Nebraska Pub Pwr District 1	No Revise as follows: - The TSP shall be capable of receiving from and confirming Interchange Transaction information with the IA - The TSP shall approve or deny the request from the IA
<p>Consideration: The suggested change was not made because, in the Functional Model, the TSP does exchange this information with the IA.</p>	
Michael Gildea	Re: The TSP shall approve or deny the request from the IA - This is kind of arbitrary, isn't it?
<p>Consideration: The SAR is only intended to define the scope of the proposed standard. When the standard is drafted, additional details about the basis for approving a request are expected to be developed.</p>	
George Bartlett Entergy Services 1	No - We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. This comment applies to all the entries in the Detailed Description.
<p>Consideration: The SAR is limited to focusing on the reliability-related aspects of coordinating interchange. The commercial aspects will be addressed by NAESB.</p>	
Ed Riley CA ISO 2	Neutral As stated the TSP's only interaction will be with the IA. Wouldn't a PSE be able to request transmission service directly from a TSP?
<p>Consideration: The requirements for this SAR don't circumvent the requirements of the TSP under FERC. This SAR is only addressing the process of coordinating interchange.</p>	
Terry Bilke Midwest ISO 2	Neutral. See earlier comment about “be capable of”
<p>Consideration: The SAR has been revised to indicate that the TSP shall ‘receive and confirm’ rather than ‘be capable of receiving and confirming’.</p>	
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral

Consideration of Comments on 3rd Posting of Coordinate Interchange SAR

Tom Hawley We Energies 3	Neutral
Gerald Beckerle Ameren 1,3,5	Neutral
Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	Yes
Gerald Rheault Manitoba Hydro 1,3,5	Yes The following changes should be implemented in the wording of this text: -in bullet 1 the words “shall be capable of receiving and confirming” should be replaced by “receive and confirm”. A basic requirement to accomplishing the TSP task is the capability to “receive and confirm”; so it should be assumed that the entity can accomplish these tasks. - Another bullet “The TSP shall analyze the transaction information ensure compliance with ATC and transmission owner tariff requirements.
<p>Consideration: Under the functional model, the approval process can be parallel or sequential – this is not prescribed. The IA collects and exchanges data between the RA, BA and TSP functions. The TSP gives approval based on there being a valid transmission reservation that matches the source and sink data provided by the IA. The RA performs a reliability assessment based on data proved by the IA. The RA uses the assessment results as a basis for approving the transaction. The transaction is only approved to be implemented if all approvals are obtained from all the entities (RAs, TSPs, BAs) in the approval process.</p>	
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Yes If this is to assume the TSP is also the RA then we believe this is a repetition of the previous question. However if they are two separate entities who then has overall authority? Is the approval process parallel or sequential?
<p>Consideration: Under the functional model, the approval process can be parallel or sequential – this is not prescribed. The IA collects and exchanges data between the RA, BA and TSP functions. The TSP gives approval based on there being a valid transmission reservation that matches the source and sink data provided by the IA. The RA performs a reliability assessment based on data proved by the IA. The RA uses the assessment results as a basis for approving the transaction. The transaction is only approved to be implemented if all approvals are obtained from all the entities (RAs, TSPs, BAs) in the approval process.</p>	
Raj Rana	Yes

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American Electric Power 1,3,5,6	Reword the first bullet to read: "The TSP shall receive and confirm interchange transaction information with IA.
<p>Consideration: The SAR has been revised to indicate that the TSP shall 'receive and confirm' rather than 'be capable of receiving and confirming'.</p>	
Karl Tammer NYISO 2	Yes
Monroe Landrum Southern Company Svcs 1	Yes
Doug Hils Cinergy 1	Yes
William Smith Allegheny Power 1	Yes
Robert Williams PacifiCorp 1	Yes
Ray Morella FirstEnergy Corp 1	Yes
Edward Stein FirstEnergy Solutions 6	Yes
Carter Edge SEPA 4	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
Mitchell Needham Tennessee Valley Authority 6 and others	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
Kenneth Githens Allegheny Energy Supply 5	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd	Yes

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Oncor 1	
Gordon Pietsch Great River Energy 1	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes

10. Do you agree with these new requirements for the PSE?

Summary Consideration:
 The second bullet of the SAR was removed so there is no reference to “parked” transactions.
 The requirement that data be provided to the IA was moved from the BA requirements.

- The PSE shall request approval for interchange transactions from the IA
-
- The PSE shall confirm interchange transaction requirements with the IA
- When an entity desires to transfer energy to another, the entity initiating the transaction shall submit, as a minimum, the following reliability-related transaction data to its IA:
 - Desire to transfer energy
 - Megawatt magnitude
 - Ramp start and stop times
 - Interchange transaction’s duration
 - Sufficient information for all approval entities

Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	No As stated in the response to question 6, it seems like the requirements for the BA really are for the PSE. Should those be moved to this section? Also, the second bullet refers to a “parked” transaction. Should there be a definition for a parked transaction and why is it singled out?
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Consideration:
 The SAR has been revised as suggested in question 6 – and the requirements that had erroneously been listed under the BA have been moved to the PSE.
 Several commenters raised questions about the inclusion of a requirement that involves ‘parked transactions’. Parked transactions are addressed in the Functional Model, but involve commercial rather than reliability issues. The requirement that the PSE communicate parked transactions has been removed from the SAR.

Monroe Landrum Southern Company Svcs 1	No The standard describes (in hyphen two) a role for the Purchasing-Selling Entities and parked transactions beyond that which is permitted under the Functional Model. Under the Functional Model, the Interchange Authority only accepts balanced schedules. It would be inappropriate for this SAR to suggest that the Purchasing-Selling Entity should (much less “shall”) communicate parked transactions to the Interchange Authority. To the extent parked transactions will be permitted is a broader issue that should be resolved by NERC at higher levels and not within this proposed SAR. Accordingly, the second hyphen should be stricken.
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Consideration:
 Several commenters raised questions about the inclusion of a requirement that involves ‘parked transactions’. Parked transactions are addressed in the Functional Model, but involve commercial rather than reliability issues. The requirement that the PSE communicate parked transactions has been removed from the SAR.

Tom Hawley We Energies	No
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3	Need to address both bilateral and LMP markets; these requirements seem to only fit PSEs functioning in a bilateral market.
<p>Consideration:</p> <p>The SAR's requirements are intended to be applicable to both bilateral and LMP markets.</p>	
Doug Hils Cinergy 1	<p>No</p> <p>The IA can't do anything with "parked" transactions. The IA should only deal with transactions that are ready for physical delivery.</p>
<p>Consideration:</p> <p>Several commenters raised questions about the inclusion of a requirement that involves 'parked transactions'. Parked transactions are addressed in the Functional Model, but involve commercial rather than reliability issues. The requirement that the PSE communicate parked transactions has been removed from the SAR.</p>	
Alan Boesch Nebraska Pub Pwr District 1	<p>No</p> <p>What is the definition of a parked transaction?</p> <p>Revise as follows:</p> <ul style="list-style-type: none"> ▪ The PSE shall request approval for interchange transactions from the IA ▪ The PSE shall communicate parked transactions to the IA - The PSE shall confirm interchange transaction requirements with the IA
<p>Consideration:</p> <p>The proposed change of eliminating the interaction with the IA have not been adopted. Under the Functional Model, the IA is responsible for approving requests for interchange transactions and for confirming interchange transaction requirements with the PSE.</p> <p>The requirement that the PSE communicate parked transactions has been deleted from the SAR.</p>	
Robert Williams PacifiCorp 1	<p>No</p> <p>Parking is not allowed in the WECC.</p>
<p>Consideration:</p> <p>The requirement that the PSE communicate parked transactions has been deleted from the SAR.</p>	
George Bartlett Entergy Services 1	<p>No –</p> <p>In keeping with the Functional Model please delete the second requirement, "The PSE shall communicate parked transactions to the IA." Under Interchange Authority and on page 27 of the NERC Functional Model, dated January 20, 2002, there is the following discussion of Transmission Parking:</p> <p>“Transmission Parking. As we explained in the “Control Area Issues” section of this report, these are financial arrangements with which the Functional Model is not concerned. Purchasing-Selling Entities can make deals ahead of time with any number of Generators and customers without informing the Interchange Authority. The Interchange Authority does not come into play until the Purchasing-Selling Entities are ready for their</p>

	<p>“deals” to go to physical delivery.”</p> <p>The new draft of the Functional Model has deleted this discussion of Transmission Parking. It seems the Parking and/or Hubbing issues will continue to appear and disappear depending on those proposing changes to the Functional Model. We agree with the January 20, 2002, Transmission Parking position.</p> <p>Even proponents of Parking and/or Hubbing should agree there is no need for a “requirement” in “reliability standards” that a PSE “SHALL” communicate parked transactions to the IA. The concept that an IA requires all incomplete transactions to assure the reliability of the power system does not make sense.</p> <p>We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. For instance, our review of the Functional Model includes at least six Functional Relationships for which there should be corresponding requirements in this SAR and there are no corresponding requirements in this SAR. This comment applies to all the entries in the Detailed Description.</p>
<p>Consideration: The requirement that the PSE communicate parked transactions has been deleted from the SAR.</p> <p>This SAR is only addressing scheduled interchange, and the tasks in the Functional Model address other responsibilities beyond this scope. If you have a specific suggestion for an additional requirement, please let us know.</p>	
<p>Raj Rana American Electric Power 1,3,5,6</p>	<p>No</p> <p>Add the following PSE requirement (the first bullet from Item 6 and define “sufficient information” underlined below.) Also, IA should be defined in another SAR.</p> <ul style="list-style-type: none"> - When an entity wants to transfer energy to another BA’s area, the entity initiating the transaction shall submit as a minimum the following reliability-related transaction data to its IA: Desire to transfer energy to another BA’s area Megawatt magnitude Ramp start and stop times Interchange transaction’s duration <u>Sufficient information</u> for all approval entities. <p>Define the terms “sufficient information” and “parked transactions.” In addition, the term IA should be defined in another SAR. The term “all approval entities” is too vague.</p>
<p>Consideration: Details associated with, ‘sufficient information’ and ‘all approved entities’ should be identified by the Standards Drafting Team.</p> <p>The SAR has been revised as suggested in question 6 – and the requirements that had erroneously been listed under the BA have been moved to the PSE.</p> <p>The requirement that the PSE communicate parked transactions has been deleted from the SAR. Details associated with, ‘sufficient information’ and ‘all approved entities’ should be identified by the Standards Drafting Team.</p>	

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Mitchell Needham Tennessee Valley Authority 6 and others	No The PSE should also be the party responsible for acquiring the transmission service needed for interchange transaction
Consideration: Acquiring transmission service is not part of coordinating interchange and is outside the scope of this SAR. The requirements for this SAR don't circumvent the requirements of the TSP under FERC. This SAR is only addressing the process of coordinating interchange. The specific requirements should be identified by the Standards Drafting Team.	
Ed Riley CA ISO 2	Neutral What are the interchange transaction "requirements" that are referred to in bullet 3?
Consideration: The specific requirements should be identified by the Standards Drafting Team.	
Karl Tammer NYISO 2	Neutral In many market designs, and those compliant with the SMD in the future, PSE's will be communicating information through a Market Operator.
Consideration: In some market designs today, the financial aspects of coordinating interchange are addressed through a Market Operator. This SAR is only concerned with the physical transfer of energy and is not dependent upon any market structure. The Functional Model Review Task Group (FMRTG) looked at the Functional Model to see if changes were needed to address the proposed Standard Market Design (SMD). The FMRTG concluded that the function of the IA does not need to be changed to accommodate SMD. A representative from FERC reviewed the Functional Model and agreed that the FM does not need to be changed to accommodate SMD.	
Lloyd Linke MAPP Reliability Council 2	Neutral What is the purpose of "PSE shall communicate parked transactions to the IA" (rather than only transaction intended to be implemented as interchange Schedules), and what is the intended definition of parked transactions?
Consideration: The requirement that the PSE communicate parked transactions has been deleted from the SAR.	
Kenneth Githens Allegheny Energy Supply 5	Neutral A parked transactions cannot be implemented until it is ready to go physical. What is the need to communicate this information to the IA early, before the transaction goes physical?
Consideration: The requirement that the PSE communicate parked transactions has been deleted from the SAR.	
Gordon Pietsch Great River Energy 1	Neutral – How is the PSE going to communicate parked transactions to the IA? What are the transaction requirements that they are going to confirm?
Consideration: The requirement that the PSE communicate parked transactions has been deleted from the SAR.	

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Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Neutral The standard needs to be clear on what happens to the scheduled energy if the receiving Control Area (Balancing Area) does not take/need the energy.
<p>Consideration: The SAR has been modified to include the following requirement for the BA: BAs shall implement Interchange Schedules</p>	
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Gerald Beckerle Ameren 1,3,5	Neutral
Ray Morella FirstEnergy Corp 1	Neutral
Edward Stein FirstEnergy Solutions 6	Neutral
Gerald Rheault Manitoba Hydro 1,3,5	Yes The following changes should be implemented in the wording of this text: -in bullet 1 the words “shall be capable of receiving and confirming” should be replaced by “receive and confirm”. A basic requirement to accomplishing the TSP task is the capability to “receive and confirm”; so it should be assumed that the entity can accomplish these tasks. - Another bullet “The TSP shall analyze the transaction information ensure compliance with ATC and transmission owner tariff requirements.
<p>Consideration: The SAR has been changed so that the suggested words, ‘receive and confirm’ have replaced the words, ‘shall be capable of receiving and confirming.’ The proposed additional bullet addresses financial considerations and is outside the scope of this SAR.</p>	
Guy Zito NPCC 2 Ralph Rufrano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Chambagne Hydro-Québec TransÉnergie 1	Yes Under the Regional Differences section of the SAR, NPCC would like to add, “Consideration should be given to “market based” systems vs. a contract path/physical rights approach.
<p>Consideration: The requirements in the revised SAR are appropriate to both market-based and contract path/physical rights approaches to coordinating interchange.</p>	
Jim Byrd Oncor 1	Yes The PSE may or may not communicate parked transactions. The IA role is for complete transactions ready to go physical.

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Consideration: The requirement that parked transactions be communicated has been removed from the SAR.	
Carter Edge SEPA 4	Yes
William Smith Allegheny Power 1	Yes
Terry Bilke Midwest ISO 2	Yes
Richard Kafka Potomac Electric Power Co. 3	Yes
Peter Burke American Transmission Co 1	Yes
Paul Elwing Lakeland Electric 3	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes

11. Do you agree with the SAR DT that this SAR is ready to be developed into a Standard?

Ed Riley CA ISO 2	No The responsibilities of each party and “flow” of an Interchange Transaction is still confusing. Also, we are waiting for a response to our comments on items 8 & 10 above.
<p>Consideration: Pages 26-27 of the approved version of the Functional Model provides an explanation of how interchange transactions are addressed.</p>	
Interchange Subcommittee	See Comments Attachment A
Linda Campbell FRCC 2 Marty Mennes FPL 1 Eric Grant Prog Energy 1 Ben Sharma Kissimmee 3 Richard Gilbert Lakeland 3 Paul Elwing Lakeland 3 Joe Roos Ocala Elec 3 Mark Bennett Gainesville 3 Roger Westphal Gaines 3 Lane Mahaffey Seminole 4	No It would depend on the responses to these comments and what other comments the SAR DT receives. It still seems like there is confusion with the terms and with the functions of the reliability model. It may also depend on what kinds of responses to the FMRTG report were received and the impacts to the functional model. In any case, the SDT needs to have a clear idea of what the standard is to be developed around.
<p>Consideration: There was no consensus on what definitions to use in the SAR. We are providing additional clarification. The FMRTG has indicated that the SAR should move forward.</p>	
Monroe Landrum Southern Company Svcs 1	No See comments above.
Tom Hawley We Energies 3	No The SAR DT should address the issues raised by the Interchange Subcommittee. The wording should be clear and unambiguous in order to provide the Standard Drafting Team with a clear sense of the industry consensus.

<p>Doug Hils Cinergy 1</p>	<p>No</p> <p>Comments provided for items 1-10 relate to the SAR as written, which only addresses coordination of bilateral energy transfers. My comments below reflect what items need further clarification including concerns similar to those presented by the NERC Interchange Subcommittee.</p> <p>This standard should apply to all Balancing Authorities.</p> <p>Under NERC Policy today, a Control Area is responsible for coordinating its Net Interchange Schedules with Adjacent Control Areas (including the Scheduling Agent under the SA Waiver). In the future, the BA should also be responsible for coordinating its Net Interchange Schedules with the function now considered “adjacent” and guided by NERC standards - this SAR presents that function as the Interchange Authority. As multiple BAs under a single market will be directed to follow the Net Interchange Schedule provided to each as the result of a reliability constrained economic dispatch, bilateral detail is not available from the function directing those operations. If a BA can only coordinate with a IA, then the flexibility for the IA to direct multiple BAs simultaneously seems a logical extension to apply to market operations, while ensuring that standards apply to that market operator for provision of reliability-related data to parties necessary to assess the transmission impacts of its operations.</p> <p>Is the market operator providing the function of the Interchange Authority? Though the market operator will have information related to bilateral transactions between its market and others, in real-time it will be coordinating Net Interchange Schedules with its BAs to balance generation and resources to total load and other requirements The energy transfers appear as an economic dispatch with settlements addressing the details after-the-fact. Again, if the Balancing Authorities are only allowed to coordinate Interchange with the Interchange Authority, does the market operator have to be an IA or interface with an IA? Can the Interchange Authority have inadvertent if it coordinates the energy transfers incorrectly? It would appear that if a BA operates exactly as instructed, that inadvertent due to that instruction being incorrect should in no way be applied to the BA, so who is responsible?</p> <p>The Balancing Authority should only be required to interface with one Interchange Authority. Under a common infrastructure, the IA service ends up being the function that provides the BA with its Net Scheduled Interchange based on all interchange submitted to it for implementation. By allowing the BA to “tie-out” with the IA service, the BA can have automated systems in place to exchange data between it and the IA service, report its interchange associated with that IA, and not be faced with having to report all interchange with every possible BA or IA that may exist. The efficiencies of such an approach for real-time coordination makes more sense than the BA having to communicate and coordinate with an unlimited number of IAs as the Functional Model presents. The concern boils down to whether a BA will have to coordinate, reconcile and report Net Interchange Schedules with one IA, or the many BAs or IAs that other scenarios could present. For example, a Control Area outside of a market with three Adjacent Control Areas currently reports</p>
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its Net Interchange Schedules with those Control Areas in its FERC 714 reporting. Under the SAR, will that BA now have to report its Net Interchange Schedules with every possible IA that it coordinated with, or every possible BA on the other end of each bilateral? Under a single IA proposal, the BA would only have to coordinate and report Net Scheduled Interchange with the one IA service it contracted with.

The question still exists as to whether the Interchange Schedule is between the BAs or the between each BA and the IA as presented in the SAR. If the Interchange Schedule is between the BAs, then all Scheduled Interchange is bilateral and other options are not available. If the Scheduled Interchange is with the IA however the IA has to associate all interchange with bilateral transactions, then other scheduling options are also not available.

Control Areas under a Scheduling Agent are allowed by NERC to coordinate and report Net Interchange Schedules with the SA under the SA Waiver. The SA is responsible for meeting all applicable Policy requirements presented in that Waiver. Will the Scheduling Agent have to be certified as a BA or IA in the future to continue to be allowed to coordinate with the BAs?

If the intent of the SAR is to only capture market to market bilateral transactions, what standard assures provision of information by the market operator over multiple Balancing Authorities for capturing the parallel flows outside of that market similar to the approach being developed by MISO/PJM today?

Some say that where there are markets, market rules govern. I believe however that the standards placed upon a Balancing Authority should apply across all BAs, not differentiate between whether they are in a market or out of a market. Providing flexibility to the Interchange Authority to coordinate across multiple BAs simultaneously and having the Interchange Authority responsible for that coordination would allow the standard to cross all boundaries. Standards should apply to ensure communication of reliability-related data to all impacted parties no different than the bilateral movement between markets. There was nothing to indicate that the SAR should only apply to market-to-market transactions and leave Scheduled Interchange internal to the market, such as MISO/SPP market operations over 40 BAs, left to only market rules.

Compliance Measurement: Though the Balancing SAR measures performance by looking at the Balancing Authorities' Area Control Error, there isn't a measurement ensuring that the Balancing Authority is operating to the correct value of Net Scheduled Interchange or any other parameter used in the ACE equation. As scheduling error can impact the Interconnection no different than poor balancing, I believe this SAR should capture some measurement for ensuring implementation of the Interchange Schedules into the Balancing Authorities' system - coordination means nothing if the actual implementation does not take place.

<p>Consideration:</p> <p>The Functional Model Review Task Group (FMRTG) reviewed this concern and assured the IS, Mr. Hils and the SAR DT that the existing Functional Model does accommodate an LMP market. While new LMP markets are being developed, the PJM LMP was in place when the Functional Model was being developed and the PJM LMP was considered when the responsibilities and relationships of the ‘functions’ were originally defined. Members of the FMRTG that reviewed the Coordinate Interchange SAR did not identify a need to change any of the SAR’s proposed requirements to accommodate an LMP.</p> <p>Mr. Hils’ concerns that this SAR is not applicable to all BAs was reviewed by members of the FMRTG and the members of the FMRTG remain convinced that the SAR, as revised is applicable to all BAs.</p> <p>It is up to each entity to determine what functions it wants to perform. If a Scheduling Agent wants to be recognized as an Interchange Authority, then (as currently envisioned) that Scheduling Agent will need to obtain certification to perform that function.</p> <p>The focus of the SAR is on the reliability-related aspects of coordinating interchange. While there may be large variations in data exchanged in different market models, this SAR focuses on the reliability-related data needed to ensure reliability. The SAR is not concerned with what ‘organization’ is providing the data – only with the ‘function’ that provides the data. The commercial aspects of coordinating interchange are outside the scope of this SAR. Some of the commercial aspects of coordinating interchange, such as inadvertent energy, are already being addressed by NAESB.</p> <p>Addressing compliance measurements is beyond the scope of the SAR. Compliance measures and assessments will be addressed by the Standards Drafting Team.</p>	
<p>Alan Boesch Nebraska Pub Pwr District 1</p>	<p>No</p> <p>The Purpose/Industry Needs to be modified as shown below</p> <p>To ensure that the implementation of Transactions between Sink and Source Balancing Authorities are coordinated...by the Interchange Authority such that the following reliability objectives are met:</p> <ul style="list-style-type: none"> - Each Interchange Schedule is checked for reliability before it is implemented - The Balancing Authorities implement the Interchange Schedule exactly as agreed upon in the Interchange Confirmation process - Interchange Schedule information is available for reliability assessments <p>This SAR should address the what, “Coordinate Transactions between the source and sink” and not the how “through the use of the Interchange Authority”.</p>
<p>Consideration:</p> <p>The proposed elimination of the references to the Interchange Authority have not been adopted. Under the Functional Model, the Interchange Authority has these responsibilities.</p>	
<p>Carter Edge SEPA 4</p>	<p>No</p> <p>The SAR should definitely be posted one more time in light of the Functional Model revisions underway. It would be difficult to adequately evaluate the scope of the Standard when the definitions of the affected functions are shifting.</p>

<p>Consideration:</p>	
<p>Members of the Functional Model Review Task Group reviewed the proposed requirements in the SAR and did not see the need to change any of the proposed requirements based on possible revisions to the Functional Model.</p>	
<p>George Bartlett Entergy 1</p>	<p>No</p> <p>We have many concerns with this SAR that has changed significantly since the last posting. This SAR is not ready to be developed into a Standard based on the issues described in responses to the questions above and other issues described below.</p> <p>PURPOSE: The Purpose of this proposed standard has changed significantly. The purpose now seems to promote Skip Scheduling. There is no mention of intermediate BAs or TSPs between the Source and Sink BAs. Proper implementation of transactions requires that all transactions be coordinated with Intermediate BAs and TSPs, if for no other reason to meet commercial tariff requirements, e.g. the provision of losses for use of the transmission system of intermediate BA and TSPs, energy checkout, financial responsibility, etc. Please delete the section of the Purpose “implementation of Transactions between Sink and Source Balancing Authorities” and reinstate Version 2 “implementation of transactions between Balancing Authorities”.</p> <p>Another new Purpose of this proposed standard is that the BAs implement the Interchange Schedule exactly as agreed upon in the “Interchange Confirmation” process. This is the only reference to this process we can find anywhere, even in the existing and proposed Functional Model papers. What is Interchange Confirmation? Where is it defined? If it is being developed, or is going to be developed, elsewhere, where? We can not agree with the development of a standard that contains undefined processes. Please delete the second bulleted item and reinstate Version 2 “The Balancing Authorities implement the Interchange Schedule exactly as scheduled”.</p> <p>BRIEF DESCRIPTION This section states the standard is to ensure reliability related data pertaining to interchange transactions is verified and communicated to “functional authorities”. The only Operating Functions included in the SAR is the PSE. The SAR leaves out two other very important Operating Functions also needed to ensure reliability of an interchange transaction: Generators and LSEs. The capacity and energy is sourced from Generators which requires their knowledge that a transaction has been approved or denied so they can provide their contribution to the security of the system by performing to expectations. LSEs also need to be informed that the interchange transaction has been approved or denied so they are assured their arrangements for load service are being supplied to their expectations and they do not need to make alternate arrangements to serve the load, or interrupt load. Leaving Generators and LSEs out of the reliability information loop may compromise reliability and imposes specific market structure and communication protocols on the general market that this group does not have the authority to impose.</p>

	<p>RELIABILITY FUNCTIONS Please add “x” for the Generator and LSE functions.</p> <p>DETAILED DESCRIPTION We suggest the authors return to the Functional Model and include the requirements for all the functions identified in the Model as they relate to Coordinate Interchange Transactions. For instance, our review of the Functional Model includes at least six BA Functional Relationships for which there should be corresponding requirements in this SAR and there are no corresponding requirements in this SAR. This comment applies to all the entries in the Detailed Description.</p>
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Consideration of comments on PURPOSE:

Under the Functional Model, reliability –related aspects of interchange are coordinated through an IA. The only change made to the purpose was to add the words, ‘source’ and ‘sink’. These words were added to ensure that reviewers understood that the proposed standard supports the concept of coordinating interchange as described in the Functional Model.

The SAR does include requirements that address collecting and exchanging reliability-related data between the IA and the RAs, BAs and TSPs for each transaction before implementation. Requirements that address commercial aspects of coordinating interchange are outside the scope of the SAR and should be addressed by NAESB.

Version 2 of this SAR used the phrase:

- The Balancing Authorities implement the Interchange Schedule exactly as scheduled

Version 3 of this SAR enhanced the original phrase as follows:

- The Balancing Authorities implement the Interchange Schedule exactly as agreed upon in the Interchange Confirmation process

The term, “confirmation process” is not a defined term, but the word, ‘confirm’ is used in describing the following relationships in the Functional Model:

- Transmission Service Provider confirms reservation with Interchange Authority (page 12)
- Confirms with Balancing Authority the ability to meet ramping requirements for submitted portfolio (page 13)
- In addition, the technical discussions in the Functional Model include several examples of this confirmation process. In the technical discussions, the confirmation process is Step 4 - Interchange Authority collects Approvals and Denials (page 34, 35, 36).

The WECC Interchange Scheduling and Accounting Subcommittee (ISAS) submitted a comment on the second posting of the SAR and suggested the revised wording that led to the addition of the phrase, “. . . as agreed upon in the Interchange Confirmation process”. The WECC ISAS provided sound reasoning for suggesting the clarification, and the SAR DT (which includes the SAR Requestor) discussed and agreed with the recommended change.

Consideration of comments on BRIEF DESCRIPTION and RELIABILITY FUNCTIONS:

Generators and LSEs do play a vital role in interchange transactions, however, the information they relay is sent through other entities to the IA and RA. Under the Functional Model, generators and LSEs will work through BAs and PSEs in exchanging the data needed for interchange transactions.

DETAILED DESCRIPTION:

This SAR does not include any of the business-related aspects of coordinating interchange, such as addressing loss allocations. Addressing these business-related aspects of coordinating interchange is outside the scope of this SAR.

Kenneth Githens Allegheny Energy Supply 5	No With the MOU between NERC, NAESB, and RTO’s now signed, Allegheny Energy Supply would suggest the development of the standard be delayed until all parties have a chance to review and comment on the proposed standard.
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Consideration:

The SAR will be forwarded to all appropriate entities for approval to be developed into a standard.

Paul Elwing	No
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Lakeland Electric 3	See individual comments listed previously.
Raj Rana American Electric Power 1,3,5,6	No Need to incorporate the requested changes and clarifications provided in these comments.
Robert Williams PacifiCorp 1	No Some of the standards are eastern region specific. Tags and schedules are not handled in the same manner in the western grid.
Consideration:	
The SAR does not include any references to tags. If regional or interconnection differences are needed, these should be identified.	
Karl Tammer NYISO 2	Neutral Many of the relationships described, and the associated definitions, are tied to the Functional Reliability Model. Some of these relationships may need more description and definition.
Ray Morella FirstEnergy Corp 1	Neutral
Edward Stein FirstEnergy Solutions 6	Neutral
Gerald Beckerle Ameren 1,3,5	Neutral
Roger D. Green Southern Company Services - SOCO Generation 5	Neutral
Terry Bilke Midwest ISO 2	Neutral. The concern may only be semantics, but aren't standards supposed to be measurable? This looks OK as a requirement. If a metric is implemented with this standard, it should be based on reasonable expectations (based on AIE surveys, IDC audits or similar analysis). Some scheduling error does occur. It should be relatively small. Finally, the word RTO does not show up much in the NERC operating manual. Based on a review of the Functional Model Review Task Group Report, it appears the RTO is involved at a minimum as a TP and RA (FERC mandated responsibilities). It could also be a BA. It could be an interchange authority if it so desired. Its role as defined in the "scheduling agent waiver" is not the same as the IA.

Consideration of Comments on 3rd Posting of Coordinate Interchange SAR

<p>Consideration:</p> <p>The SAR is only trying to list what requirements will be needed in the associated standard. The Standards Drafting Team is expected to add details that will address your concerns about measures.</p> <p>NERC's new standards are being developed to accommodate the many different organizational structures that exist now and in the future. Each organization or entity may be responsible for performing several different 'functions'. When we reference 'functions', we are talking about the functions defined in the NERC Functional Model. An RTO, therefore, is an organization that may perform several functions. Not all RTOs are expected to perform the same set of functions.</p>	
<p>Peter Burke American Transmission Co 1</p>	<p>Neutral</p>
<p>Gerald Rheault Manitoba Hydro 1,3,5</p>	<p>Yes</p> <p>The "yes" response above is conditional on the suggested changes in questions 8 and 9 being implemented in the text as is or in other wording which reflects the opinion presented.</p>
<p>William Smith Allegheny Power 1</p>	<p>Yes</p>
<p>Guy Zito NPCC 2 Ralph Ruffano NYPA 1 Greg Campoli NYISO 2 Dan Stosick ISO NE 2 David Kiguel HydroOne 1 Barry Gee National Grid 1 Roger Champagne Hydro-Québec TransÉnergie 1</p>	<p>Yes</p> <p>It is felt that there remains some question on who has the authority, TSP vs. the RA, on who confirms or denies the Transaction request with the IA. Further clarification is requested.</p> <p>The Prepare for and Respond to Abnormal or Emergency Conditions SAR should be listed under related SARs.</p> <p>Under Regional Differences section of the SAR, NPCC would like to add "Consideration should be given to "market based" systems vs. a contract path/physical rights approach.</p> <p>Page 4 of the SAR, Bullet 1 of the Market Interface Principles contains the word "Interconnection" which should not be there.</p>
<p>Consideration:</p> <p>The SAR has been revised to add the reference to Prepare for and Respond to Abnormal or Emergency Conditions.</p> <p>The SAR currently accommodates both market based and contract path/physical rights approaches. The Market Interface Principles are approved by the NERC Board of Trustees and changing these is outside the scope of the SAR DT.</p>	
<p>Mitchell Needham Tennessee Valley Authority 6 and others</p>	<p>Yes</p> <p>A qualified yes: Need to better define the parameters of parked transactions as to what this means from a scheduling and reliability standpoint. At what point does the IA become involved in an interchange transaction. If it is a parked transaction then is it or is it not a request to be scheduled and in need of confirmation. If a transaction is an agreement between a buyer and seller then is there such a thing as a parked transaction. Example : if I buy power from generator A and send it to BA 1 then did I not have to be approved to sink power into BA1 in order to actually have a transaction to evaluate. I believe that the IA should not have to be involved nor require information for any DEALS that are not complete transactions and not in need of approval as schedules that affect NET INTERCHANGE.</p>

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Consideration:	
The requirement that included the reference to parked transactions has been removed from the SAR.	
Richard Kafka Potomac Electric Power Co. 3	Yes
Lloyd Linke MAPP Reliability Council 2	Yes
John Blazekovich Exelon Corporation 1,3,5,6	Yes
Jim Byrd Oncor 1	Yes
Gordon Pietsch Great River Energy 1	Yes
Roman Carter Southern Co. Generation & Energy Marketing 3,5,6	Yes

Attachment A - Comments from NERC Interchange Subcommittee

The Interchange Subcommittee recognizes the complexity of developing a Standard that can ensure proper communication and coordination of energy transfers, while also not restricting any specific market structure given the diverse financial and physical markets in place within North America. We ask that the following consensus comments be considered by the SAR Drafting Team and the Functional Model Review Task Group revising the Coordinate Interchange SAR and possibly the Functional Model.

The Interchange Subcommittee believes that the Coordinate Interchange SAR and the function of the Interchange Authority should be reviewed over multiple scenarios of coordination across Balancing Authorities operating within both physical and financial markets. The recent activity of the MISO/PJM Reliability Plan Review Team has supported that the provision of certain data to assess system reliability may be separated from the information necessary to assure coordination of energy transfers. The bilateral nature of the SAR currently prevents any implementation where the coordination might be provided across multiple Balancing Authorities simultaneously, where specific transaction-by-transaction information is not available. The SAR as written does not support coordination of a LMP market over multiple Balancing Authorities - absent that flexibility, implementation of a LMP market would have to be internal to a single Balancing Authority where the SAR would not apply, yet there is also no requirement for provision of equivalent information for reliability assessment of energy transfers internal to the Balancing Authority.

The Interchange Subcommittee believes that the function of the Interchange Authority should be reviewed and revised. The IS believes that the possibility that every Balancing Authority must interface and coordinate energy transfers with any number of Interchange Authorities is unacceptable in meeting our expectation that the implementation and after-the-fact “agreement” of energy transfers become more efficient than today’s infrastructure allows. Under the proposed implementation, a Control Area today communicating, coordinating and reconciling scheduled interchange with three interconnected Control Areas, would be faced with the possibility of being a Balancing Authority having to communicate, coordinate and reconcile with an unbounded number of Interchange Authorities. As suggested to the Functional Model Review Task Group at its December 2002 meeting, the NERC Interchange Subcommittee believes that each Balancing Authority should interface with an Interchange Authority function or service, similar to each LCA having a specified Tag Authority Service following an industry-accepted communications infrastructure. We believe that the future infrastructure could be developed through efforts like the Electronic Scheduling Collaborative working with the North American Energy Standards Board (NAESB).

Consideration:

The Functional Model Review Task Group (FMRTG) reviewed this concern and assured the IS and the SAR DT that the existing Functional Model does accommodate an LMP market. While new LMP markets are being developed, the PJM LMP was in place when the Functional Model was being developed and the PJM LMP was considered when the responsibilities and relationships of the ‘functions’ were originally defined. Members of the FMRTG that reviewed the Coordinate Interchange SAR did not identify a need to change any of the SAR’s proposed requirements to accommodate an LMP.

The definitions in the SAR should be revised to reflect a definition for “Interchange”, and ensure that the use is consistent across the other definitions in the SAR. In addition, the definition of Interchange Transaction and Interchange Schedule are unclear as to which apply to the Balancing Authority or Interchange Authority, and the use of both in this SAR reinforce the bilateral nature of the proposed implementation rather than allow other market structures to exist. The model seems predicated on the belief that an “interchange transaction” creates an “interchange schedule” while some market models do the opposite and create an energy transfer based upon the market clearing.

Consideration:

The definitions in the SAR have been revised and one has been dropped because it isn't used in the SAR.

The SAR should not prevent the market from evolving to where other entities besides the PSE can provide information to the Interchange Authority for implementation of physical energy transfers. Similar to our earlier comments, the bilateral nature of the SAR places a requesting PSE in the model.

Consideration:

When fully developed, the standard will use terminology that looks something like this:

The entity that wants to transfer energy from

As it is apparent that the Standard will have to apply across Balancing Authorities operating within physical and financial markets for some time in the future. We believe the SAR drafting team should also consider what information may be available to Balancing Authorities under each market model. In particular, many Control Areas today have no other mechanism for receiving information particular to the bilateral trading of the market participants for energy in, out or across its Control Area except through the ETag. Other markets have information regarding what its market participants have elected which is compared against ETag for transactions in, out and across its system. The model does not seem to allow for both designs to coexist.

Consideration:

The focus of the SAR is on the reliability-related aspects of coordinating interchange. While there may be large variations in data exchanged in different market models, this SAR focuses on the reliability-related data needed to ensure reliability. The SAR is not concerned with what 'organization' is providing the data – only with the 'function' that provides the data. The commercial aspects of coordinating interchange are outside the scope of this SAR. Some of the commercial aspects of coordinating interchange, such as inadvertent energy, are already being addressed by NAESB.

Finally we have concerns that the SAR focuses too much on procedures and not enough on reliability requirements. For example, we believe that the BAs are coordinating energy transfers with each other through the IA, rather than directly with the IA. Coordination via the IA is a procedure for ensuring coordination between BAs but is not in itself a standard.

Consideration:

The SAR focuses on confirmations that data has been exchanged, not on the specific steps associated with the exchange. As such, the SAR focuses on 'performance' rather than process.