

## A. Introduction

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

## B. Requirements and Measures

- R1.** Each Balancing Authority shall approve or deny each on-time Arranged Interchange or emergency Arranged Interchange that it receives and shall do so prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 1.1.** Each Source and Sink Balancing Authority shall deny the Arranged Interchange or curtail Confirmed Interchange if it does not expect to be capable of supporting the magnitude of the Interchange, including ramping, throughout the duration of the Arranged Interchange.
- 1.2.** Each Balancing Authority shall deny the Arranged Interchange or curtail Confirmed Interchange if the Scheduling Path (proper connectivity of Adjacent Balancing Authorities) between it and its Adjacent Balancing Authorities is invalid.
- M1.** Each Balancing Authority shall have evidence (such as dated and time stamped electronic logs, or other evidence) that it responded to each request for its approval to transition an Arranged Interchange to a Confirmed Interchange within the time defined in Attachment 1, Column B. (R1)
- R2.** Each Transmission Service Provider shall approve or deny each on-time Arranged Interchange or emergency Arranged Interchange that it receives and shall do so prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*
- 2.1.** Each Transmission Service Provider shall deny the Arranged Interchange or curtail Confirmed Interchange if the transmission path (proper connectivity of adjacent Transmission Service Providers) between it and its adjacent Transmission Service Providers is invalid.
- M2.** Each Transmission Service Provider shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that it responded to each Arranged Interchange or emergency Arranged Interchange within the time defined in Attachment 1, Column B. If the transmission path between the Transmission Service Provider and its adjacent Transmission Service Providers is invalid, each Transmission Service Provider shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that it denied the Arranged Interchange or curtailed confirmed Interchange. (R2)
- R3.** The Source Balancing Authority and the Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange shall approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning, Same-day Operations, Real-time Operations]*

- M3.** Each Balancing Authority shall have evidence (such as dated and time stamped electronic logs, studies, or other evidence) that when responding to a Reliability Adjustment Arranged Interchange, it either approved the request or denied the request.
- R4.** Reserved.
- M4.** Reserved.
- R5.** Reserved.
- M5.** Reserved.

## C. Compliance

### 1. Compliance Monitoring Process

- 1.1. Compliance Enforcement Authority:** “Compliance Enforcement Authority” means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.
- 1.2. Evidence Retention:** The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

The applicable entity shall keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

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

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

- 1.3. Compliance Monitoring and Enforcement Program:** As defined in the NERC Rules of Procedure, “Compliance Monitoring and Enforcement Program” refers to the identification of the processes that will be used to evaluate data or

information for the purpose of assessing performance or outcomes with the associated Reliability Standard.

- Compliance Audits
- Self-Certifications
- Spot Checking
- Compliance Investigations
- Self-Reporting
- Complaint

### Violation Severity Levels

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

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
						Authority and its Adjacent Balancing Authorities was invalid, and the Balancing Authority did not deny the Arranged Interchange or curtail Confirmed Interchange.
<b>R2.</b>	Operations Planning, Same-day Operations, Real-time Operations	Lower	N/A	N/A	N/A	<p>The Transmission Service Provider receiving an on-time Arranged Interchange or an emergency Arranged Interchange did not approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B.</p> <p>OR</p> <p>The transmission path between the Transmission Service Provider and its adjacent Transmission Service Providers was invalid, and the Transmission</p>

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
						Service Provider did not deny the Arranged Interchange or curtail Confirmed Interchange.
<b>R3.</b>	Operations Planning, Same-day Operations, Real-time Operations	Lower	N/A	N/A	The Source Balancing Authority or Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange denied it prior to the expiration of the time period defined in Attachment 1, Column B.	The Source Balancing Authority or Sink Balancing Authority receiving a Reliability Adjustment Arranged Interchange did not approve or deny it prior to the expiration of the time period defined in Attachment 1, Column B.
<b>R4.</b> Reserved.						
<b>R5.</b> Reserved.						

**D. Regional Variances**

None.

**E. Associated Documents**

None.

## Version History

Version	Date	Action	Change Tracking
1	May 2, 2006	Adopted by the NERC Board Of Trustees	New
2	May 2, 2007	Adopted by the NERC Board Of Trustees	Revised
3	October 29, 2008	Adopted by the NERC Board Of Trustees	Revised
3	July 1, 2010	Approved by FERC	Revised
4	February 6, 2014	Adopted by the NERC Board Of Trustees	Revised
4	June 30, 2014	FERC letter order issued approving INT-006-4	
5	TBD	Adopted by the NERC Board of Trustees	Requirements R3.1, R4, and R5 retired under Project 2018-03 Standard Efficiency Review Retirements.



## Timing Tables

### Timing Requirements for all Interconnections except WECC

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

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

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

## Timing Tables

### Timing Requirements for WECC

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

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

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

**INT-006-5 – Evaluation of Interchange Transactions**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>If Arranged Interchange<sup>3</sup> is Submitted</b>	<b>Time Classification</b>	<b>Sink BA Makes Initial Distribution of Arranged Interchange<sup>4</sup></b>	<b>BA and TSP Conduct Reliability Assessments</b>	<b>Compilation and Distribution Status<sup>4</sup></b>	<b>BA Prepares Confirmed Interchange for Implementation</b>
10 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 5 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
11 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 6 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
12 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 7 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start
13 minutes prior to ramp start where transaction start time is at the top of the hour	On-time		≤ 8 minutes from Arranged Interchange receipt		≥ 3 minutes prior to ramp start

**INT-006-5 – Evaluation of Interchange Transactions**

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

## Guidelines and Technical Basis

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

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

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

Each Sink Balancing Authority should have the capability to electronically:

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

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

**Rationale:**

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

**Rationale for R1:**

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

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

**Rationale for R2:**

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