



**TXU**

**TXU Energy**

# Fax

To: Jim Cargas	From: Mike Grim
Fax: 713-356-0067	Date: April 2, 2004
Phone	Pages: 4 (including cover page)
Re: Seams Matrix	CC:

Jim:

Attached are my comments of the Seams Issue Matrix.

If you have any questions, please call me at (214) 812-6262.

A handwritten signature in black ink, appearing to read "Mike", with a stylized flourish at the end.

Michael S. Grim

Director – Regulation and Policy

NAESB WEQ Seams Subcommittee

**Seams Issues Matrix**  
(limited to potential business practice issues)

Updated April 2, 2004

Item #	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
36	Congestion Management	Congestion Management	Market	Coordinate a Hedging Instruments at Market Interfaces	Coordination of market based congestion Hedging instruments, such as FTRs, between adjacent RTDs with markets, especially for out and haul transactions	NAESB	National	Undecided	1		Ref Reina - AEP
35	Congestion Management	Congestion Management	Market	Standardize Prices at Market Interfaces	Uniformity of RTDs with markets (price cap included)	NAESB	National	Undecided	3		Ref Reina - AEP
13B	Congestion Management	Congestion Management	Market	Coordination of congestion	Several regional efforts are underway. Coordinate practices and methods between areas with different market approaches.	NAESB	National	NAESB	3	Yes	Karl Tennant - ISO/RTD Council
9	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		Transmission Calculations	Transmission calculations are not consistent. Solicitor: Standardized ATC Calculators.	NAESB	National	Undecided	2	Yes - SSG - WI	Steven Corb - SRP
113	Market Design	Green Power Market		Green power attributes trading		NAESB	National	Undecided	2	In Northwest Power Markets Seams Action Plan	Jeff Mueller (PSEQ), and Andy Rodriguez (EJM)
18	Market Design	Transmission, Ancillary Services Market Design and Coordination		Compensation for Reactive Power	Lack of compensation lessons incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	1	Yes / JIP/TF	Mark Liney - Lincy Utility
13	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for Unscheduled Flows of Electricity	Lack of compensation lessons incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	2	Yes / JIP/TF	Mark Liney - Lincy Utility
15	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for Loop Flow	Lack of compensation lessons incentives for operators to solve problems and for accountants to spend money on metering.	NAESB	National	Undecided	2	Yes / JIP/TF	Mark Liney - Lincy Utility
29	Market Design	Unscheduled/Parallel Path Flow Management		Allocation of transmission capacity on regional flow gates ancillary to transmission services without compensation. Legitimizes "parallel loop flow".		NAESB	National	Undecided	2		Dave Neck - DTE Energy
134	Market Design	Unscheduled/Parallel Path Flow Management		Compensation for parallel flows		NAESB	National	NAESB	2	In PJM/WISD Congestion Management Proposed Whitepaper	Jeff Mueller (PSEQ), and Andy Rodriguez (EJM)
142	Market Design	Unscheduled/Parallel Path Flow Management		Pricing for active load loop flow impacts		Multiple	Regional	Multiple	2	No	Ed Davis - Entergy

*Combine 13, 15, 29, 134 and 142 into one project.*

Seams Issues Matrix  
(limited to potential business practice issues)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Resp Org WEC EIC	Issue Type	Resp Org JIC	Priority	Currently Being Addressed	Submitter
11	Market Monitoring/ Compliance	Market Monitoring Entry		Market Oversight	How 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 Audit or Market.	NAESB	National	Undecided	1	No	Lois Oberacki - Dominica Energy
3	Market Standards	Energy Market Standard Product Definitions		Definition & treatment of Firm/variable Power	Annual Plan Item 24 moved from NIOS	NAESB	National	Undecided	1	No	Lois Oberacki - Dominica 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	Urick Horn - WE Energies
34	Market Standards	Energy Market Standard Product Definitions		Clarification of Product Definitions	Complete standard definitions for Liquidated Damages (LD), "bid", etc.	NAESB	National	NAESB	2	No	Tony Beck - 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 Etemer - 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	Marilyn Perrinan - 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	Regional	NAESB	1	Limited	Gart Moore, Southwest Power Pool
140	Market Standards	Market Standard Communication Protocols and Transparency		Standard messaging protocols for market modifications	Market participants will benefit from common messaging protocols.	NAESB	Regional	NAESB	3	No	Karl Etemer - ISO/RTO Council
1	Market Standards	Market Standard Operating		Non Standard Time Zone	The lack of a standard Time Zone causes Market Inefficiencies	NAESB	Regional	NAESB	2	No	PHD Cox - AEP
14	Market Standards	Physical and/or Financial Presentation 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 rewarded.	NAESB	National	NAESB	3	Yes / IFTF	Mark Ulsley - Lacey Utility
46	Planning	Transmission Expansion and Generator Interconnection Coordination		Generation Interconnection Studies	Generation Interconnection studies close to seams effects both areas	NAESB	National	Undecided	3	Limited	Carl Hancock, Southwest Power Pool
57	Planning	Transmission Expansion and Generator Interconnection Coordination		Transmission Interconnection procedures	Need consistent approach to treating merchant generation interconnection procedures with transmission	Multiple	Regional	Multiple	3	Northwest ISO	Joe Rissgrub - National Grid
114	Planning	Transmission Expansion and Generator Interconnection Coordination		Coordination of Interregional Planning Including Interconnection procedures		Multiple	Regional	Multiple	3	In Northeast Power Markets Seams Action Plan	Jeff Mueller (PSEG), and Ardy Hodge (PJM)
25	Planning	Transmission Expansion and Generator Interconnection Coordination		Transmission expansion planning - coordination between systems and determine who is obligated to build and pay for improvements	Being reviewed by PJM/ISO.	Multiple	Regional	Multiple	3	Yes	Linda Horn - WE Energies

*Combine 46, 57, 114 and 26 into one item.*

*Same as # 10 - combine them*

*combine*

Req #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Resp Org WEO	Issue Type	Resp Org JIC	Priority	Currently Being Addressed	Submitter
50	System Reliability	Generation Load Balance	Interchange Scheduling Harpung	Schedule Ramp Management	Rampung standard differences across the seams hinder business	WUESB	National	Undecided	1	Unfiled	Carl Karna, Southwest Power Pool
12	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Develop Electronic Scheduling	Interchange/interchange Scheduling Data Exchange	Current E-Trading process is inadequate for exchanging reliability and market data with the Western Interconnection. Solution: Electronic Scheduling	NAESB	National	NAESB	2	Yes - WECC	Steven Cobb - SRP
41	Interchange 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	Yes	Margata Peleman - Energy ESI
79	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Standardize Inter-market Scheduling Timelines	Market Design - Day Ahead, Other Scheduling Requirements	Should the time frames and submission times be synchronized to mitigate obstacles to inter-RTO trade? (Issue Lb 12)	NAESB	National	NAESB	2	SSC - WJ CMA Work Group	Byrd Benninger Bonville PA
78	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Tools and Procedures to Accommodate inter-market Interchange Scheduling Requirements	Market Design - Day Ahead, Scheduling Components	Can tools be developed for scheduling submission that assist the user in resolving any differences in protocols between RTOs? (Issue Lb 11)	NAESB	National	Undecided	2	SSC - WJ CMA Work Group	Byrd Benninger Bonville PA
8	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Scheduling	Scheduling	Inconsistent procedures among entities. Solution: Western Interconnection Standardized Interchange Scheduling Protocol.	Multiple	Regional	Multiple	2	Yes - SSC - WJ	Steven Cobb - SRP
104	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Transmission Operational Features - Operators control transactions due to unmet/expected tag data, different MW volumes, etc. The curtailment of transactions due to data inconsistency is disruptive to both the marketplace and the reliable operation of the grid.	Transmission 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 Northwest Power Markets Stearns Action Plan	Jeff Mueller (PSE&G), and Andy Rodriguez (PJM)	
106	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Definition & treatment of Firm/Nonfirm transactions	Annual Plan Item 441 moved from MOS	combine 8, 104 & 106.	NAESB	National	Undecided	2	No	Leo Osborn - Dominion Energy
4	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Definition & treatment of Firm/Nonfirm transactions	Annual Plan Item 441 moved from MOS	combine with item 3	NAESB	National	Undecided	1	No	Leo Osborn - Dominion Energy
103	Interchange Scheduling	Interchange Scheduling Standardized Protocols	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.	combine with item 141, 117 & 117c	NAESB	National	NAESB	1	In Northwest Power Markets Stearns Action Plan	Jeff Mueller (PSE&G), and Andy Rodriguez (PJM)
141	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Transmission Market Standard Product Definitions and Priorities	Replacement of contract with low-based transmission service		Multiple	Regional	Multiple	1	No	Ed Davis - Energy
117	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Transmission Market Standard Product Definitions and Priorities	Replacement of contract with low-based transmission service		NAESB	Regional	NAESB	1	No	Jeff Mueller (PSE&G), and Andy Rodriguez (PJM)
6	Interchange Scheduling	Interchange Scheduling Standardized Protocols	Transmission Market Standard Product Definitions and Priorities	Replacement of contract with low-based transmission service	No transmission market one stop scheduling 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	1	Yes - Western Transmission Providers	Steven Cobb - SRP

Orig #	Category	IST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Resp Org WECA EC	Issue Type	Resp Org JFC	Priority	Currently Being Addressed	Submitter
23	Transmission Service	Transmission Service Procurement	Instant-Hour Transmission Service Procurement	Standard for Purchasing of Instant-Hour Transmission		NAESB	National	NAESB		No	Tony Rasmussen - Southern
67	Transmission Service	Transmission Service Procurement	Secondary Transmission Service Market Standardization	Market Design - Prior to Day Ahead, Primary Release Mechanism	The ability to purchase transmission after the top of the hour when the transmission service is predetermined as available in prior hour. There are some to be agreement here that a secondary market would be outside the RTD. If the resulting secondary market to not work, will coordination be needed? (Issue 1.2g)	Multiple	Regional	Multiple		Yes	SSG-WI, CMA York Group Sra Berenger Berntville PA
28	Transmission Service	Transmission Service Settlement	Consolidate Multiple Market Transmission Service Settlement	Multiple Transmission service charge bracketing	Being reviewed by PJM/NISO.	NAESB	National	NAESB		Yes	Linda Horn - IVE Energies

→ combine w/ Item 103.

Overall Suggestion:

Back up a little and group all of these items into separate buckets such as:

- ① Transmission Expansion
- ② Energy Market Standards, etc.

It may, on its face, appear that NIPES & has done this, however, many of these seams issues (or sub issues) should be resolved as the major issue is tracked.

— MIKE GRIM  
TXU

(continued to potential business practice issues)

Updated April 2, 2004