

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between January 31, 2003 – March 3, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

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This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Jim Byrd
Organization	Oncor
Industry Segment #	1
Telephone	214-486-6870
E-mail	jbyrd@oncorgroup.com

- Key to Industry Segment #'s:**
- 1 - Trans Owners
  - 2 - RTOs, ISOs, RRCs
  - 3 - LSEs
  - 4 - TDUs
  - 5 - Generators
  - 6 - Brokers, Aggregators, and Marketers
  - 7 - Large Electricity End Users
  - 8 - Small Electricity Users
  - 9 - Federal, State, and Provincial

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**SAR Commenter Information (For Groups Submitting Group Comments)**

**Name of Group:**

**Group Chair:**

**Chair Phone:**

**List of Group Participants that Support These Comments:**

**Name**

**Company**

**Industry Segment #**

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: Should not be part of this SAR.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments: Yes, the BA should confirm with the IA that it can meet the ramp.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:



**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: The PSE may or may not communicate parked transactions. The IA role is for complete transactions ready to go physical.

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

- Yes  
 No  
 Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

X  Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

X  Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

X  Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: As long as the details relating to the Interchange Transaction during an emergency are in another SAR.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments: Coordinate sounds like a parameter that can be changed and would suggest that the BA just approves or denys.



**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: How is the PSE going to communicate parked transactions to the IA?  
What are the transaction requirements that they are going to confirm?

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

Yes

No

Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

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"?

- Yes  
 No  
 Neutral

Comments: Should be addressed in a separate SAR

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?

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable  
 Yes  
 No  
 Neutral

Comments:



**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

**Comments:** Sufficient information bullet should be modified to say "Sufficient information to comply with the published requirements of all approval entities."

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
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8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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~~ Schedule
- The IA will communicate implementation status to all parties

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

- Yes  
 No  
 Neutral

Comments: See markup above

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- The RA shall be capable of receiving from and confirming Interchange Transaction information with the IA
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**8. Do you agree with the revised requirements for the Reliability Authority?**

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

**See individual comments listed previously**

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Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

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Yes

No

Neutral

Comments:



**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"?**

- Yes
- No
- Neutral

Comments: Address in "Prepare for and Respond to Abnormal or Emergency Conditions."

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- Yes
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**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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## **Background**

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  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
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During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

<b>SAR Commenter Information (For Individual Commenters)</b>		<b>Key to Industry Segment #'s:</b>
Name	John Blazekovich	1 - Trans Owners
Organization	Exelon Corporation	2 - RTOs, ISOs, RRCs
Industry Segment #	1,3,5,6	3 - LSEs
Telephone	(630) 691-4777	4 - TDUs
E-mail:	john.blazekovich@exeloncorp.com	5 - Generators
		6 - Brokers, Aggregators, and Marketers
		7 - Large Electricity End Users
		8 - Small Electricity Users
		9 - Federal, State, and Provincial





Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
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    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
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- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.





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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: 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?

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: This could be called a Commercial Agreement.

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: The wording appears to require verification of operational information.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: The PSE should also be the party responsible for acquiring the transmission service needed for interchange transaction

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	<b>Key to Industry Segment #'s:</b>
Name Peter Burke [Submitting responses for ATC's Alan Staats]  Organization American Transmission Co  Industry Segment # 1  Telephone 262-506-6863  E-mail Pburke@atcllc.com	1 - Trans Owners 2 - RTOs, ISOs, RRCs 3 - LSEs 4 - TDUs 5 - Generators 6 - Brokers, Aggregators, and Marketers 7 - Large Electricity End Users 8 - Small Electricity Users 9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b> <b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments:

**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?**

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- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

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 Neutral

Comments:

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 Neutral

Comments:

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- Yes  
 No  
 Neutral

Comments:

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- No
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If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: Not included in this SAR.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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?



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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

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## **Background**

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The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

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2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Commenter Information (For Individual Commenters)**

Name           George Bartlett  
Organization   Entergy Services  
Industry Segment # 1  
Telephone      504-310-5801  
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**Key to Industry Segment #'s:**

- 1 - Trans Owners
- 2 - RTOs, ISOs, RRCs
- 3 - LSEs
- 4 - TDUs
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial



suggest the following to provide more relevant detail to this definition:

“A request for an Interchange Schedule of a Transaction approved by all entities.”

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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: 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.

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: 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.

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"?**

- Yes  
 No  
 Neutral

Comments: The definition should be in a SAR about emergencies, not in this SAR.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable  
 Yes  
 No  
 Neutral

Comments: 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.

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments: 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.

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.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes

## SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR

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No

Neutral

Comments: 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 from a reliability perspective."

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.

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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.

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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:

**“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 “deals” to go to physical delivery.”

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.

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.

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.

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

- Yes  
 No  
 Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

**PURPOSE:**

- a. 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”.
- b. 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”.

**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.

#### RELIABILITY FUNCTIONS

Please add “x” for the Generator and LSE functions.

#### 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.



## NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

March 03, 2003

To: Tim Gallagher

### **Comments on the Coordinate Interchange SAR and the Interchange Authority**

Dear Tim,

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).

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.

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.

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.

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.

We appreciate having the opportunity to comment on the Coordinate Interchange SAR. Feel free to call me at 513-287-2149 if you have any questions or would like the IS to provide further clarification on any items.

Sincerely,

*Doug Hils*

Doug Hils  
Chairman, Interchange Subcommittee

cc: Maureen Long  
NERC Interchange Subcommittee  
NERC Coordinate Interchange SAR Drafting Team  
NERC Functional Model Review Task Group

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

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The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

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1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	<b>Key to Industry Segment #'s:</b>
Name	1 - Trans Owners
Organization	2 - RTOs, ISOs, RRCs
Industry Segment	3 - LSEs
Telephone	4 - TDUs
E-mail	5 - Generators
	6 - Brokers, Aggregators, and Marketers
	7 - Large Electricity End Users
	8 - Small Electricity Users
	9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group: Southern Co. Generation &amp; Energy Marketing</b>	<b>Group Chair: Roman Carter</b>	
	<b>Chair Phone: 205.257.6027</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
	Southern Co. Generation & Energy Marketing	3,5,6

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments: 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".

**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"?**

- Yes
- No
- Neutral

Comments: It should be included in the SAR " Prepare for and Respond to Abnormal or Emergency Conditions".

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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".

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:



**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments: 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.

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

Yes

No

Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

## **SAR: Coordinate Interchange Transactions**

Title of Proposed Standard:	Coordinate Interchange Transactions
Request Date:	March 7, 2002
Authorized for Posting:	March 20, 2002
SAR ID# :	COORD_INTERCHNG_01_03

<b>SAR Requestor Information</b>		<b>SAR Type</b> (Put an 'x' in front of one of these selections)	
Name:	Jim Byrd (Albert DiCaprio as substitute)	X	New Standard
Primary Contact:	(Al DiCaprio)		Revision to existing Standard
Telephone:	610 666-8854		Withdrawal of existing Standard
Fax:			
e-mail:	dicapram@pjm.com		Emergency Action

### **Purpose/Industry Need** (*Please see diagram attached*)

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:

- 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

### **For the purpose of this SAR, the following definitions have been adopted:**

- **INTERCHANGE TRANSACTION.** A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.
- **TRANSACTION.** A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.
- **INTERCHANGE SCHEDULE.** An authorized transaction, approved by all entities, that is implemented between a BA and IA. It becomes part of the Net Scheduled Interchange in the ACE equation.
- **TRANSMISSION GRID EMERGENCY.** Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.

## ***SAR: Coordinate Interchange Transactions***

### **Brief Description**

To ensure reliability related data pertaining to interchange transactions is verified and communicated to functional authorities. Reliability related data to be verified should include megawatt magnitude, ramp start and stop times, and the interchange transaction's duration. Reliability related data should be communicated by and between the Interchange Authority, Balancing Authority, Reliability Authority, Transmission Service Provider, and Purchasing-Selling Entity functions.

Verification of data should indicate that a mutual agreement exists between parties that intend to implement a proposed interchange transaction as well as approval by the appropriate functional authorities.

To provide a mechanism for transaction identification that could be used for congestion management and/or relieving operating limit violations.

**SAR: Coordinate Interchange Transactions**

**Reliability Functions**

<b>The Standard will Apply to the Following Functions</b> <i>(Put an 'X' in front of each one that applies)</i>		
X	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
X	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
X	Interchange Authority	Authorizes valid and balanced Interchange Schedules
	Planning Authority	Plans the bulk electric system
X	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
	Transmission Owner	Owns transmission facilities
	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer
	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
X	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

**SAR: Coordinate Interchange Transactions**

**Reliability and Market Interface Principles**

<b>Applicable Reliability Principles</b> <i>(Put an 'x' in front of all that apply)</i>	
X	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions
X	2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand
X	3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably
	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented
X	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems
	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions
X	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis
<b>Does the proposed Standard comply with all of the following Market Interface Principles?</b>	
<i>(Enter 'yes' or 'no')</i>	
Yes	
1. Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
2. An Organization Standard shall not give any market participant an unfair competitive advantage	
3. An Organization Standard shall neither mandate nor prohibit any specific market structure	
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

## **SAR: Coordinate Interchange Transactions**

**Detailed Description: This standard will include requirements for the exchange of reliability-related data pertaining to Interchange Transactions.**

**The standard shall contain the following requirements for the BA:**

- When an entity desires 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
    - **Sufficient information for all approval entities** *What information?*
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration. *CPS1 and CPS2 will determine this. Does the IA have any approval authority in regards to the BA's ramp abilities?*

**The standard shall contain the following requirements for the IA:**

- 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 involved parties of the IA shall implement the Interchange Transaction
- 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)

**The standard shall contain the following requirements for the RA:**

- 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 *This is kind of arbitrary, isn't it?*

**The standard shall contain the following requirements for the TSP:**

- 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 *Same as above.*

**The standard shall contain the following requirements for the PSE:**

- 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

### ***Related Standards***

<b>Standard No.</b>	<b>Explanation</b>

## SAR: Coordinate Interchange Transactions

### Related SARs

SAR ID	Explanation
BAL_RES_&_DEMND_01_03	The "Balance Resources and Demand" SAR identifies requirements matching resources with demand. Some of the data required to ensure "balance" comes from transactions and is referenced in this Coordinate Interchange SAR.
OPER_WITHN_LMTS_01_02	The "Operate Within Transmission Limits – Monitor and Assess Short Term Reliability" SAR includes requirements that the RA monitor the overall reliability of the RA Area. This includes the requirement that data be collected and analyzed to ensure security. Some of the data collected for security analyses is included in this Coordinate Interchange SAR.
COORD_OPERATONS_01_01	The "Coordinate Operations" SAR may include requirements such as entering data into the IDC. The data for this comes from Interchange.

### Regional/Interconnection Differences

Region	Explanation
ECAR	none
ERCOT	<p><b>ERCOT:</b> As a single Control Area (Balancing Authority) interconnection there are no true Interchange Schedules in ERCOT. The only Interchange is over DC ties which will have unique requirements.</p> <p><b>Oncor:</b> ERCOT has an Interconnection Difference by Legislative direction for retail choice. There are no transmission reservations requirements and generation/load schedules are part of the real-time competitive market.</p>
FRCC	none
MAAC	none
MAIN	none
MAPP	none
NPCC	none
SERC	none
SPP	none
WECC	none

### Implementation Plan

Description (Preliminary.)
<p>Portions of Policy 3 will be deleted when this SAR is implemented. Policy 3 contains some procedures that may need to be transformed from Policies into commercial practices or supporting documents in concert with the implementation of this new standard.</p>



## ***SAR: Coordinate Interchange Transactions***

### ***Team Assignments***

"Coordinate Interchange" SAR Drafting Team

Chairman: Doug Hils

Secretary/Facilitator: Gordon Scott

Requestor: Jim Byrd (Albert DiCaprio as substitute)

Industry Representatives:

Diane Barney

Linda Clarke

Jim Cyrulewski

Nick Henery

Carolyn Ingersoll

Adrian Malo

Dave McGinnis

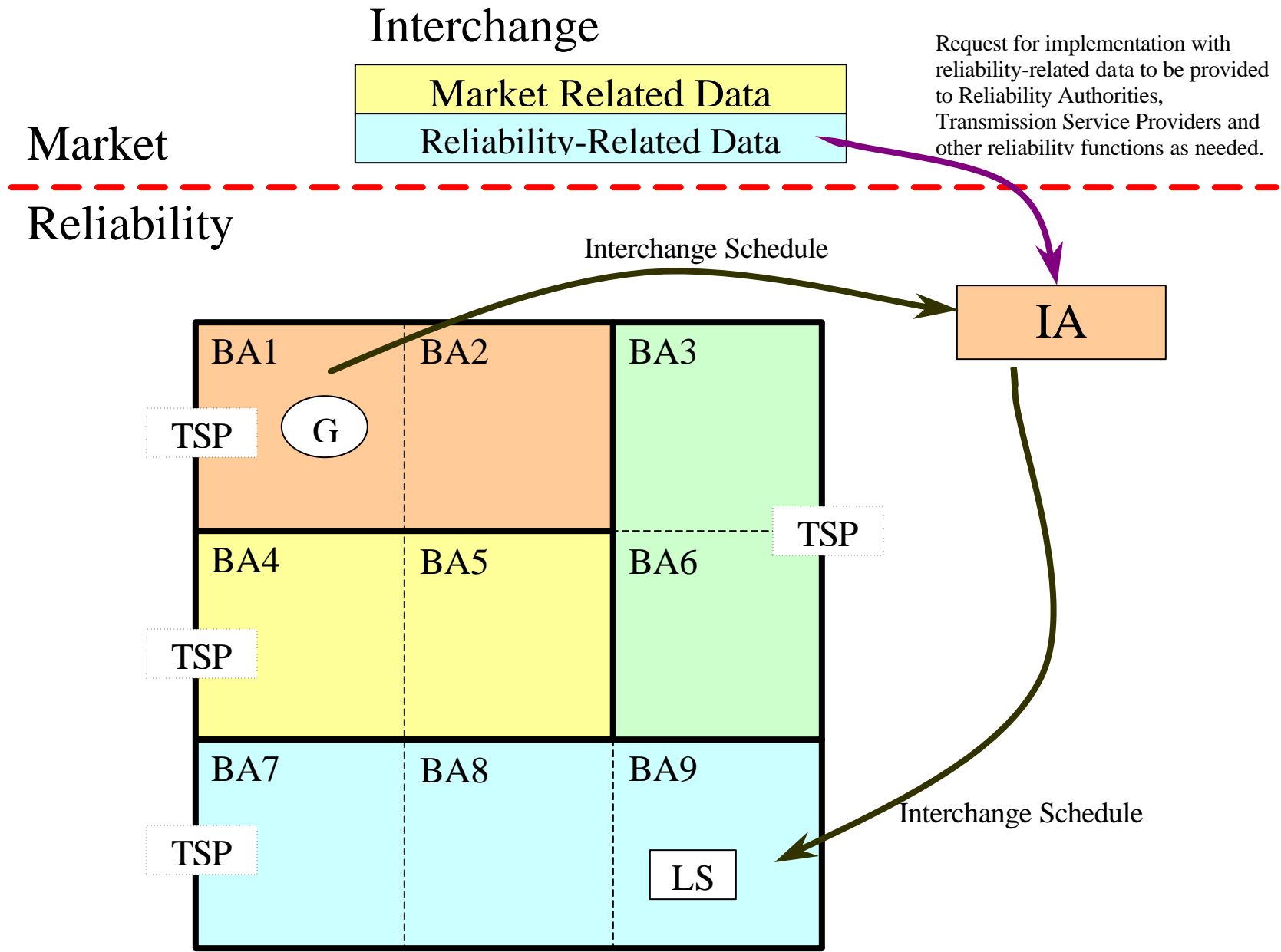
David McRee

Jim McIntosh

Joel Mickey

Monroe Landrum

Charles Yeung



*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between January 31, 2003 – March 3, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Terry Bilke
Organization	Midwest ISO
Industry Segment #	2
Telephone	317-249-5463
E-mail	tbilke@midwestiso.org

<b>Key to Industry Segment #'s:</b>
1 - Trans Owners
2 - RTOs, ISOs, RRCs
3 - LSEs
4 - TDUs
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: 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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: See comment above.

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: "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)?

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- When an entity wants to transfer energy ~~to another~~ between BA's ~~area~~, the entity initiating the transaction shall submit as a minimum the following reliability-related transaction data to its IA:
  - o Desire to transfer energy ~~to another~~ between BA's ~~area~~
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- Each BA to coordinate with the ir IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: This might be nit picking, but your text assumes the transaction initiator is associated with the source BA.



**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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 *NERC Functional Model Review Task Group Report*.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: Is there a reason for the "be capable of". Shouldn't the RA "receive and

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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either approve or deny". Finally, is there wording in the SAR about the RAs' authority to curtail?

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments: See earlier comment about "be capable of"

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

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The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments:



**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
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**1. Do you agree with the definition provided for Interchange Transaction?**

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
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- The IA will communicate implementation status to all parties

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
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**1. Do you agree with the definition provided for Interchange Transaction?**

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: 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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: 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.

**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"?**

- Yes
- No
- Neutral

Comments: Should be included in the "Prepare for and Respond to Abnormal or Emergency Conditions."

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- ~~—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~~
    - ~~▪ Sufficient information for all approval entities~~
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments: Move the first bullet listed above to Item 10. The BA requirements are too vague. Define "entity". Does it mean PSE?

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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~~ **Schedule**
- The IA will communicate implementation status to all parties

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

- Yes, **With the following changes incorporated.**
- No
- Neutral

Comments: 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.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

- 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.

The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.

- 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

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

- Yes  
 No  
 Neutral

Comments: - Reword the first bullet to read: "The TSP shall receive and confirm interchange transaction information with IA."

The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.

- 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

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

- Yes  
 No  
 Neutral

**Comments: 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.**

- 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

## SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR

- Interchange transaction's duration
- Sufficient information for all approval entities.

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.



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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

Need to incorporate the requested changes and clarifications provided in these comments.

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<b>SAR Commenter Information (For Individual Commenters)</b>	<b>Key to Industry Segment #'s:</b>
Name	1 - Trans Owners
Organization	2 - RTOs, ISOs, RRCs
Industry Segment #	3 - LSEs
Telephone	4 - TDUs
E-mail	5 - Generators
	6 - Brokers, Aggregators, and Marketers
	7 - Large Electricity End Users
	8 - Small Electricity Users
	9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group: <i>MAPP Reliability Council</i></b>	<b>Group Chair: Lloyd Linke</b>	
	<b>Chair Phone : (605) 882-7500</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
MAPP Reliability Council		2

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:



**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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?

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

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*E-mail this form between January 31, 2003 – March 7, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

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## **Background**

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The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: There is little difference between Interchange Transaction and Transaction. I assume that the Interchange Transaction is the "Tag" and the Transaction is the contract?

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: See #1

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: The Interchange Schedule should be an authorized Interchange transaction..... as per the definition.

**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"?**

- Yes
- No
- Neutral

Comments: It should be handled through a separate SAR.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments:



**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: The intent of the second bullet is unclear and appears to not be under the control of the IA.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

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*E-mail this form between January 31, 2003 – March 3, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

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## **Background**

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The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

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1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>		<b>Key to Industry Segment #'s:</b>  1 - Trans Owners 2 - RTOs, ISOs, RRCs 3 - LSEs 4 - TDUs 5 - Generators 6 - Brokers, Aggregators, and Marketers 7 - Large Electricity End Users 8 - Small Electricity Users 9 - Federal, State, and Provincial
Name	Guy Zito	
Organization	NPCC	
Industry Segment #	RRO	
Telephone	212-840-1070	
E-mail	gzito@npcc.org	

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group: NPCC CP-9</b>	<b>Group Chair: Guy Zito</b>	
	<b>Chair Phone: 212-840-1070</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
Guy Zito	NPCC	#2
Ralph Rufrano	New York Power Authority	#1
Greg Campoli	New York Independent System Operator	#2
Dan Stosick	ISO New England	#2
David Kiguel	Hydro One Networks Inc.	#1
Barry Gee	National Grid US	#1
Roger Champagne	Hydro-Québec TransÉnergie	#1

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

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"?**

Yes

No

Neutral

Comments: 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."

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."

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

Not Applicable

Yes

No

Neutral

Comments: This definition needs to be included in the "Prepare for and Respond to Abnormal or Emergency Conditions SAR."



**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
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8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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?

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

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- The PSE shall communicate parked transactions to the IA
- The PSE shall confirm interchange transaction requirements with the IA

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

- Yes  
 No  
 Neutral

Comments: 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.

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

Yes

No

Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

The Prepare for and Respond to Abnormal or Emergency Conditions SAR should be listed under related SARs.

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.

Page 4 of the SAR, Bullet 1 of the Market Interface Principles contains the word "Interconnection" which should not be there.

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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:



**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"?**

Yes

No

Neutral

Comments:

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

Not Applicable

Yes

No

Neutral

Comments:

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2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

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  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
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**Modified text with revised Interchange Authority requirements:**

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- 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

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

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments: Reliability Authority in WECC is not involved in Interchange Scheduling.

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: Parking is not allowed in the WECC.

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

Some of the standards are eastern region specific. Tags and schedules are not handled in the same manner in the western grid.

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*E-mail this form between January 31, 2003 – March 7, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

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2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Edward C. Stein
Organization	FirstEnergy Solutions
Industry Segment #	6
Telephone	330-315-7480
E-mail	steine@firstenergycorp.com

<b>Key to Industry Segment #'s:</b>
1 - Trans Owners
2 - RTOs, ISOs, RRCs
3 - LSEs
4 - TDUs
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

Yes

No

Neutral

Comments: As long as Transmission Grid Emergency under this SAR deals ONLY with reliability- related data pertaining to interchange schedules.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

Not Applicable

Yes

No

Neutral

Comments: Need to clarify the definition of violation. Not all violations of standards pertain To reliability-related interchange scheduling data.

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

Yes

No

Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
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During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	William J. Smith
Organization	Allegheny Power
Industry Segment #	1
Telephone	(724) 838-6552
E-mail	wsmith1@alleghenypower.com

<b>Key to Industry Segment #'s:</b>
1 - Trans Owners
2 - RTOs, ISOs, RRCs
3 - LSEs
4 - TDUs
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>		<b>Group Chair:</b>
		<b>Chair Phone:</b>
<b>List of Group Participants that Support These Comments:</b>		
Name	Company	Industry Segment #

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

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"?**

- Yes
- No
- Neutral

Comments: Transmission Grid Emergencies should not be included in this SAR.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
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**Modified text with revised Interchange Authority requirements:**

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- The IA will communicate implementation status to all parties

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>		<b>Key to Industry Segment #'s:</b>  1 - Trans Owners 2 - RTOs, ISOs, RRCs 3 - LSEs 4 - TDUs 5 - Generators 6 - Brokers, Aggregators, and Marketers 7 - Large Electricity End Users 8 - Small Electricity Users 9 - Federal, State, and Provincial
Name	Ray Morella	
Organization	FirstEnergy Corp	
Industry Segment #	1	
Telephone	330.384.5686	
E-mail	morellar@firstenergycorp.com	

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

Yes

No

Neutral

Comments:

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

Not Applicable

Yes

No

Neutral

Comments: 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.

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
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- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
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**7. Do you agree with the revised requirements for the Interchange Authority?**

Yes

No

Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

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**New text with revised Reliability Authority requirements:**

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Yes

No

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Comments:

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Comments:

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- No
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If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?



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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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<p><b>SAR Commenter Information (For Individual Commenters)</b></p> <p>Name             Gerald Rheault</p> <p>Organization    Manitopba Hydro</p> <p>Industry Segment # 1,3,5</p> <p>Telephone       204-487-5423</p> <p>E-mail           gnrheault@hydro.mb.ca</p>	<p><b>Key to Industry Segment #'s:</b></p> <p>1 - Trans Owners</p> <p>2 - RTOs, ISOs, RRCs</p> <p>3 - LSEs</p> <p>4 - TDUs</p> <p>5 - Generators</p> <p>6 - Brokers, Aggregators, and Marketers</p> <p>7 - Large Electricity End Users</p> <p>8 - Small Electricity Users</p> <p>9 - Federal, State, and Provincial</p>
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<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

Yes

No

Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

Yes

No

Neutral

Comments:

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments: 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.

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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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.



**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: : 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.

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between January 31, 2003 – March 3, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**FRCC OC COMMENT 3/7/03**  
**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Commenter Information (For Individual Commenters)**

Name           FRCC Operating Committee,  
submitted by Linda Campbell for the FRCC  
OC

Organization   FRCC

Industry Segment #

Telephone     813-289-5644

E-mail         lcampbell@frcc.com

**Key to Industry Segment #'s:**

- 1 - Trans Owners
- 2 - RTOs, ISOs, RRCs
- 3 - LSEs
- 4 - TDUs
- 5 - Generators
- 6 - Brokers, Aggregators, and  
Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial

**FRCC OC COMMENT 3/7/03**  
**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
Marty Mennes	Florida Power & Light Company	1
Eric Grant	Progress Energy, Florida	1
Ben Sharma	Kissimmee Utility Authority	3
Richard Gilbert	Lakeland Electric	3
Paul Elwing	Lakeland Electric	3
Joe Roos	Ocala Electric Utility	3
Mark Bennett	Gainesville Regional Utilities	3
Roger Westphal	Gainesville Regional Utilities	3
Lane Mahaffey	Seminole Electric Cooperative	4

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: 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

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shown in item 2 below. This is not totally clear.

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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes  
 No  
 Neutral

Comments: Shouldn't the first sentence say "An authorized interchange transaction.." rather than just transaction? Isn't it really implemented between BA's and only thing the IA does is pass the information? Again, we are not really clear on this.

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"?

- Yes
- No
- Neutral

Comments: This does not seem relevant to this SAR.

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?

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments: See above comment in item 4.



The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: 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?

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.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- The RA shall be capable of receiving from and confirming Interchange Transaction information with the IA

**FRCC OC COMMENT 3/7/03**  
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- The RA shall approve or deny the request from the IA

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

Yes

No

Neutral

Comments:

The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.

- 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

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

- Yes  
 No  
 Neutral

Comments:

The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.

- 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

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

- Yes  
 No  
 Neutral

Comments: As stated in the response the question 6, it seems like the requirements listed 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?

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

It would depend on the responses to these comments and what other comments the SARDT receives. It still seems like there is confusion with 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.

**SCS Comments on 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR (3/7/03)**

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between January 31, 2003 – March 7, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

**SAR Commenter Information (For Individual Commenters)**

Name **Monroe J. Landrum**  
Organization **Southern Company Services, Inc.**  
Industry Segment # 1  
Telephone **(205) 257-6936**  
E-mail **mjlandrum@southernco.com**

**Key to Industry Segment #'s:**

- 1 - Trans Owners
- 2 - RTOs, ISOs, RRCs
- 3 - LSEs
- 4 - TDUs
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial Regulatory or other Government Entities

**SAR Commenter Information (For Groups Submitting Group Comments)**

<b>Name of Group:</b>	<b>Group Chair:</b>
	<b>Chair Phone:</b>

**List of Group Participants that Support These Comments:**

<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
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**1. Do you agree with the definition provided for Interchange Transaction?**

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: This definition should be revised in the following manner:

- 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.
- 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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes  
 No  
 Neutral

Comments: The present definition does not sufficiently define an "interchange schedule." It should be revised as follows:

"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 Schedule then becomes part of the Net Scheduled Interchange in the ACE equation of the Balancing Authorities."

**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"?**

- Yes  
 No  
 Neutral

Comments: Transmission Grid Emergencies should be in the "Prepare for and Respond to Abnormal or Emergency Conditions" SAR

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable  
 Yes  
 No  
 Neutral

Comments:



The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes  
 No  
 Neutral

Comments: 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.

- 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:

"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."

- The first hyphen of the "modified text" should be revised to clarify that 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:

"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"

- 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”.

**Detailed Description’s original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions’ status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions’ status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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.”

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: 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."

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes
- No
- Neutral

Comments: 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.

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

See comments above

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

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## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

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1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Commenter Information (For Individual Commenters)**

Name Karl Tammar  
Organization NYISO  
Industry Segment # 2  
Telephone 518 356-6205  
E-mail ktammar@nyiso.com

**Key to Industry Segment #'s:**

- 1 - Trans Owners
- 2 - RTOs, ISOs, RRCs
- 3 - LSEs
- 4 - TDUs
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial





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:

“A TRANSACTION that crosses one or more Control Area boundaries.” 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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments: This is the current definition in the NERC Operating Manual, an is adequate

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: 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.

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:

“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.

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"?**

- Yes  
 No  
 Neutral

Comments: 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."

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.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable  
 Yes  
 No  
 Neutral

Comments: 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."

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: In many market designs, and those complaint with the SMD in the future, PSE's will be communicating information through a Market Operator.

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.

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If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

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The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

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2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.



**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Commenter Information (For Individual Commenters)**

Name            Doug Hils  
Organization    Cinergy  
Industry Segment # 1  
Telephone       513-287-2149  
E-mail           Doug.Hils@cinergy.com

**Key to Industry Segment #'s:**

- 1 - Trans Owners
- 2 - RTOs, ISOs, RRCs
- 3 - LSEs
- 4 - TDUs
- 5 - Generators
- 6 - Brokers, Aggregators, and Marketers
- 7 - Large Electricity End Users
- 8 - Small Electricity Users
- 9 - Federal, State, and Provincial

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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**SAR Commenter Information (For Groups Submitting Group Comments)**

**Name of Group:**

**Group Chair:**

**Chair Phone:**

**List of Group Participants that Support These Comments:**

**Name**

**Company**

**Industry Segment #**

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: Same definition as NERC Policy.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes
- No
- Neutral

Comments:

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes
- No
- Neutral

Comments: 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."

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"?**

- Yes
- No
- Neutral

Comments: Address separately.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments: A transmission problem that impacts generation control (CPM and DCM) compliance cannot be generally characterized as a Transmission Grid Emergency though there are instances when it could be.

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: 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.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: If the SAR remains as one only applicable to bilateral transactions, then I agree with the revised requirements.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

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- Yes  
 No  
 Neutral

Comments:

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- The PSE shall communicate parked transactions to the IA
- The PSE shall confirm interchange transaction requirements with the IA

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

- Yes  
 No  
 Neutral

Comments: The IA can't do anything with "parked" transactions. The IA should only deal with transactions that are ready for physical delivery.

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

- Yes  
 No  
 Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

CINERGY:

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.

This standard should apply to all Balancing Authorities.

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.

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?

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 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

**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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does not take place.

I thank you for the opportunity to comment on this SAR.

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## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: 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.)

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: 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.

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes  
 No  
 Neutral

Comments: 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.)

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"?**

- Yes
- No
- Neutral

Comments: 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.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:



**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: I would make the following changes:

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA will verify the ability to meet the ramp and verify they will meet the duration.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: Change as follows:

- The IA shall confirm the approvals from all involved parties
- The IA will communicate implementation status to all parties

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: Revise as follows:

- The RA shall be capable of receiving from and confirming Interchange Transaction information
- The RA shall approve or deny the request

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: Revise as follows:

- The TSP shall be capable of receiving from and confirming Interchange Transaction information
- The TSP shall approve or deny the request

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments: What is the definition of a parked transaction? Revise as follows:

- The PSE shall request approval for interchange transactions
- The PSE shall confirm interchange transaction requirements

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

- Yes  
 No  
 Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

**The Purpose/Industry Needs to be modified as shown below**

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:

- 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

This SAR should address the **what**, "Coordinate Transactions between the source and sink" and not the **how** "through the use of the Interchange Authority".

*Note – This form is to comment on version 3 of the Coordinate Interchange Transactions SAR.*

*The latest version of this SAR COORD\_INTERCHNG\_01\_03) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between January 31, 2003 – March 7, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

If you have any questions about this SAR Comment Form, please contact Tim Gallagher, NERC’s Director of Standards at 609-452-8060 or [timg@nerc.com](mailto:timg@nerc.com)

## **Background**

The “Coordinate Interchange” SAR was posted for its second, 30-day public comment period from August 29, 2002 through September 30, 2002. Comments were received from many different sources, including individuals, small and large utilities, groups of utilities, Regional Councils, and NERC Subcommittees.

The original SAR did not provide many details and the comments submitted by Industry Participants indicated that the SAR needed more definition.

The second posting of the SAR tried to add more definition. Comments from industry participants highlighted some inaccuracies in the second version of the SAR, and these corrections are reflected in the current version (version three) of this SAR.

This SAR has four significant changes from its prior version. All of these changes were made as a result of the comments submitted on the last posting of the SAR.

1. The Purpose has been modified by adding the words, ‘Sink and Source’ to clarify that the transactions addressed in the proposed standard are between Sink and Source Balancing Authorities.
2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
4. The detailed description was revised to improve clarity. In the last version of the SAR, some of the steps in the process were identified, but the requirements to support accomplishing the step weren’t listed in the detailed description.

During the course of evaluating the comments on the last posting of the SAR, the Functional Model was undergoing review for a possible update to more closely align with the FERC SMD NOPR. Members of the SAR DT met with the Functional Model Review Task Group to ensure that the SAR would not need to be adjusted to conform with the changes to the Functional Model being considered. The SAR DT determined that this third version of the SAR conforms to the Functional Model and will not need to be changed to conform with the changes currently being considered to the Functional Model.

The SAR DT feels that this SAR is ready to move forward in the Standards Development Process. If you agree with this, then the SAR will be forwarded to the SAC for its review. If the SAC agrees that there is industry consensus on the need for this standard and on the scope of this standard, then the SAR will be forwarded to the NERC/NAESB Joint Interface Committee (JIC). The JIC will determine whether this standard should be developed as a reliability standard with NERC leading the effort, or by NAESB as a business practice standard, with NAESB leading the effort.

<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Gerald D. Beckerle
Organization	Ameren
Industry Segment #	1, 3, & 5
Telephone	314-554-6413
E-mail	gbeckerle@ameren.com

<b>Key to Industry Segment #'s:</b>
1 - Trans Owners
2 - RTOs, ISOs, RRCs
3 - LSEs
4 - TDUs
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>



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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: Term too easily confused with other terms, suggest "Interchange Schedule Request"

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: Term too easily confused with other terms, not sure of the need.

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes  
 No  
 Neutral

Comments: Term too easily confused with other terms, suggest "Approved Interchange Schedule"

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"?**

Yes

No

Neutral

Comments: Normal and abnormal operations should be treated separately.

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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

Not Applicable

Yes

No

Neutral

Comments: Definition is too broad. Are all reliability standards written such that any violation or impending violation is intended to be a "Transmission Grid Emergency"?

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

Yes

No

Neutral

Comments:

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
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**Modified text with revised Interchange Authority requirements:**

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- 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

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

- Yes  
 No  
 Neutral

Comments: Wording is confusing. In the second item, what does "all parties of the Interchange Authority" mean?

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
x Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
x Neutral

Comments:

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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*E-mail this form between January 31, 2003 – March 7, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

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2. The original Detailed Description contained the following step that was technically incorrect. In the revised SAR this step has been corrected. This was incorrect because in the future, information about interchange will be exchanged between the BA and an IA, and not between the BA’s.
  6. The Balancing Authority receiving data from an Interchange Authority communicates the Net Scheduled Interchange to the neighboring Balancing Authority receiving data from the Interchange Authority.

## **SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

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3. A list of definitions was added as background information supporting the SAR. The terms “transactions” and “schedules” were exchanged to ensure that they were used consistently throughout the SAR.
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**SAR Comment Form for 3<sup>rd</sup> Posting of Coordinate Interchange Transactions SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Tom Hawley
Organization	We Energies
Industry Segment #	3
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<b>Key to Industry Segment #'s:</b>
1 - Trans Owners
2 - RTOs, ISOs, RRCs
3 - LSEs
4 - TDUs
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b>	<b>Group Chair:</b>	
	<b>Chair Phone:</b>	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>

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

(Definition of Interchange Transaction: A request for an Interchange Schedule. A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: 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.

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

(Definition of Transaction: A commercial agreement arranged by a Purchasing-Selling Entity to transfer energy from a seller to a buyer.)

- Yes  
 No  
 Neutral

Comments: Eliminate the word "commercial."

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

(Definition of Interchange Schedule: An authorized transaction approved by all entities that is implemented between a Balancing Authority and Interchange Authority. It becomes part of the Net Scheduled Interchange in the ACE equation.)

- Yes  
 No  
 Neutral

Comments: "All entities" is vague. Could be something like "all materially affected entities" or something otherwise more specific.

**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"?**

- Yes
- No
- Neutral

Comments: 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.

**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?**

(Definition of a Transmission Grid Emergency: Any event with the transmission grid that causes the violation of or the impending violation of any reliability standard.)

- Not Applicable
- Yes
- No
- Neutral

Comments:

**The SAR DT modified the original SAR to add more details, as requested by industry comments. Please review each of the following changes and indicate whether or not you support the clarification.**

**Detailed Description's original text regarding Balancing Authority requirements:**

1. The desire to transfer energy between Balancing Authorities is conveyed to the Interchange Authority.
2. Reliability related transaction data is submitted to the Interchange Authority by the requesting party.

**Modified text with revised Balancing Authority requirements:**

- 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:
  - o Desire to transfer energy to another BA's area
    - Megawatt magnitude
    - Ramp start and stop times
    - Interchange transaction's duration
    - Sufficient information for all approval entities
- BA to coordinate with the IA the ability of the entity to meet the ramp and verify they will meet the duration.

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

- Yes
- No
- Neutral

Comments: 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.

**Detailed Description's original text regarding Interchange Authority requirements:**

3. The Interchange Authority submits transaction data to the TSP that verifies and approves transmission availability.
4. The Interchange Authority communicates the transactions' status on transmission service approval to the requesting parties
5. The Interchange Authority communicates only approved and verified Interchange Schedule data to the Balancing Authority and the Reliability Authority.
8. The Interchange Authority communicates the transactions' status regarding implementation to the requesting parties

**Modified text with revised Interchange Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments: Please see the comments from the Interchange Subcommittee.

**Detailed Description with original text regarding Reliability Authority requirements:**

7. The Reliability Authority performs congestion management security studies and approves or denies the Interchange Schedule, and communicates approved Interchange Schedules to the Interchange Authority.

**New text with revised Reliability Authority requirements:**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the TSP as having requirements, but did not clearly identify those requirements. The following TSP requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:

**The last version of the SAR listed the PSE as having requirements, but did not clearly identify those requirements. The following PSE requirements were added to the revised Detailed Description.**

- 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

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

- Yes  
 No  
 Neutral

Comments:           Need to address both bilateral and LMP markets; these requirements seem to only fit PSEs functioning in a bilateral market.

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

- Yes
- No
- Neutral

If no, then what do you think needs to be added/deleted to more clearly identify the scope of what should be contained within the standard?

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.