

Consideration of Issues and Directives

Project 2008-12 Coordinate Interchange Standards | December 2013

Issue or Directive	Source	Consideration of Issue or Directive
<p>817. In addition, e-Tagging of such transfers was previously included in INT-001-0 and the Commission is aware that such transfers are included in the e-Tagging logs. In short, the practice already exists, but if this Requirement is removed from INT-001-2, no Reliability Standard would require that such information be provided. We therefore will adopt the directive we proposed in the NOPR and direct the ERO to include a modification to INT-001-2 that includes a Requirement that interchange information must be submitted for all point-to-point transfers entirely within a balancing authority area, including all grandfathered and “non-Order No. 888” transfers.</p>	<p>FERC Order 693, Paragraph 817</p>	<p>INT-011-1, R1 addresses the directive in FERC Order 693, Paragraph 817. While the Commission asked that the ERO modify INT-001-2 to address the directive, the Project 2008-12 has proposed INT-001-2 for retirement and thus, it is most appropriate to create a new standard that addresses the directive. The transfers within a Balancing Authority Area using Point to Point Transmission Service can impact transmission congestion, and INT-011-1 ensures that these transfers are communicated and accounted for in congestion management procedures. If a transfer within a Balancing Authority Area is submitted as a Request for Interchange or otherwise accounted for in congestion management procedures, it can be evaluated and processed comparable to a Request for Interchange that crosses Balancing Authority Areas.</p> <p>R1. Each Load-Serving Entity that uses Point to Point Transmission Service for intra-Balancing Authority Area transfers shall submit a Request for Interchange</p>

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		<p>unless the information about intra-Balancing Authority transfers is included in congestion management procedure(s) via an alternate method. <i>[Violation Risk Factor: Medium] [Time Horizon: Operations Planning, Same-day Operations]</i></p>
<p>819. With respect to Santa Clara’s position that LSEs should be applicable entities under the Reliability Standard, the Commission notes that in situations where a LSE is securing energy from outside the balancing authority to supply its end-use customers, it would function as a purchasing-selling entity, as defined in the NERC glossary, and would be included in the NERC registry on that basis. This interpretation flows from the language of the Reliability Standards, and the Commission does not perceive any ambiguity in this connection. Nevertheless, the Commission directs the ERO to consider Santa Clara’s comments, and whether some more explicit language would be useful, in the course of modifying INT-001-2 through the Reliability Standards development process.</p>	<p>FERC Order 693, Paragraph 819</p>	<p>The CISDT has retained the Purchasing Selling Entity the proposed INT standards and believes that general industry consensus supports the Purchasing-Selling Entity being the appropriate applicable entity.</p>
<p>843. As explained in the NOPR, while the Commission</p>	<p>FERC Order</p>	<p>The CISDT has added all compliance elements to the</p>

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<p>has identified concerns with regard to INT-004-1, this proposed Reliability Standard serves an important purpose by setting thresholds on changes in dynamic schedules for which modified interchange data must be submitted. Further, the Requirements set forth in INT-004-1 are sufficiently clear and objective to provide guidance for compliance. Accordingly, the Commission approves Reliability Standard INT-004-1 as mandatory and enforceable. In addition, the Commission directs the ERO to consider adding these Measures and Levels of Non-Compliance to the Reliability Standard.</p>	<p>693, Paragraph 843</p>	<p>standard, including VRFs, VSLs and Time Horizons. NOTE: FERC retired this directive on November 21, 2013 in Docket No. RM13-8-000.</p>
<p>848. The Commission is satisfied that the Requirements of INT-005-1 are appropriate to ensure that interchange information is distributed timely and available for reliability assessment. Accordingly, the Commission approves Reliability Standard INT-005-1 as mandatory and enforceable. In addition, the Commission directs the ERO to consider adding additional Measures and Levels of Non-Compliance to the Reliability Standard.</p>	<p>FERC Order 693, Paragraph 848</p>	<p>The CISDT has added all compliance elements to the standard, including VRFs, VSLs and Time Horizons. NOTE: FERC retired this directive in an order issued on November 21, 2013 in Docket No. RM13-8-000.</p>
<p>866. Accordingly, the Commission approves Reliability</p>	<p>FERC Order</p>	<p>See separate document regarding an equally efficient and</p>

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<p>Standard INT-006-1 as mandatory and enforceable. In addition, the Commission directs the ERO to develop a modification to INT-006-1 through the Reliability Standards development process that: (1) makes it applicable to reliability coordinators and transmission operators and (2) requires reliability coordinators and transmission operators to review energy interchange transactions from the wide-area and local area reliability viewpoints respectively and, where their review indicates a potential detrimental reliability impact, communicate to the sink balancing authorities necessary transaction modifications before implementation. We also direct that the ERO consider the suggestions made by EEI and TVA and address the questions raised by Entergy and Northern Indiana in the course of the Reliability Standards development process.</p>	<p>693, Paragraph 866</p>	<p>effective method of addressing this directive. (Order 693 Paragraph 866 - CISDT White Paper)</p>
<p>871. APPA agrees with the Commission that INT-008-1 is sufficient for approval as a mandatory and enforceable Reliability Standard, subject to NERC's plans for the registration of entities as interchange authorities. It suggests that NERC should clarify which reliability entities have the responsibility for ensuring</p>	<p>FERC Order 693, Paragraphs 871 and 872</p>	<p>The Interchange Authority entity has been replaced with the Sink Balancing Authority throughout the INT standards.</p>

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<p>that interchange information is coordinated between the source and sink balancing authorities before implementing the Reliability Standard. APPA also states that NERC should modify this Reliability Standard to make clear what entities it in fact would apply to.</p> <p>872. The Commission approves Reliability Standard INT-008-1 as mandatory and enforceable. The Commission has set forth above its analysis and conclusion on interchange authorities. Our understanding is that a source and sink balancing authority will serve as the interchange authority until the ERO has clarified the role and responsibility of an interchange authority in the modification of the Functional Model and in the registration process. Finally, we direct the ERO to consider APPA’s suggestions in the Reliability Standards development process.</p>		
<p>874. APPA agrees with the Commission that INT-009-1 is sufficient for approval as a mandatory and enforceable Reliability Standard, subject to NERC’s plans for the registration of entities as interchange authorities. It suggests that NERC modify its Functional</p>	<p>FERC Order 693, Paragraphs 874 and 875</p>	<p>The Interchange Authority entity has been replaced with the Sink Balancing Authority throughout the INT standards.</p>

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<p>Model to clarify which reliability entities have the responsibility for ensuring proper implementation of interchange transactions that have received reliability assessments. APPA also suggests that NERC modify this Reliability Standard to make clear what entities it in fact would apply to.</p> <p>875. The Commission approves Reliability Standard INT-009-1 as mandatory and enforceable. The Commission has set forth above its analysis and conclusion on interchange authorities. Our understanding is that a source and sink balancing authority will serve as the interchange authority until the ERO has clarified the role and responsibility of an interchange authority in the modification of the Functional Model and in the registration process. Finally, we direct the ERO to consider APPA’s suggestions concerning this Reliability Standard in the Reliability Standards development process.</p>		
<p>879. Northern Indiana supports the Commission’s interpretation of INT-010-1, but it requests that the Reliability Standard be modified to explicitly state that it does not include actual IROL violations.</p>	<p>FERC Order 693, Paragraphs 879, 880 and</p>	<p>The CISDT has reviewed the comments of Northern Indiana and ISO-NE with respect to possible revisions to INT-010-1. The CSIDT has proposed a new defined term: Reliability Adjustment Arranged Interchange – A request to</p>

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<p>880. ISO-NE supports Commission approval of INT-010-1, but does not share the Commission’s concerns regarding the initiation or modification of interchange schedules to address SOL or IROL violations. It states that interchange schedules can in certain circumstances provide an additional effective tool to help prevent an SOL and IROL violation. While ISO-NE recognizes that other tools may in certain circumstances be more effective, it states that this neither diminishes the value nor precludes the use of the tools contained in INT-010-1. ISO-NE also notes that section 2.4 of INT-010-1, which describes Level 4 Non-Compliance, should be edited to state that “[t]here shall be a level four non-compliance. . . ” instead of “[t]here shall be a level three non-compliance. . . .”</p> <p>887. Accordingly, the Commission approves Reliability Standard INT-010-1 as mandatory and enforceable. In addition, we adopt the interpretation set forth in the NOPR that these current or imminent reliability-related reasons do not include actual IROL violations, since they require immediate control actions so that the system can be returned to a secure operating state as soon as possible and no longer than 30 minutes after a</p>	<p>887</p>	<p>modify a Confirmed Interchange or Implemented Interchange for reliability purposes.</p> <p>This proposed term is used in one requirement:</p> <p>R2. Each Sink Balancing Authority shall ensure that a Reliability Adjustment Arranged Interchange reflecting a modification is submitted within 60 minutes of the start of the modification if a Reliability Coordinator directs the modification of a Confirmed Interchange or Implemented Interchange for actual or anticipated reliability-related reasons. [Violation Risk Factor: Lower] [Time Horizon: Real Time Operations]</p> <p>The CISDT notes that submitting a revised tag within 60 minutes ensures that modification of interchange will not be used to relieve an IROL as most IROLs have to be mitigated within 30 minutes or a lesser value of T_v. The CISDT does not believe that additional specificity regarding actual IROL violations is necessary for this standard.</p>

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<p>reliability-related system interruption – a period that is much shorter than the time that is expected to be required for new or modified transactions to be implemented. Finally, we direct the ERO to consider Northern Indiana and ISO-NE’s suggestions in the Reliability Standards development process.</p>		
<p>On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible “reliability gap” that NERC asserted would result if the LSEs were not registered. NERC’s compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap:</p> <ul style="list-style-type: none"> • Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define “Non-Asset Owning LSEs” as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. 	<p>FERC’s December 20, 2007 and April 4, 2008 Orders</p>	<p>The LSE entity is incorporated into the INT standards, but the requirements apply regardless of whether the LSE is an asset owning LSE or not.</p>

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<p>• Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan.</p> <p>In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers.</p> <p>Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that</p>		

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<p>includes a standard applicable to Load Serving Entities:</p> <p>Source: FERC’s December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000</p> <p>Issue: In FERC’s December 20, 2007 Order, the Commission reversed NERC’s Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a “reliability gap” if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see:</p> <ul style="list-style-type: none"> • FERC’s December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) • NERC’s March 4, 2008 		

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<p>(http://www.nerc.com/files/FinalFiledLSE3408.pdf),</p> <ul style="list-style-type: none"> • FERC’s April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and • NERC’s July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject. 		
<p>NAESB Standards Review Subcommittee as input to the Reliability Standards Development Plan: 2010-2012: NAESB requests that NERC engage in coordination with them as needed on this project as it relates to item 3.a.viii in the NAESB WEQ 2009 Annual Plan.</p>	<p>NAESB Standards Review Subcommittee</p>	<p>The NERC JESS has members on the CISDT and they are coordinating with NAESB on this project.</p>
<p>The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB:</p> <p style="padding-left: 40px;">Interchange Schedule</p> <p style="padding-left: 40px;">Interchange Transaction</p>	<p>NERC/NAESB Coordination</p>	<p>The CISDT has proposed revisions to some of these terms and members will coordinate revisions to them on the NAESB Glossary.</p>

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<p>Interchange Transaction Tag (Tag)</p> <p>Request for Interchange</p> <p>Source BA</p> <p>Sink BA</p>		
<p>These terms reflect the continued use of the IA, and be consistent (not identical) between NERC and NAESB.</p> <p>Request for Interchange</p> <p>Arranged Interchange</p> <p>Confirmed Interchange</p>	<p>NERC/NAESB Coordination</p>	<p>The CISDT has proposed revisions to some of these terms and members will coordinate revisions to them on the NAESB Glossary. These terms have been revised to remove the Interchange Authority and to replace it with Sink Balancing Authority.</p> <p>Request for Interchange - A collection of data as defined in the NAESB Business Practice Standards submitted for the purpose of implementing bilateral Interchange between Balancing Authorities or an energy transfer within a single Balancing Authority.</p> <p>Arranged Interchange - The state where a Request for Interchange (initial or revised) has been submitted for approval.</p> <p>Confirmed Interchange - The state where no party has denied and all required parties have approved the Arranged</p>

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		Interchange.
<p>Changes to the INT standards and IRO standards to support Parallel Flow Visualization. This would include addressing the difference between what is "Interchange" and what is "tagged." Currently, INT standards do not require RFIs for internal transactions; and IRO-006-EAST does not mandate curtailment of internal PTP. NAESB may create interim business practices to support this, so we may have to work with them to retire their standards as ours come into effect.</p>	NAESB	<p>This issue is addressed through INT-011-1 and is related to the FERC Order 693 directive contained in Paragraph 817 above. With INT-011, the term Confirmed Interchange will include "Interchange Transactions" as well as "Intra-BA transfers". The CISDT will provide input to the Five Year Review Team working on IRO-006-EAST suggesting that they replace the term "Interchange Transactions" with "Confirmed Interchange" to capture the appropriate transactions and flows.</p>
<p>Clarify tagging of reserves (INT-001-1)</p>	Version 0 Team	<p>The CISDT does not believe it is necessary (from a reliability perspective) to tag reserves that are not flowing.</p>
<p>Lack of compliance (INT-001-1)</p>	Version 0 Team	<p>Compliance elements were added to the standard including VRFs, VSLs, and Time Horizons.</p>
<p>Non-compliance based on % (INT-004-1)</p>	Version 0 Team	<p>The VSLs now reflect a single violation of a requirement rather than a percentage.</p>

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Onerous to BAs (INT-001-1)	Version 0 Team	The standard has been merged with INT-004. Requirement R2 was retired.
R1 - Too stringent (INT-001-1)	Version 0 Team	<p>Requirement R1 was moved into INT-004-3 and revised</p> <p>R1. Each Purchasing-Selling Entity that secures energy to serve Load via a Dynamic Schedule or Pseudo-Tie shall ensure that a Request for Interchange is submitted as an on-time¹ Arranged Interchange to the Sink Balancing Authority for that Dynamic Schedule or Pseudo-Tie, unless the information about the Pseudo-Tie is included in congestion management procedure(s) via an alternate method. [<i>Violation Risk Factor: Lower</i>] [<i>Time Horizon: Operations Planning, Same-day Operations</i>]</p>
R1 Who tags dynamic schedules? (INT-001-1)	Version 0 Team	<p>This is addressed in INT-004-3, Requirement R1.</p> <p>R1. Each Purchasing-Selling Entity that secures energy to serve Load via a Dynamic Schedule or Pseudo-Tie</p>

¹ Please refer to the timing tables of INT-006-4.

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		<p>shall ensure that a Request for Interchange is submitted as an on-time² Arranged Interchange to the Sink Balancing Authority for that Dynamic Schedule or Pseudo-Tie, unless the information about the Pseudo-Tie is included in congestion management procedure(s) via an alternate method. <i>[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations]</i></p>
R2.2 60 minute time frame questioned (INT-001-1)	Version 0 Team	Requirement R2.2 was retired from the standard.
R1 & 3 administrative (INT-010-1)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements that are administrative per the guidelines set forth under the Paragraph 81 project.
R1, 1.1, 1.1.2, 1.2 commercial and administrative (INT-003-1)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements

² Please refer to the timing tables of INT-006-4.

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		that are administrative per the guidelines set forth under the Paragraph 81 project.
R1, 1.1, 1.3, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.4 administrative (INT-007-1)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements that are administrative per the guidelines set forth under the Paragraph 81 project.
R1, 1.1, 2, 2.1, 2.2 commercial and administrative (INT-001-1)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements that are administrative per the guidelines set forth under the Paragraph 81 project.
R1.1.1 & 1.1.2 – commercial and administrative (INT-008-2)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements that are administrative per the guidelines set forth under the Paragraph 81 project.
R2, 2.2, 2.3 commercial and administrative (INT-004-1)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements

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		that are administrative per the guidelines set forth under the Paragraph 81 project.
R5 administrative (INT-005-2)	VRFs Team	The CISDT has performed a thorough review of the INT standards and have proposed retirement of any requirements that are administrative per the guidelines set forth under the Paragraph 81 project.