

**Terri Grabiak– Operating Policies Review Team**

(can be found at: <http://www.nerc.com/~oc/pds.html>)

Policy	MC Comment	OC / ORS / RS / IS Comment	NAESB comment
<p>Policy 1 – Generation Control and Performance Katie Kaplan, Lou Oberski, Curt Winterfeld</p>	<p>If Section D Time Control Standard stays then I agree that a case can be made that there are BP implications embedded in it. Also, portions of Section E AGC Standard 4.3 ,4.4, 4.5, 4.6 4.7 and 4.8 could be viewed as business practices.</p> <p>Certainly Section F Inadvertent Interchange has business practice standard implications. Recall that NERC's JIITF punted to NAESB's IIPTF the inadvertent issue in late 2002/early 2003.</p> <p>Data requirements i.e. accuracy, integrity sampling, retention and formats outlined in most</p>	<p>1) Policy 1, Section D. Time Control Standard</p> <p>2) Policy 1, Section E, Section 3, Automatic Generating Control (AGC) (Specifically look at 3.2, AGC operation; and 3.3, Manual control)</p> <p>3) Policy 1, Section F, Section 5, Inadvertent Interchange Payback (The entire Section 5)</p>	

	sections of 4.6,4.7 and 4.8 also 4.3 and 4.4 dealing with net scheduled interchange and Actual Net Interchange		
Policy 2 – Transmission William Wylie, Drew Kovalak, Dan Prowse	<p>Item 1.2 Action to keep transmission within limits: This could deal with relative treatment of native load and firm transactions and has business implications.</p> <p>Item 4 Operator Information - info to be provided by generators has business implications</p> <p>Otherwise, Remains with NERC</p>		
Policy 3 – Interchange Walt Yeager, Trudy Novak, Barry Green, Patrick Frazier	Agree with IS comments	<p><b><u>A. Interchange Transaction Implementation</u></b></p> <p><b>1. INTERCHANGE TRANSACTION arrangements.</b> The PURCHASING-SELLING ENTITY shall arrange for all Transmission Services, tagging, and contact personnel for each INTERCHANGE TRANSACTION to which it is a party.</p> <p><b>Deal arrangements not a reliability issue. Included in the NAESB Coordinate Interchange Standard. RFI Standard</b></p>	

**3.0, 11.0**

**1.1. Transmission services.** The PURCHASING-SELLING ENTITY shall arrange the Transmission Services necessary for the receipt, transfer, and delivery of the TRANSACTION.

**Verification of Transmission service is covered in section A. item 4. Included in the NAESB Coordinate Interchange Standard. RFI STANDARD 3.0**

**1.2. Tagging.** The PURCHASING-SELLING ENTITY serving the load shall be responsible for providing the INTERCHANGE TRANSACTION tag. (Note: 1. Any PSE may provide the tag; however, the load-serving PSE is responsible for ensuring that a single tag is provided. 2. If a PSE is not involved in the TRANSACTION, such as delivery from a jointly owned generator, then the SINK BA is responsible for providing the tag. PSEs must provide tags for all INTERCHANGE TRANSACTIONS in accordance with Requirement 2.)

**The requirement to provide a tag is covered in section A. item 2. Included in the NAESB RFI Standard 2.2**

**1.3. Contact personnel.** Each PURCHASING-SELLING ENTITY with title to an INTERCHANGE TRANSACTION must have, or arrange to have, personnel directly and immediately available for notification of INTERCHANGE TRANSACTION changes. These personnel shall be available from the time that title to the INTERCHANGE TRANSACTION is acquired until the INTERCHANGE TRANSACTION has been completed.

**Included in the NAESB Coordinate Interchange Standard 11.0.**

**1.4. E-Tag monitoring.** Each BA, RA, TSP, and PSE who is responsible for a tagged TRANSACTION shall have facilities to receive unsolicited notification from the Tag Authority of changes in the status of a tag with which the user is a participant.

**The NAESB Coordinate Interchange Standard talks about facility capability in section 11.0.**

**2. INTERCHANGE TRANSACTION tagging.**

**[“E-Tag Spec”](#)**

**NAESB RFI Standard 8.3, 2.1, 2.0**

- **Application to TRANSACTIONS.**
- INTERCHANGE TRANSACTIONS for bilateral INADVERTENT INTERCHANGE payback

**Currently NAESB is developing Standard.**

**2.1. Parties to whom the complete tag is provided.** The tag, including all updates and notifications, shall be provided to the following entities:

- Generation Providing Entity
- Transmission Customers
- Intermediate PURCHASING-SELLING ENTITIES (Title-Holders)
- LOAD-SERVING ENTITY
- Market Redispatch Notification Entities (if specified)

**The tag needs to be sent to these entities for reliability review. NAESB RFI Standard 4.0, 5.0**

**2.2. Method of transmitting the tag.** The PURCHASING-SELLING ENTITY shall submit the INTERCHANGE TRANSACTION tag in the format established by each INTERCONNECTION. [**[“E-Tag Spec”](#) or “Transaction Tagging Process within ERCOT Reference Document”**]

**Covered under NAESB requirement 4.0**

**2.2.1. Tags for INTERCHANGE TRANSACTIONS that cross INTERCONNECTION boundaries.** Procedures are

		<p>found in <b>Appendix 3A2, “Tagging Across Interconnection Boundaries.”</b></p> <p><b>Covered under NAESB requirement 3.0</b></p> <p><b>2.3. INTERCHANGE TRANSACTION submission time.</b> To provide adequate time for INTERCHANGE SCHEDULE implementation, INTERCHANGE TRANSACTIONS shall be submitted as specified in <b>Appendix 3A1, “Tag Submission and Response Timetable.”</b></p> <p><b>Sufficient time is needed for reliability review. Timing requirements are covered under NAESB requirement 5.0.</b></p> <p><b>2.4. Confirmation of tag receipt.</b> Confirmation of tag receipt shall be provided to the PURCHASING-SELLING ENTITY who submitted the tag in accordance with INTERCONNECTION tagging practices. [<a href="#">“E-Tag Spec”</a>]</p> <p><b>Not a reliability issue and this is not in the NAESB Coordinate Interchange document. This will be handled by NAESB.</b></p> <p><b>4. INTERCHANGE TRANSACTION assessment.</b></p> <p><b>The BA assesses:</b></p> <ul style="list-style-type: none"><li>• Loss accounting</li></ul> <p><b>The Control Area and Transmission Provider review are reliability issues. Loss accounting is covered under NEASB item 12.0.</b></p> <p><b>The GENERATION PROVIDING ENTITY and LOAD-SERVING ENTITY assess:</b></p> <ul style="list-style-type: none"><li>• Transaction is valid representation of contractually agreed upon energy delivery</li></ul> <p><b>Not a reliability issue.</b> Naesb RFI Standard 4.0</p>	
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		<p><b>4.1. Tag corrections.</b> During the BAs and TRANSMISSION PROVIDERS’ assessment time, the PURCHASING-SELLING ENTITY who submitted the tag may elect to submit a tag correction. Tag corrections are changes to an existing tag that do not affect the reliability impacts of the INTERCHANGE TRANSACTION; therefore, tag corrections do not require the complete re-assessment of the tag by all BAS and TRANSMISSION PROVIDERS on the SCHEDULING PATH, or the completion and submission of a new tag by the PURCHASING-SELLING ENTITY. The SINK BAs shall notify all BAS and TRANSMISSION PROVIDERS on the SCHEDULING PATH of the correction, and specifically alert those entities for which a correction has impact. Entities who are impacted by the correction will have an opportunity to reevaluate the tag status. The timing requirements for corrections are found in <b>Appendix 3A1, “Tag Submission and Response Timetable.”</b> Tag items that may be corrected are found in <b>Appendix 3A4, “Required Tag Data.”</b> A description of those entities who may correct an INTERCHANGE TRANSACTION tag is found in <b>Appendix 3D, “Transaction Tag Actions.”</b> [See <b>Appendix 3A1 Subsection C, Interchange Transaction Corrections.</b>]</p> <p><b>Covered under NAESB requirement 9.0</b></p> <p><b>5. INTERCHANGE TRANSACTION approval or denial.</b> Assessment timing requirements are found in <b>Appendix 3A1,</b></p> <p><b>This is part of the Interchange function in the functional model. Sufficient time is needed for reliability review. Timing requirements are covered under NAESB requirement 6.0.</b></p>	
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**5.1. INTERCHANGE TRANSACTION denial.** If denied, this notification shall include the reason for the denial.

**Covered under NAESB requirement 6.1**

### **C. Interchange Schedule Standards**

#### **Standards**

**3. Ramp duration.** BAS shall use the ramp duration established by their INTERCONNECTION as follows unless they agree otherwise:

**Control Areas must agree on the ramp the standard ramp information is covered under NAESB requirements 14.0 14.1 14.2**

**3.1. INTERCHANGE SCHEDULES within the Eastern and ERCOT INTERCONNECTIONS.** ten-minute ramp duration.

**3.2. INTERCHANGE SCHEDULES within the Western INTERCONNECTION.** 20-minute ramp duration.

**4. INTERCHANGE SCHEDULE accounting.** Block accounting shall be used.

**Covered under NAESB requirement 12.0**

#### **D. Interchange Transaction Modifications**

**1. INTERCHANGE TRANSACTION modification for market-related issues.** The PURCHASING-SELLING ENTITY that submitted an INTERCHANGE TRANSACTION tag may modify an INTERCHANGE TRANSACTION tag that is in progress or scheduled to be started. These modifications may be made due to changes in contracts, economic decisions, or other market-based influences. In cases where a market operator is serving as the source or sink for a TRANSACTION, then they shall have the right to effect

changes to the energy flow as well (based on the results of the market clearing).

**Covered under NAESB requirement 10.0**

- 1.1. Increases.** The INTERCHANGE TRANSACTION tag's energy and/or committed transmission reservation(s) profile may be increased to reflect a desire to flow more energy or commit more transmission than originally requested. Necessary transmission must be either available from the earlier TRANSACTION or provided with the increase.
- 1.2. Extensions.** The INTERCHANGE TRANSACTION tag's energy profile may be extended to reflect a desire to flow energy during hours not previously specified. Necessary transmission capacity must be provided with the extension.
- 1.3. Reductions.** The INTERCHANGE TRANSACTION tag's energy and/or committed transmission reservation(s) profile may be reduced to reflect a desire to flow less energy or commit less transmission than originally requested. Reductions are used to indicate cancellations and terminations, as well as partial decreases.
- 1.4. Combinations of 1.1, 1.2, and 1.3 may be submitted concurrently.**
- 1.5. Coordination responsibilities of the PURCHASING-SELLING ENTITY.** The modification must be provided by the PURCHASING-SELLING ENTITY to the following INTERCHANGE TRANSACTION participants:

  - GENERATION PROVIDING ENTITY
  - TRANSMISSION CUSTOMERS
  - Intermediate PURCHASING-SELLING ENTITIES (Title-Holders)

- LOAD-SERVING ENTITY
- Market Redispatch Notification Entities (if specified)

**Some entities will review the modification for reliability reasons.**

**1.6 INTERCHANGE TRANSACTION modification and evaluation time.** To provide adequate time for INTERCHANGE SCHEDULE implementation, INTERCHANGE TRANSACTION modifications shall be requested and evaluated as specified in Section D of **Appendix 3A1, “Tag Submission and Evaluation Timetable.”**

**Sufficient time is needed for reliability review. Timing requirements are covered under NAESB requirement 10.1.**

**2. INTERCHANGE TRANSACTION modification for reliability-related issues.**

**2.1.2. Reloads.** At such time as the TLR event allows for the reloading of the transaction, the RELIABILITY AUTHORITY shall inform the SINK BA listed on the INTERCHANGE TRANSACTION tag of the releasing of the INTERCHANGE TRANSACTION’S limit.

**There is no reliability reason for reloading an interchange transaction. The reliability concern is that both the source and sink implement the same amount of interchange.**

**2.2. Coordination when implementing other congestion management procedures.**

**2.2.3. Reloads.** At such time as the need for the congestion management or

transmission line overload relief procedure allows for the full or partial reloading of the transaction, the TRANSMISSION PROVIDER or SCHEDULING ENTITY may use the reload feature of E-Tag to inform Source BA and Sink BA listed on the INTERCHANGE TRANSACTION tag that the INTERCHANGE TRANSACTION'S reliability limit has changed.

**There is no reliability reason for reloading an interchange transaction. The reliability concern is that both the source and sink implement the same amount of interchange.**

**2.3. Assignment of coordination responsibilities during a loss of generation.**

**2.3.2. Reloads.** Upon return of the generation, the generator operator shall notify the HOST BA (the SINK BA for the INTERCHANGE TRANSACTION). The HOST BA contacts the GENERATION PROVIDING ENTITY that is responsible for the generation. The GENERATION PROVIDING ENTITY determines what schedule modifications need to be made and may request those modifications as market-based reductions, increases, or extensions (either via the tag author, or directly if the entity is the tag author or a market operator). The HOST BA must release the limits previously imposed on INTERCHANGE TRANSACTIONS associated with the generation (but not override any market-based reductions).

**There is no reliability reason for reloading**

**an interchange transaction. The reliability concern is that both the source and sink implement the same amount of interchange.**

**2.4. Assignment of coordination responsibilities during a loss of load.**

**2.4.2. Reductions.** When a LOAD-SERVING ENTITY experiences a loss of load, it shall notify its HOST CONTROL AREA (the LOAD CONTROL AREA for the INTERCHANGE TRANSACTION) and determine what schedule modifications need to be made. The LOAD-SERVING ENTITY may request those modifications as market-based reductions, increases, or extensions (either via the tag author, or directly if the entity is the tag author or a market operator).

**The Control Area is responsible for balancing generation and load.**

**2.4.3. Reloads.** Upon return of the load, THE LOAD-SERVING ENTITY shall notify its HOST BA (the Sink BA for the INTERCHANGE TRANSACTION) and determine what schedule modifications need to be made. The LOAD-SERVING ENTITY may request those modifications as market-based reductions, increases, or extensions (either via the tag author, or directly if the entity is the tag author or a market operator). If the LOAD-SERVING ENTITY does not notify the HOSTBA, the HOST BA must release the limits previously imposed on INTERCHANGE TRANSACTIONS associated with the load (but not override any market-based

		<p style="text-align: center;">reductions).</p> <p style="text-align: center;"><b>There is no reliability reason for reloading an interchange transaction. The reliability concern is that both the source and sink implement the same amount of interchange.</b></p> <p><b>2.5. Coordination responsibilities for reliability-related issues.</b></p> <ul style="list-style-type: none"> <li>• Generation Providing Entity</li> <li>• Intermediate PURCHASING-SELLING ENTITIES (Title-holders)</li> <li>• LOAD-SERVING ENTITY</li> <li>• Market Redispatch Notification Entities (if specified)</li> </ul> <p><b>2.6. INTERCHANGE TRANSACTION modification and evaluation time.</b> To provide adequate time for INTERCHANGE SCHEDULE implementation, INTERCHANGE TRANSACTION modifications shall be requested and evaluated as specified in <b>Appendix 3A1, “Tag Submission and Evaluation Timetable</b></p> <p style="text-align: center;"><b>Sufficient time is needed for reliability review. Timing requirements are covered under NAESB requirement 10.1.</b></p>	
<p>Policy 4 – System Coordination Steve Dayney, Blaine Dinwiddie, John Hughes</p>	<p>Remains with NERC</p>		

<p>Policy 5 – Emergency Operations Ray Giuliani, Ziad Alaywan, David Beam, Dean Ulch</p>	<p>Remains with NERC</p>		
<p>Policy 6 – Operations Planning Ken Laughlin, Charles King, Dale McMaster, Steve Huhman</p>	<p>Remains with NERC</p>		
<p>Policy 7 – Telecommunications Wayne Lewis, Barbara Rehman, Stephen Ward</p>	<p>Policy 7, While the vendor selection might be a business, Appdx 7A looks like it was totally written around the need for reliable communication of critical power system data and other communication to System Operators.</p>		
<p>Policy 8 – Operating Personnel and Training Charles Severance,</p>	<p>NERC should retain responsibility for specifying the</p>		

<p>James Ingraham, Robert Soeldner</p>	<p>knowledge and training required of operating personnel, while NAESB should develop the business practice for the overall design and implementation of such training programs. These practices should be developed around NERC criteria as well as the testing and certification of candidates. The business practice should allow enough design flexibility for control areas to accommodate regional differences.</p> <p>Rational: The policy is written at a high level and is not region specific</p> <p>More focus on the North American System versus regions like WECC</p> <p>Not specific enough for an actual operational</p>		
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	<p>training tool and give direction versus guidance</p> <p>Aside: Comparing Policy 8 to Policy 5 Emergency Operations. Policy 5 is much more specific and broken into regions for implementation. Policy 5 should stay in the operating policies.</p> <p>We feel that the appendix (System operator training courses) meets all the needs for what it is intended.</p>		
<p>Policy 9 – Reliability Coordinator Procedures  Scott Brown, Dana Horton, David LaPlante, Victor Bissonnette</p>	<p>MC agrees</p>	<p>Appendix 9C1B – Interchange Transaction Reallocation During TLR Levels 3a and 5a</p> <p>Draft note: This is all business practice</p> <p>Appendix 9C1C – Interchange Transaction Curtailments During TLR Level 3b</p> <p>Draft note: This is all business practice</p>	<p>NAESB SRS is recommending that NERC Operating Policy Appendix 9C1, 9C2 &amp; 9C3 be adopted as NAESB Version 0 standards.</p>

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**Mike Grim – Planning Standards Review Team**

**(can be found at: <http://www.nerc.com/~filez/pss-psg.html>)**

<b>Phase IIB – Planning Standards, Measurements, and Compliance Templates – October 30, 2001 Version</b>			
I.E.1, S1, M1, M3-M4 Total and Available Transfer Capabilities (TTC and ATC) Steve Dayney, Victor Bissonnette, Barry Green	Remains with NERC		

<p>I.E.2, S1-S2, M1, M3-M6, M8 Transfer Capability Margins (CBM and TRM) William Wylie, Drew Kovalak, Dan Prowse</p>	<p>CBM and TRM calculation details might have business implications.</p> <p>One could make a case for CBM being a business practice (NAESB) decision since it is driven by LSE needs. However, we recommend keeping both CBM and TRM under the purview of NERC until such time as CBM and TRM are consistently applied and/or independent RTOs are in control of defining ATC and its component elements.</p> <p>This should be an issue for Version 1, and not got to NAESB at this time.</p>		
<p><b>Revised Phase IIA - Planning Standards, Measurements, and Compliance Templates</b></p>			
<p>I.A. S3, M3 (Transmission Systems) Ken Laughlin, Charles King, Dale McMaster, Steve Huhman</p>	<p>Remains with NERC</p>		
<p>III.A. S3, M3 and M5 (Transmission Protection Systems) Ken Laughlin, Charles</p>	<p>Remains with NERC</p>		

King, Dale McMaster, Steve Huhman			
<b>Revised Phase IIA - Planning Standards, Measurements, and Compliance Templates</b>			
I.A. S4, M4 (Transmission Systems) Wayne Lewis, Barbara Rehman, Stephen Ward	Remains with NERC  Could be a NAESB B.P. for Version 1.0 for additional planning assumptions for conduct of energy business.		
I.C. S2, M2 (Facility Connection Requirements) Katie Kaplan, Lou Oberski, Curt Winterfeld	Remains with NERC		
II.D. S1-S2, M6, M11-M12 (Actual and Forecast Demands) Steve Dayney, Victor Bissonnette, Barry Green	Remains with NERC		
III.A. S4, M4 (Transmission Protection Systems) Charles Severance, James Ingraham, Robert Soeldner	Remains with NERC		

III.D. S1, M1-M4 (Under frequency Load Shedding) Ray Giuliani, Ziad Alaywan, David Beam, Dean Ulch	Remains with NERC		
III.F. S1-S5, M1-M6 (Special Protection Systems) Charles Severance, James Ingraham, Robert Soeldner	Posting of transmission outages would benefit business practices. Particularly, the timing of the posting would be a business practice. (would still need to communicate/coordinate with neighboring systems)		
<b>Revised Phase I Planning Standards, Measurements, and Compliance Templates</b>			
I.A. S1-S2, M1-M2 (Transmission Systems) William Wylie, Drew Kovalak, Dan Prowse	Remains with NERC		
I.B. S1, M1-M2 (Reliability Assessment) William Wylie, Drew Kovalak, Dan Prowse	Remains with NERC		

<p>I.C. S1, M1 (Facility Connection Requirements) Walt Yeager, Trudy Novak, Barry Green, Patrick Frazier</p>	<p>If the Transmission provider is to expand the list beyond the named ones, some of those additional items could be related to business practices not reliability issues.</p> <p>This template requires generators to provide considerable information to transmission providers/owners but offers no guidance on the obligations on the transmission providers/owners with respect to confidentiality of the information that is provided. Perhaps there should be a companion NAESB Business Practice on this question whose applicability might be broader than just this template.</p>		
<p>I.F. S1, M1 (Disturbance Monitoring) Ray Giuliani, Ziad Alaywan, David Beam, Dean Ulch</p>	<p>Remains with NERC</p>		

<p>II.A. S1, M1-M4 (System Data)  Ray Giuliani, Ziad Alaywan, David Beam, Dean Ulch</p>	<p>Remains with NERC</p>		
<p>II.C. S1, M1-M2 (Facility Ratings)  Wayne Lewis, Barbara Rehman, Stephen Ward</p>	<p>Remains with NERC</p> <p>This standard appears somewhat redundant with Sections 601 and 602 of the proposed Standard 600, Determine Facility Ratings, System Operating Limits, and Transfer Capabilities.</p> <p>However, some of the language in S1, M1 is missing in Sections 601 and 602, e.g., "Seasonal ratings and variations in assumptions shall be included" (in the assumptions documentation). Such missing language could be material for a NAESB standard.</p>		

II.D. S1-S2, M1, M4, M10 (Actual and Forecast Demands) Scott Brown, Dana Horton, David LaPlante, Victor Bissonnette	Demand side management issues should addressed in Version 1.		