

IRC Proposal and Position on the Disposition of Seams Issues For Standardization

Attached is the ISO/RTO Council's input to NAESB's Seams Issues prioritization. The ISO/RTO Council appreciates the effort that was put into developing the Seams Matrix. There are a number of issues that would be benefited by standards.

From the IRC's perspective the following six issues should not be considered for standards at this time. These issues have strong and distinctive policy, market design, and regional components. As agreed at the February 2004 JIC meeting, we recommend the following be reclassified as regional, with the IRC noted as the responsible organization:

- 11 - Market Oversight
- 35 - Standardize Prices at Market Interfaces
- 36 - Coordinate Hedging Instruments at Market Interfaces
- 113 - Green power attributes trading
- 16 - Reactive Power Compensation
- 46 - Generator Interconnection - Affected Systems

Many of the individual issues can be combined in broader and more generally stated topical categories. There are several NAESB Subcommittees and Task Forces already in place to address the major topics. (noted below in italics).

Common Definitions & Terms [of Products] (*Glossary Subcommittee*)

- Common Energy Product Definitions [3, 10, 25, 34, 139]:1¹
- Common Transm. Product Definitions [4, 103, 141, 33]:1
- Green Power Attributes [113:3]

Congestion Management

- ATC/TTC Coordination [138, 9, 43, 44, 20]:2
- Parallel/Loop Flows [13, 15, 29, 134,142]:2

Data Exchange Protocols (*ESS/ITS*)

- Data Exchange/visibility [42, 140]:1
- Elect Schedule (& E-Tags) [6:1, 12:1, 104:1, 117:2]
- Confidentiality [52]:3
- Time Zones [1]:2

Inadvertent Payback (*IIPTF*) [14]:1

¹ Note: the format of the numbers in [brackets] is issue # followed by priority rating suggested by the ISOs/RTOs.

Interchange Scheduling Protocols & Standards (Coord Int BP TF/ESS)

- Ramping [41:1, 50:2]
- Scheduling Coordination [8, 78, 79, 106]:1

Transmission Service

- Intra-Hour Product (Definition Issue?) [33:2]
- Secondary Market [67:2]
- Settlement Invoicing (PJM/MISO) [28:2]

Seams Issues Matrix
(Limited to potential business practice issues)

Orig #	1ST Sub-Category		2ND Sub-Category		Description of Seam Issue			Comments			Resp Org		Issue Type	Resp Org JIC	Priority: IRC comment	Currently Being Addressed	Submitter
	Category	Sub-Category	Sub-Category	Sub-Category	Category	Sub-Category	Sub-Category	Sub-Category	WEQ EC	WEQ EC							
36	Congestion Management	Congestion Management Market Coordination	Market Interfaces	Coordinate Hedging Instruments at Market Interfaces	Coordination of market based congestion hedging instruments, such as FTRs, between adjacent RTOs with markets, especially for out and thru' transactions	NAESB	National	Undecided	3							Raj Rana - AEP	
35	Congestion Management	Congestion Management Market Coordination	Market Interfaces	Standardize Prices at Market Interfaces	Locational Marginal Prices (LMP) at borders of RTOs with markets (Price cap included)	NAESB	National	Undecided	3							Raj Rana - AEP	
138	Congestion Management	Congestion Management Market Coordination			Coordination of congestion	NAESB	National	NAESB	2	Several regional efforts are underway. Coordinate practices and methods between areas with different market approaches.				Yes		Karl Tammar - ISORTO Council	
9	Congestion Management	Standardize and Coordinate ATC Calculations and Postings			Transmission Calculations	NAESB	National	Undecided	2	Transmission calculations are not consistent. Solution: Standardized ATC Calculations.				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	NAESB	National	Undecided	3	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.				Yes / IIP/TF		Mark Lively - Lively Utility	
13	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for Unscheduled/Parallel Path Flow	Compensation for Unscheduled Flows of Electricity	NAESB	National	Undecided	2	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.				Yes / IIP/TF		Mark Lively - Lively Utility	
15	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for Unscheduled/Parallel Path Flow	Compensation for Loop Flow	NAESB	National	Undecided	2	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.				Yes / IIP/TF		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	2							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	2					In PJM/MISO Congestion Management Proposal Whitepaper		Jeff Mueller (PSEG), and Andy Rodriguez (PJM)	
142	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for Unscheduled/Parallel Path Flow	Pricing for native load loop flow impacts	Multiple	Regional	Multiple	2					No		Ed Davis - Entergy	

Seams Issues Matrix
(Limited to potential business practice issues)

Orig #	1ST Sub-Category		2ND Sub-Category		Description of Seam Issue			Comments			Resp Org WEQ EC	Issue Type	Resp Org JIC	Priority: IRC comment	Currently Being Addressed	Submitter
	Category	Sub-Category	Sub-Category	Sub-Category	1ST Sub-Category	2ND Sub-Category	3RD Sub-Category	4TH Sub-Category	5TH Sub-Category	6TH Sub-Category						
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	Being reviewed by PJM/MISO.	Multiple	Regional	Multiple	3	Yes	Linda Horn - WE Energies					
50	System Reliability	Generation-Load Balance	Interchange Schedule Ramping Requirements	Schedule Ramp Management	Ramping standard differences across the seams hinder business	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	Current E-Tagging process is inadequate for exchanging reliability and market data within the Western Interconnection. Solution: Electronic Scheduling	NAESB	National	NAESB	1 [CI-BPTF]	Yes - WECC	Steven Cobb - SRP					
41	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Inter-Market Ramping Requirements Standardization	Scheduling Coordination (including Ramp Rates)	RTOs have different ramp rates and scheduling requirements that require Market Participants to complete multiple submissions for the same transaction.	NAESB	National	Undecided	1 [CI-BPTF]	Yes	Marjorie Peifman - Energy East					
79	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Standardize Inter-Market Scheduling Timelines	Market Design - Day Ahead. Other Scheduling Requirements	Should the time intervals and submission times be synchronized to mitigate obstacles to inter-RTO trade? (Issue I.b.12)	NAESB	National	NAESB	1 [CI-BPTF]	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	Can tools be developed for scheduling submission that assist the user in meeting any differences in protocols between RTOs? (Issue I.b.11)	NAESB	National	Undecided	1 [CI-BPTF]	SSG-WI, CMA Work Group	Syd Berwager - Bonneville PA					
8	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Scheduling	Inconsistent procedures among entities. Solution: Western Interconnection Standardized Interchange Scheduling Protocols.	Multiple	Regional	Multiple	1 [CI-BPTF]	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	1 [CI-BPTF]	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	1 [CI-BPTF]	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	Annual Plan item 4cii moved from MOS	NAESB	National	Undecided	1 [Glossary Subcomm]	No	Lou Oberski - 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	1 [Glossary Subcomm]	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	1 [Glossary Subcomm]	No	Ed Davis - Energy					
117	Transmission Service	Transmission Service Procurement	Common Reservation System for Market Interface Transmission ATC	Contract Tie Capacity - One Stop Shopping		NAESB	Regional	NAESB	2 [ESS/ITS]	No	Jeff Mueller (PSEG), and Andy Rodriguez (PJM)					

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: IRC comment	Currently Being Addressed	Submitter
		Transmission Service Procurement	Transmission Service Procurement	Common Western Interconnection Wide OASIS	Intra-Hour Transmission Service Procurement	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						
6	Transmission Service	Transmission Service Procurement	Transmission Service Procurement	Common Western Interconnection Wide OASIS	Intra-Hour Transmission Service Procurement	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	2 [ESS/ITS]	Yes - Various Transmission Providers	Steven Cobb - SRP		
33	Transmission Service	Transmission Service Procurement	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	2 [ESS/ITS]	No	Tony Reed - Southern			
67	Transmission Service	Transmission Service Procurement	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 [ESS/ITS]	SSG-WI, CMA Work Group	Syd Berwager - Bonneville PA			
28	Transmission Service	Transmission Service Settlement	Transmission Service Settlement	Consolidate Multiple Market Transmission Service Settlement Statements	Multiple transmission service charge invoicing	Being reviewed by PJM/MISO.	NAESB	National	NAESB	2	Yes	Linda Horn - WE Energies			