

Effective until:

1. No longer needed, or
2. Replaced by NERC Reliability Standard

## Waiver Request – Scheduling Agent

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### **Organization**

The Control Area participants of:

- Alliance RTO
- Midwest ISO
- Southwest Power Pool
- Grid South

### **Operating Policy**

The CONTROL AREA participants request approval of this Waiver to implement a proposed RTO Scheduling Process to meet the RTO obligations under Order 2000, simplify TRANSACTION information requirements for market participants, reduce the number of parties with which CONTROL AREA operators must communicate, and provide a common means to tag TRANSACTIONS within and between RTOs.

The participants are requesting a Waiver of specific provisions of NERC Policy 1, “Generation Control and Performance,” and Policy 3, “Interchange,” to accommodate a RTO Scheduling Process. The RTO participants propose the following definition of a SCHEDULING AGENT:

**SCHEDULING AGENT.** A function with the authority to act on behalf of one or more CONTROL AREAS for INTERCHANGE SCHEDULE implementation including creation, confirmation, approval, check-out and associated INADVERTENT INTERCHANGE accounting.

The following specific sections of NERC Policy 1 Version 1a, “Generation Control and Performance,” and Policy 3, Version 4, “Interchange,” are affected by the RTO Scheduling Process proposed in this Waiver request:

### Standards

#### **Policy 1**

- Policy 1F, “Inadvertent Interchange Standard”

### Requirements

#### **Policy 1**

- 1G 1.1 – Control Surveys (AIE Survey)

#### **Policy 3**

- 3A 4 – Interchange Transaction Implementation (Assessment)
- 3A 6 – Interchange Transaction Implementation (Implementation)
- 3B 4 – Interchange Schedule Implementation (Confirmation)

## ***Explanation***

The SCHEDULING AGENT would be the single point of contact for all external, non-participating CONTROL AREAS or other SCHEDULING AGENTS with respect to scheduling INTERCHANGE into, out of, or through the RTO. Intra-RTO TRANSACTIONS would be handled with the SCHEDULING AGENT acting as the single point of contact between each participating CONTROL AREA similar to an ADJACENT CONTROL AREA. This reduces the number of entities with which a given CONTROL AREA must coordinate, and should improve the management of INTERCHANGE TRANSACTIONS and INTERCHANGE SCHEDULES.

The RTO CONTROL AREA participants propose to:

1. Designate their RTO as a SCHEDULING AGENT to act on their behalf with all ADJACENT CONTROL AREAS with respect to implementation of INTERCHANGE SCHEDULES, including scheduling, confirmation and after-the-fact checkout.
2. Include the SCHEDULING AGENT in the SCHEDULING PATH of all INTERCHANGE TRANSACTIONS effectively placing the RTO SCHEDULING AGENT in the role of an INTERMEDIARY CONTROL AREA with respect to INTERCHANGE TRANSACTION management.
3. Manage any “scheduling error” attributable to the SCHEDULING AGENT and internalize this scheduling error into the INADVERTENT INTERCHANGE accounts of the participating CONTROL AREAS.
4. Include the SCHEDULING AGENT in the reporting of NET SCHEDULED INTERCHANGE in INADVERTENT INTERCHANGE reporting similar to an INTERMEDIARY CONTROL AREA.

By establishing a SCHEDULING AGENT function for the CONTROL AREAS under a multi-party regional agreement or transmission tariff, the following areas can be addressed and/or benefits achieved through the waiver approval:

1. NERC Policy 3B states that INTERCHANGE SCHEDULES shall only be implemented between ADJACENT CONTROL AREAS. Approval of the waiver will:
  - a. Allow the participant RTO CONTROL AREAS to implement INTERCHANGE SCHEDULES directly with the SCHEDULING AGENT, significantly reducing the scheduling, coordination and checkout contacts of the participants.
  - b. Allow CONTROL AREAS bordering a RTO to implement INTERCHANGE SCHEDULES with the SCHEDULING AGENT rather than the RTO participant CONTROL AREAS. For example, a CONTROL AREA interconnected with three CONTROL AREAS within a RTO under the SCHEDULING AGENT, would implement INTERCHANGE SCHEDULES with the SCHEDULING AGENT, rather than the three CONTROL AREAS, significantly reducing its scheduling, coordination and checkout contact requirements.
2. Seams issues associated with multiple CONTROL AREA scheduling paths existing between two adjacent RTOs are minimized by allowing the market to view the seam as a single interface between two RTOs, coordinated by their SCHEDULING AGENTS.
3. Rather than being faced with an ever-increasing number of ADJACENT CONTROL AREAS to implement INTERCHANGE SCHEDULES with and include in INADVERTENT Accounting, any CONTROL AREAS that implement INTERCHANGE SCHEDULES with the SCHEDULING AGENT remain unaffected as the RTO grows in Scope and Scale.

4. A RTO participant CONTROL AREA is only involved in the coordination of an INTERCHANGE SCHEDULE if it is the SOURCE or SINK CONTROL AREA in the INTERCHANGE TRANSACTION. For example, the CONTROL AREAS within a RTO would be transparent to the transmission customer as the customer reserves transmission service and submits an energy schedule for pass-through transactions across a RTO.
5. By simplifying the transaction implementation process for both participant and non-participant CONTROL AREAS, automation of INTERCHANGE confirmation, scheduling and checkout with the SCHEDULING AGENT becomes achievable.

The proposal simplifies the transaction tagging process for market participants in that there is no longer a need to designate a specific CONTROL AREA contract path within/through the RTO where there may, in fact, be several parallel contract paths possible. The specific scheduling processes implemented between participating CONTROL AREAS within the RTO are internalized and transparent to the market, but will not violate any reliability criteria.

### ***Current Operating Reliability***

There are no reliability implications from this waiver.

## Policy Conditions for Waiver Recommendation

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### Policy 1F4.1

**INADVERTENT INTERCHANGE Accounting.** Adjacent CONTROL AREAS shall operate to a common NET INTERCHANGE SCHEDULE and ACTUAL NET INTERCHANGE value and shall record these hourly quantities, with like values but opposite sign. Each CONTROL AREA shall compute its INADVERTENT INTERCHANGE based on the following:

**Daily accounting.** Each CONTROL AREA, by the end of the next business day, shall agree with its adjacent CONTROL AREAS to the hourly integrated values of:

- NET INTERCHANGE SCHEDULE
- NET ACTUAL INTERCHANGE

Conditions:

The Control Area Participants shall designate their Scheduling Agent to be responsible for agreeing to NET INTERCHANGE SCHEDULE values with Adjacent Control Areas or other Scheduling Agents. The Control Areas will continue to calculate INADVERTENT INTERCHANGE based on Interchange Transactions sourcing and sinking in those Control Area.

### Policy 1F4.2

**Monthly accounting.** Each CONTROL AREA shall use the agreed-to Daily accounting data to compile the monthly accumulated INADVERTENT INTERCHANGE for the On-Peak and Off-Peak hours of the month. [Refer to “Inadvertent Interchange Accounting Training Document”]

Conditions:

The Control Area Participants shall use, on a monthly basis, the NET INTERCHANGE SCHEDULES with their RTO Scheduling Agent in compiling Inadvertent Interchange reports. The RTO Scheduling Agent shall use all NET INTERCHANGE SCHEDULES with adjacent Control Areas or other Scheduling Agents.

### Policy 1F6

**INADVERTENT INTERCHANGE summary.** Each CONTROL AREA shall submit a monthly summary of INADVERTENT INTERCHANGE as detailed in Appendix 1F, “INADVERTENT INTERCHANGE Energy Accounting Practices and Dispute Resolution Process.” These summaries shall not include any after-the-fact changes that were not agreed to by the SOURCE CONTROL AREA, SINK CONTROL AREA and all INTERMEDIARY CONTROL AREA(s).

Conditions:

The Control Area Participants shall continue to report NET ACTUAL INTERCHANGES with their physically interconnected Control Areas, but will report NET INTERCHANGE SCHEDULES only with their RTO Scheduling Agent. The RTO Scheduling Agent will report all NET INTERCHANGE SCHEDULES with adjacent Control Areas or other Scheduling Agents.

## Policy Conditions

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### Policy 1G

**Surveys.** The CONTROL AREAS in each INTERCONNECTION shall perform each of the following surveys, as described in the Performance Standard Training Document, when called for by the Performance Subcommittee:

**AIE survey.** Area Interchange Error survey to determine the CONTROL Areas' INTERCHANGE error(s) due to equipment failures or improper SCHEDULING operations, or improper AGC performance.

Conditions:

The Control Area Participants will allow the RTO Scheduling Agent to submit the AIE survey for Control Areas within the RTO's boundary in a form similar to that proposed under Policy 1F.

### Policy 3A4

The CONTROL AREA Assesses:

- Transaction start and end time
- Energy profile (ability of generation maneuverability to accommodate)
- Scheduling Path (proper connectivity of ADJACENT CONTROL AREAS)

Conditions:

The Control Area Participants will allow the RTO Scheduling Agent to assess proper connectivity on the Scheduling Path.

### Policy 3A6

**Responsibility for INTERCHANGE TRANSACTION implementation.** The SINK CONTROL AREA is responsible for initiating the implementation of each INTERCHANGE TRANSACTION as tagged in accordance with Policy 3.A. Requirement 2 (and its subparts). The INTERCHANGE TRANSACTION is incorporated into the INTERCHANGE SCHEDULE(S) of all CONTROL AREAS on the SCHEDULING PATH in accordance with Policy 3B.

Conditions:

The applicants clarify that for pass-through transactions, the RTO Scheduling Agent shall assume the role and responsibilities of the INTERMEDIARY CONTROL AREA, and the individual RTO's Control Areas do not appear in the Scheduling Path on the tag. The RTO's Control Areas will not incorporate these transactions into a schedule in their EMS.

Policy 3B4

**INTERCHANGE SCHEDULE confirmation and implementation.** The RECEIVING CONTROL AREA is responsible for initiating the CONFIRMATION and IMPLEMENTATION of the INTERCHANGE SCHEDULE with the SENDING CONTROL AREA.

**INTERCHANGE SCHEDULE agreement.** The SENDING CONTROL AREA and RECEIVING CONTROL AREA shall agree with each other on the:

- Interchange Schedule start and end time
- Ramp start time and rate
- Energy profile

Conditions:

The obligation with respect to confirmation and implementation of INTERCHANGE SCHEDULES under Policy 3B 4 shall be satisfied by the confirmation of all schedules with the Scheduling Agent. The Scheduling Agent shall assume the role and responsibilities that would otherwise be considered that of an INTERMEDIARY CONTROL AREA with respect to all transactions and schedules involving the RTO or its Control Areas.