

From: DAVIS, EDWARD J [EDAVIS@entergy.com]
Sent: Monday, April 12, 2004 11:24 AM
To: Cargas, Jim
Cc: ZEMANEK, JOHN H; RILEY, RICHARD C; ZIMMERMAN, JOHN P; BARTLETT,
GEORGE R; CASE, JAMES S; MCNEILL, DAVID B; MONTGOMERY, MELINDA K; SAINI,
NARINDER K; MITRESKI, ALEKSANDAR
Subject: RE: Prioritization of NAESB's Seams Issues Entergy Comments

Jim,

Thank you for the opportunity to comment on the priority of the seams issues. Attached are Entergy's comments on those 42 seams issues. However, we have added a several thoughts about the overall priority of the 42 seams issues compared to other issues facing NAESB. Those overall thoughts are re-iterated here.

Entergy suggests NAESB place the following priority on all standards development and seams issues:

- (1) All new NAESB 2004 standards development be directed at converting all existing electric industry business practices, especially those practices contained in the existing NERC Operating Manual, to NAESB standards,
- (2) NAESB continue to work on all active standards development slated for 2004, and
- (3) All other issues in the table be addressed sometime in the future and Entergy suggests these issues be ranked a "2" for the purposes of this table.

However, to aid in the request of the Seams Subcommittee we have ranked the projects as a "2" or "3" to provide some priority differentiation between the issues to be addressed by NAESB sometime after 2004.

Please call if you would like to discuss these comments.

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Seams Issues Matrix
(Limited to potential business practice issues)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Resp Org WEQ EC	Issue Type	Resp Org JIC	Priority	Currently Being Addressed	Submitter	
<p>Entergy suggests NAESB place the following priority on all standards development and seams issues: (1) All new NAESB 2004 standards development be directed at converting all existing electric industry business practices, especially those practices contained in the existing NERC Operating Manual, to NAESB standard (2) NAESB continue to work on all active standards development slated for 2004, and (3) All other issues in the table be addressed sometime in the future and Entergy suggests these issues be ranked a "2" for the purposes of this table. However, to aid in the request of the Seams Subcommittee we have ranked the projects as a "2" or "3" to provide some priority differentiation between the issues to be addressed by NAESB sometime after 2004.</p>												
36	Congestion Management	Congestion Management Market Coordination	Coordinate Hedging Instruments at Market Interfaces	Coordination of market based congestion hedging instruments, such as FIRs, between adjacent RTOs with markets, especially for out and thru' transactions		NAESB	National	Undecided	2		Raj Rana - AEP	
35	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Locational Marginal Prices (LMP) at borders of RTOs with markets (Price cap included)		NAESB	National	Undecided	2		Raj Rana - AEP	
138	Congestion Management	Congestion Management Market Coordination		Coordination of congestion	Several regional efforts are underway. Coordinate practices and methods between areas with different market approaches.	NAESB	National	NAESB	2	Yes	Karl Tammar - ISORTO Council	
9	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		Transmission Calculations	Transmission calculations are not consistent. Solution: Standardized ATC Calculations.	NAESB	National	Undecided	3	Yes - SSG - WI	Steven Cobb - SRP	
113	Market Design	Green Power Market		Green power attributes trading		NAESB	National	Undecided	3	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)	
16	Market Design	Transmission Ancillary Service Market Design and Coordination	Reactive Power Compensation	Compensation for Reactive Power	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	3	Yes / IIPTF	Mark Lively - Lively Utility	
13	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for Unscheduled Flows of Electricity	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	3	Yes / IIPTF	Mark Lively - Lively Utility	
15	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for Loop Flow	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	3	Yes / IIPTF	Mark Lively - Lively Utility	
29	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Allocation of transmission capacity on reciprocal flow gates amounts to transmission service without compensation. Legitimizes "parallel loop flow".		NAESB	National	Undecided	3		Dave Nick - DTE Energy	
134	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for parallel flows		NAESB	National	NAESB	3	In PJM/MISO Congestion Management Proposal Whitepaper	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)	

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	Category	Sub-Category	Sub-Category	Sub-Category	Issue	EQ EC	WEQ EC	Issue	WEQ EC	EQ EC	WEQ EC	Issue					
142	Market Design	Unscheduled/Parallel Path Flow Management	Unscheduled/Parallel Path Flow	Compensation for Unscheduled/Parallel Path Flow	Pricing for native load loop flow impacts					Multiple	Regional	Multiple	3	No		Ed Davis - Energy	
11	Market Monitoring/ Compliance	Market Monitoring Entity Requirements			Market Oversight				New and mature markets need oversight to ensure that existing rules are complied with and new rules are adequate in meeting the scenarios they were designed to govern. Solution: Independent Market Auditor or Monitor.	Multiple	Regional	Multiple	2	Yes - SSG - WI		Steven Cobb - SRP	
3	Market Standards	Energy Market Standard Product Definitions			Definition & treatment of Firm/nonfirm Power				Annual Plan Item 4ci moved from MOS	NAESB	National	Undecided	2	No		Lou Oberski - Dominion Energy	
10	Market Standards	Energy Market Standard Product Definitions			Energy Products				Entities have disagreements concerning the definitions of various energy products. Solution: Standardized Energy Products.	NAESB	National	NAESB	2	Yes - WECC		Steven Cobb - SRP	
25	Market Standards	Energy Market Standard Product Definitions			Need for common physical market and products - regional variations permitted					NAESB	National	NAESB	2	No		Linda Horn - WE Energies	
34	Market Standards	Energy Market Standard Product Definitions			Clarification of Product Definitions				Complete/Standard definitions for Liquidated Damages (LD), "Intro", etc.	NAESB	National	NAESB	2	No		Tony Reed - Southern	
139	Market Standards	Energy Market Standard Product Definitions			Standard definition of energy products				Energy products and services have common attributes in all markets. Standards definitions will improve efficiencies in communicating and operating between areas with various market designs.	NAESB	National	NAESB	2	Yes		Karl Tammar - ISO/RTO Council	
42	Market Standards	Market Standard Communication Protocols and Transparency			Data Visibility				Inability to view neighboring markets information through a common software such that this sometimes hinders Market Participants ability to complete business in a timely fashion.	NAESB	National	NAESB	3	Yes		Marjorie Perlman - Energy East	
52	Market Standards	Market Standard Communication Protocols and Transparency			Confidentiality of Data and Information Shared				Standards of Confidentiality would enhance the capability to resolve data sharing and information posting.	NAESB	National	NAESB	3	Limited		Carl Monroe, Southwest Power Pool	
140	Market Standards	Market Standard Communication Protocols and Transparency			Standard messaging protocols for market notifications				Market participants will benefit from common messaging protocols.	NAESB	National	NAESB	3	No		Karl Tammar - ISO/RTO Council	
1	Market Standards	Market Standard Operating Time			Non Standard Time Zone				The lack of a standard Time Zone causes Market Inefficiencies	NAESB	National	NAESB	2	No		Phil Cox - AEP	
14	Market Standards	Physical and/or Financial Resolution of Inadvertent Interchange			Compensation for Inadvertent Interchange				Lack of compensation lessens incentives for operators to solve problems. Explicit compensation for inadvertent interchange is necessary for appropriate definition of other products. In that such compensation ensures that the defined product is delivered.	NAESB	National	NAESB	3	Yes / IIPTF		Mark Lively - Lively Utility	
46	Planning	Transmission Expansion and Generator Interconnection Coordination	Generator Interconnection - Affected Systems		Generation Interconnection Studies				Generation interconnections close to seam affects both areas	NAESB	National	Undecided	2	Limited		Carl Monroe, Southwest Power Pool	
57	Planning	Transmission Expansion and Generator Interconnection Coordination	Generator Interconnection Transmission Requirements		Transmission interconnection procedures				Need consistent approach to treating merchant generation interconnection procedures with transmission	Multiple	Regional	Multiple	2	Northeast ISO		Joe Rossignoli National Grid	

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	Category	Sub-Category	Sub-Category	Sub-Category	Sub-Category	Sub-Category	Sub-Category	Sub-Category						
114	Planning	Transmission Expansion and Generator Interconnection Coordination	Interregional Transmission Planning Procedures	Coordination of interregional planning including transmission facilities and generator interconnection procedures	Multiple	Regional	Undecided	2	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)				
26	Planning	Transmission Expansion and Generator Interconnection Coordination	Transmission Expansion Cost and Construction Responsibilities	Transmission expansion planning - coordination between systems and determine who is obligated to build and pay for improvements	Multiple	Regional	Multiple	2	Yes	Linda Horn - WE Energies				
50	System Reliability	Generation-Load Balance	Interchange Schedule Ramping Requirements	Schedule Ramp Management	NAESB	National	Undecided	2	Limited	Carl Monroe, Southwest Power Pool				
12	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Develop Electronic Scheduling	Interchange/Intrachange Scheduling Data Exchange	NAESB	National	NAESB	2	Yes - WECC	Steven Cobb - SRP				
41	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Inter-Market Ramping Requirements Standardization	Scheduling Coordination (including Ramp Rates)	NAESB	National	Undecided	2	Yes	Marjorie Peirman - Energy East				
79	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Standardize Inter-Market Scheduling Timelines	Market Design - Day Ahead, Other Scheduling Requirements	NAESB	National	NAESB	2	SSG-WI, CMA Work Group	Syd Berwager - Bonneville PA				
78	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Tools and Procedures to Accommodate Inter-Market Interchange Scheduling Requirements	Market Design - Day Ahead, Schedule Components	NAESB	National	Undecided	2	SSG-WI, CMA Work Group	Syd Berwager - Bonneville PA				
8	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Scheduling	Multiple	Regional	Multiple	2	Yes - SSG - WI	Steven Cobb - SRP				
104	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Transmission Checkout Failure - Operators curtail transactions due to mismatched tag data, different MW volumes, etc. The curtailment of transactions due to data incompatibility is disruptive to both the marketplace and the reliable operation of the grid.	NAESB	National	NAESB	2	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)				
106	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Transaction Scheduling - Inconsistent information and market timing rules lead to uncertainty and risk that discourage the scheduling of some inter-regional transactions.	NAESB	National	NAESB	2	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)				
4	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Definition & treatment of Firm/nonfirm Transmission	NAESB	National	Undecided	2	No	Lou Oberiski - Dominion Energy				
103	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Transmission Service - Market participants require consistent treatment of transmission products across multiple control areas to reduce perceived market risk, scheduling confusion and uncertainty.	NAESB	National	NAESB	2	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)				
141	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Replacement of contract path with flow-based transmission service	Multiple	Regional	Multiple	2	No	Ed Davis - Entergy				

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117	Transmission Service	Transmission Service Procurement	Common Reservation System for Market Interface Transmission ATC	Contract Tie Capacity - One Stop Shopping		NAESB	Regional	NAESB	3	No	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)
6	Transmission Service	Transmission Service Procurement	Common Western Interconnection Wide OASIS	Transmission Access	No transmission market one stop shopping available for the Western Interconnection - entities can't find needed information to efficiently conduct business on a preschedule or real-time basis. Solution: Common OASIS Site needed.	Multiple	Regional	Undecided	3	Yes - Various Transmission Providers	Steven Cobb - SRP
33	Transmission Service	Transmission Service Procurement	Intra-Hour Transmission Service Procurement	Standard for Purchasing of Intra-Hour Transmission	The ability to purchase transmission after the top of the hour when the transmission service is predetermined as available in prior hour.	NAESB	National	NAESB	3	No	Tony Reed - Southern
67	Transmission Service	Transmission Service Procurement	Secondary Transmission Service Market Standardization	Market Design - Prior to Day Ahead, Primary Release Mechanism	There seems to be agreement here that a secondary market would be outside the RTO. If the resulting secondary market is not westwide, will coordination be needed? (Issue I.a.8)	Multiple	Regional	Multiple	2	SSG-WI, CMA Work Group	Syd Benwager - Bonneville PA
28	Transmission Service	Transmission Service Settlement	Consolidate Multiple Market Transmission Service Settlement Statements	Multiple transmission service charge invoicing	Being reviewed by PJMMISO.	NAESB	National	NAESB	3	Yes	Linda Horn - WE Energies

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