

R04005-Attachment

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions**

Page 1 of 310

ATTACHMENT A

BUSINESS PRACTICE STANDARDS FOR OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS) TRANSACTIONS

**October 25, 2000
Version 1.2**

ATTACHMENT A

FEDERAL ENERGY REGULATORY COMMISSION

BUSINESS PRACTICE

STANDARDS

FOR

OPEN ACCESS SAME-TIME INFORMATION SYSTEM

(OASIS)

TRANSACTIONS

Version 1.2

(October 25, 2000)

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 6 of 310

Table of Contents

Section	Page
Table of Contents	i
Section 1 Introduction	1
1.1 Business Practice Standards	1
Section 2 Standard Terminology for Transmission and Ancillary Services	2
2.1 Attribute Values Defining the Period of Service	2
2.2 Attribute Values Defining Service Class	5
2.3 Attribute Values Defining Service Types	5
2.4 Curtailment Priorities	6
2.5 Other Service Attribute Values	6
Section 3 OASIS Registration Procedures	9
3.1 Entity Registration	9
3.2 Process to Register Non-Standard Service Attribute Values	9
3.3 Registration of Points of Receipt and Delivery	10
Section 4 On-line Negotiation and Confirmation Process	11
4.1 On-line Price Negotiation in Short-term Markets	11
4.2 Phase IA Negotiation Process State Transition Diagram	11
4.3 Negotiations Without Competing Bids	11
4.4 Negotiations With Competing Bids for Constrained Resources	15
Section 5 Procurement of Ancillary and Other Services	20
5.1 Introduction	20
5.2 Transmission Provider Requirements	21
5.3 Transmission Customer Requirements	21
Section 6 Pathnaming Standards	22
6.1 Introduction	22
6.2 Transmission Provider Requirements	22
Section 7 Next Hour Market Service	23
7.1 Introduction	23
7.2 Transmission Provider Requirements	23

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 7 of 310

Section 1 Introduction

This document contains business practice standards designed to implement the Commission's policy related to on-line price negotiation and to improve the commercial operation of the Open Access Same-Time Information System (OASIS).

Section 1.1 Business Practice Standards

This document adopts OASIS business practice standards as mandatory requirements.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 8 of 310

Section 2 Standard Terminology for Transmission and Ancillary Services

Section 2.1 Attribute Values Defining the Period of Service

The data templates of the Phase IA Standards & Communication Protocols (S&CP) Document have been developed with the use of standard service attributes in mind. What the Phase IA S&CP Document does not offer are specific definitions for each attribute value. This section offers standards for these service attribute definitions to be used in conjunction with the Phase IA data templates.

Fixed services are associated with transmission services whose periods align with calendar periods such as a day, week, or month. Sliding services are fixed in duration, such as a week or month, but the start and stop time may slide. For example a Sliding week could start on Tuesday and end on the following Monday. Extended allows for services in which the start time may slide and also the duration may be longer than a standard length. For example an Extended week of service could be nine consecutive days. Various transmission service offerings using these terms are defined in Standards 2.1.1 through 2.1.14 below. Next_Increment indicates the next available full Service_Increment, such as the next hour, next day, or next week. Next_Increment is added at this time to address Next Hour Market Service, but may be used in the future to denote other products.

Table 1-1 identifies the standard terminology in OASIS Phase IA for the attributes SERVICE_INCREMENT (Hourly, Daily, Weekly, Monthly, and Yearly) and TS_WINDOW (Fixed, Sliding, Extended, and Next_Increment). Values shown in Table 1-1 as N/A (Not Applicable) are not sufficiently common in the market to require standards.

Next Hour Market Service, a new pro forma service, is denoted as having a Service Increment of Hourly and a TS_WINDOW of Next_Increment.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 9 of 310

Table 1-1
Standard Service Period Attribute Values in Phase IA

	Fixed	Sliding	Extended ¹	Next_Increment
Hourly	X	N/A	N/A	X ²
Daily	X	X	X	N/A
Weekly	X	X	X	N/A
Monthly	X	X	X	N/A
Yearly	X	X	X	N/A

¹Included in the Phase IA S&CP Data Dictionary, Version 1.3, issued September 29, 1998.

²Next Hour Market Service is identified by Service Increment = Hourly and TS_WINDOW = Next_Increment

The existence of an attribute value in this table does not imply the services must be offered by a Transmission Provider. Requirements as to which services must be offered are defined by regulation and tariffs. Likewise, absence of a service period value in Table 1-1 does not restrict a Transmission Provider from offering a service. The intent of the table is to establish common terminology associated with standard products.

Each service period value assumes a single time zone specified by the Transmission Provider. It is recognized that daylight time switches must be accommodated in practice, but they have been omitted here for the purpose of simplicity.

Standard 2.1: A Transmission Provider shall use the values and definitions below for the service period attributes, SERVICE_INCREMENT and TS_WINDOW for all transmission services offered on OASIS, or shall post alternative service period values and associated definitions on the OASIS Home Page at <http://www.tsin.com>, or shall use existing attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.1.1: FIXED HOURLY - The service starts at the beginning of a clock hour and stops at the end of a clock hour.

Standard 2.1.2: FIXED DAILY - The service starts at 00:00 and stops at 24:00 of the same calendar date (same as 00:00 of the next consecutive calendar date).

Standard 2.1.3: FIXED WEEKLY - The service starts at 00:00 on Monday and stops at 24:00 of the following Sunday (same as 00:00 of the following Monday).

Standard 2.1.4: FIXED MONTHLY - The service starts at 00:00 on the first date of a calendar month and stops at 24:00 on the last date of the same calendar month (same as 00:00 of the first date of the next consecutive month).

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 10 of 310

Standard 2.1.5: FIXED YEARLY - The service starts at 00:00 on the first date of a calendar year and ends at 24:00 on the last date of the same calendar year (same as 00:00 of the first date of the next consecutive year).

Standard 2.1.6: SLIDING DAILY - The service starts at the beginning of any hour of the day and stops exactly 24 hours later at the same time on the next day.

Standard 2.1.7: SLIDING WEEKLY - The service starts at 00:00 of any date and stops exactly 168 hours later at 00:00 on the same day of the next week.

Standard 2.1.8: SLIDING MONTHLY - The service starts at 00:00 of any date and stops at 00:00 on the same date of the next month (28-31 days later). If there is no corresponding date in the following month, the service stops at 24:00 on the last day of the next month.

For example: SLIDING MONTHLY starting at 00:00 on January 30 would stop at 24:00 on February 28 (same as 00:00 March 1).

Standard 2.1.9: SLIDING YEARLY - The service starts at 00:00 of any date and stops at 00:00 on the same date of the following year. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year.

For example SLIDING YEARLY service starting on February 29 would stop on February 28 of the following year.

Standard 2.1.10: EXTENDED DAILY - The service starts at any hour of a day and stops more than 24 hours later and less than 168 hours later.

Standard 2.1.11: EXTENDED WEEKLY - The service starts at 00:00 of any date and stops at 00:00 more than one week later, but less than four weeks later.

Standard 2.1.12: EXTENDED MONTHLY - The service starts at 00:00 of any date and stops at 00:00 more than one month later, but less than twelve months later.

Standard 2.1.13: EXTENDED YEARLY - The service starts at 00:00 of any date and stops at 00:00 more than one year later, but must be requested in increments of full years.

Standard 2.1.14: NEXT_INCREMENT HOURLY – The service starts at the beginning of the next clock hour and stops at the end of that clock hour.

Section 2.2 Attribute Values Defining Service Class

Standard 2.2: A Transmission Provider shall use the values and definitions below to describe the service class, TS_CLASS, for transmission services offered on OASIS, or shall post alternative TS_CLASS attribute values and associated definitions on the OASIS Home Page at <http://www.tsin.com>, or shall use the attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 11 of 310

Standard 2.2.1: FIRM - Transmission service that always has priority over NONFIRM transmission service and includes Native Load Customers, Network Customers, and any transmission service not classified as non-firm in accordance with the definitions in the pro forma tariff.

Standard 2.2.2: NON-FIRM - Transmission service that is reserved and/or scheduled on an as-available basis and is subject to curtailment or interruption at a lesser priority compared to FIRM transmission service, including Native Load Customers and Network Customers, in accordance with the definitions in the pro forma tariff.

Section 2.3 Attribute Values Defining Service Types

Standard 2.3: A Transmission Provider shall use the values and definitions below to describe the service type, TS_TYPE, for transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at <http://www.tsin.com>, or shall use the attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.3.1: POINT-TO-POINT (PTP) - Transmission service that is reserved and/or scheduled between specified POINTS OF RECEIPT and DELIVERY pursuant to Part II of the pro forma tariff and in accordance with the definitions in the pro forma tariff.

Standard 2.3.2: NETWORK - Network Integration Transmission Service that is provided to serve a Network Customer load pursuant to Part III of the pro forma tariff and in accordance with the definitions in the pro forma tariff.

Section 2.4 Curtailment Priorities

Standard 2.4: A Transmission Provider that has adopted NERC TLR Procedures shall use the curtailment priority definitions contained in NERC TLR Procedures for NERC CURTAILMENT PRIORITY (1-7) for all transmission services offered on OASIS. A Transmission Provider that has adopted alternative curtailment procedures shall post its alternative attribute values and associated definitions on the OASIS Home Page at <http://www.tsin.com>, or shall use attribute values and definitions posted by another Transmission Provider. (See Section 3 for registration requirements.)

Section 2.5 Other Service Attribute Values

The Commission has defined six ancillary services in Order No. 888. Other services may be offered pursuant to filed tariffs.

Standard 2.5: A Transmission Provider shall use the definitions below to describe the AS_TYPES offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at <http://www.tsin.com>, or shall use attribute values and definitions posted by another Transmission Provider. (See Section 3 for registration requirements.)

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 12 of 310

FERC Ancillary Services Definitions

Standard 2.5.1: SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE (SC) - is necessary to the provision of basic transmission service within every control area. This service can be provided only by the operator of the control area in which the transmission facilities used are located. This is because the service is to schedule the movement of power through, out of, within, or into the control area. This service also includes the dispatch of generating resources to maintain

generation/load balance and maintain security during the transaction and in accordance with section 3.1 (and Schedule 1) of the pro forma tariff.

Standard 2.5.2: REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE (RV) - is the provision of reactive power and voltage control by generating facilities under the control of the control area operator. This service is necessary to the provision of basic transmission service within every control area and in accordance with section 3.2 (and Schedule 2) of the pro forma tariff.

Standard 2.5.3: REGULATION AND FREQUENCY RESPONSE SERVICE (RF) - is provided for transmission within or into the transmission provider's control area to serve load in the area. Customers may be able to satisfy the regulation service obligation by providing generation with automatic generation control capabilities to the control area in which the load resides and in accordance with section 3.3 (and Schedule 3) of the pro forma tariff.

Standard 2.5.4: ENERGY IMBALANCE SERVICE (I) - is the service for transmission within and into the transmission provider's control area to serve load in the area. Energy imbalance represents the deviation between the scheduled and actual delivery of energy to a load in the local control area over a single hour and in accordance with section 3.4 (and Schedule 4) of the pro forma tariff.

Standard 2.5.5: OPERATING RESERVE - SPINNING RESERVE SERVICE (SP) - is provided by generating units that are on-line and loaded at less than maximum output. They are available to serve load immediately in an unexpected contingency, such as an unplanned outage of a generating unit and in accordance with section 3.5 (and Schedule 5) of the pro forma tariff.

Standard 2.5.6: OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE (SU) - is generating capacity that can be used to respond to contingency situations. Supplemental reserve, is not available instantaneously, but rather within a short period (usually ten minutes). It is provided by generating units that are on-line but unloaded, by quick-start generation, and by customer interrupted load and in accordance with section 3.6 (and Schedule 6) of the pro forma tariff.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 13 of 310

Other Service Definitions

Other services may be offered to Transmission Customers through Commission-approved revisions to their individual open access tariffs. Examples of other services that may be offered include the Interconnected Operations Services described below in Standards 2.5.7, 2.5.8, and 2.5.9. Ancillary service definitions may be offered pursuant to an individual transmission provider's specific tariff filings.

Standard 2.5.7: DYNAMIC TRANSFER (DT) - is the provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of its Host Control Area into a different Electronic Control Area.

Standard 2.5.8: REAL POWER TRANSMISSION LOSSES (TL) - is the provision of capacity and energy to replace energy losses associated with transmission service on the Transmission Provider's system.

Standard 2.5.9: SYSTEM BLACK START CAPABILITY (BS) - is the provision of generating equipment that, following a system blackout, is able to start without an outside electrical supply. Furthermore, BLACK START CAPABILITY is capable of being synchronized to the transmission system such that it can provide a startup supply source for other system capacity that can then be likewise synchronized to the transmission system to supply load as part of a process of re-energizing the transmission system.

Standard 2.6: A Transmission Provider shall use the definitions below to describe the scheduling period leading up to the start time of a transaction:

Standard 2.6.1: SAME-DAY is after 2 p.m. of the preceding day and

Standard 2.6.2: NEXT-HOUR is one hour or less prior to the service start time.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 14 of 310

Section 3 OASIS Registration Procedures

Section 3.1 Entity Registration

Operation of OASIS requires unambiguous identification of parties.

Standard 3.1: All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at <http://www.tsin.com>. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement may be denied access by a transmission provider to that transmission provider's OASIS node.

The registration requirement applies to any entity logging onto OASIS for the purpose of using or updating information, including Transmission Providers, Transmission Customers, Observers, Control Areas, Security Coordinators, and Independent System Operators.

Section 3.2 Process to Register Non-Standard Service Attribute Values

Section 2 of the OASIS business practice standards addresses the use of standard terminology in defining services on OASIS. These standard definitions for service attribute values will be posted publicly on the OASIS Home Page at <http://www.tsin.com> and may be used by all Transmission Providers to offer transmission and ancillary services on OASIS. If the Transmission Provider determines that the standard definitions are not applicable, the Transmission Provider may register new attribute values and definitions on the OASIS Home Page. Any Transmission Provider may use the attribute values and definitions posted by another Transmission Provider.

Standard 3.2: Providers of transmission and ancillary services shall use only attribute values and definitions that have been registered on the OASIS Home Page at <http://www.tsin.com> for all transmission and ancillary services offered on their OASIS.

Standard 3.3: Providers of transmission and ancillary services shall endeavor to use on their OASIS nodes attribute values and definitions that have been posted by other Transmission Providers on the OASIS Home Page at <http://www.tsin.com> whenever possible.

Section 3.3 Registration of Points of Receipt and Delivery

In order to improve coordination of path naming and to enhance the identification of commercially available connection points between Transmission Providers and regions, the business practice for Phase IA OASIS requires that:

- I. Transmission Providers register at the OASIS Home Page at <http://www.tsin.com>, all service points (Points of Receipt and Delivery) for which transmission service is available over the OASIS.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 15 of 310

- II. Each Transmission Provider would then indicate on its OASIS node, for each Path posted on its OASIS node, the Points of Receipt and Delivery to which each Path is connected.

A Transmission Provider is not required to register specific generating stations as Points of Receipt, unless they were available as service points for the purposes of reserving transmission service on OASIS. The requirement also does not include registration of regional flowgates, unless they are service points for the purposes of reserving transmission on OASIS.

Standard 3.4: A Transmission Provider shall register and thereafter maintain on the OASIS Home Page at <http://www.tsin.com> all Points of Receipt and Delivery to and from which a Transmission Customer may reserve and schedule transmission service.

Standard 3.5: For each reservable Path posted on their OASIS nodes, Transmission Providers shall indicate the available Point(s) of Receipt and Delivery for that Path. These Points of Receipt and Delivery shall be from the list registered on the OASIS Home Page at <http://www.tsin.com>.

Standard 3.6: When two or more Transmission Providers share common Points of Receipt or Delivery, or when a Path connects Points of Receipt and Delivery in neighboring systems, the Transmission Providers owning and/or operating those facilities shall apply consistent names for those connecting paths or common paths on the OASIS.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 16 of 310

Section 4 On-line Negotiation and Confirmation Process

Section 4.1 On-line Price Negotiation in Short-term Markets

Standard 4.1: Consistent with FERC policy and regulations, all reservations and price negotiations shall be conducted on OASIS.

Standard 4.2: Reserved

Standard 4.3: Reserved

Section 4.2 Phase IA Negotiation Process State Transition Diagram

The Phase IA S&CP Document provides a process state diagram to define the Customer and Transmission Provider interactions for negotiating transmission service. This diagram defines allowable steps in the reservation request, negotiation, approval and confirmation.

Standard 4.4: The state diagram appearing in Exhibit 4-1 in Section 4.2.10.2 of the Version 1.3 of the S&CP Document constitutes a recommended business practice in OASIS Phase IA.

Standard 4.5: The definitions in Section 4.2.10.2 of the Version 1.3 of the S&CP Document (status values) shall be applied to the process states in OASIS Phase IA.

Table 4-1 – Reserved

Section 4.3 Negotiations Without Competing Bids

The following practices are defined in order to enhance consistency of the reservation process across OASIS Phase IA nodes.

Standard 4.6: A Transmission Provider/Seller shall respond to a Customer's service request, consistent with filed tariffs, within the Provider Response Time Limit defined in **Table 4-2 Reservation Timing Requirements**. The time limit is measured from the time the request is QUEUED. A Transmission Provider may respond by setting the state of the reservation request to one of the following:

- I. INVALID
- II. DECLINED
- III. REFUSED
- IV. COUNTEROFFER
- V. ACCEPTED
- VI. STUDY (when the tariff allows), leading to REFUSED, COUNTEROFFER, or ACCEPTED.

Standard 4.7: Prior to setting a request to ACCEPTED, COUNTEROFFER, or REFUSED a Transmission Provider shall evaluate the appropriate resources and ascertain that the requested transfer capability is (or is not) available.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 17 of 310

Standard 4.8: For any request that is REFUSED or INVALID, the Transmission Provider must indicate in the SELLER_COMMENTS field the reason the request was refused or invalid.

Standard 4.9: The Customer may change a request from QUEUED, RECEIVED, STUDY, COUNTEROFFER, REBID, or ACCEPTED to WITHDRAWN at any time prior to CONFIRMED.

Standard 4.10: From ACCEPTED or COUNTEROFFER, a Customer may change the status to CONFIRMED or WITHDRAWN. In addition, a Customer may change the status from COUNTEROFFER to REBID. The Customer has the amount of time designated as Customer Confirmation Time Limit in **Table 4-2 Reservation Timing Requirements** to change the state of the request to CONFIRMED. The Customer time limit is measured from the first time the request is moved to ACCEPTED or COUNTEROFFER, and is not reset with subsequent iterations of negotiation.

Standard 4.11: After expiration of the Customer Confirmation Time Limit, specified in **Table 4-2 Reservation Timing Requirements**, the Transmission Provider has a right to move the request to the RETRACTED state.

Standard 4.12: Should the Customer elect to respond to a Transmission Provider's COUNTEROFFER by moving a reservation request to REBID, the Transmission Provider shall respond by taking the request to a DECLINED, ACCEPTED, or COUNTEROFFER state within the Provider Counter Time Limit, specified in **Table 42 Reservation Timing Requirements**. The Transmission Provider response time is measured from the most recent REBID time.

Standard 4.13: The following timing requirements shall apply to all reservation requests:

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 18 of 310

Table 4-2
Reservation Timing Requirements

Class	Service Increment	Time QUEUED Prior to Start	Provider Evaluation Time Limit ¹	Customer Confirmation Time Limit ² after ACCEPTED or COUNTEROFFER ³	Provider Counter Time Limit after REBID ⁴
Non-Firm	Hourly	<1 hour	Best effort	5 minutes	5 minutes
Non-Firm	Hourly	>1 hour	30 minutes	5 minutes	5 minutes
Non-Firm	Hourly	Day ahead	30 minutes	30 minutes	10 minutes
Non-Firm	Daily	N/A	30 minutes	2 hours	10 minutes
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours
Non-Firm	Monthly	N/A	2 days ⁵	24 hours	4 hours
Firm	Daily	< 24 hours	Best effort	2 hours	30 minutes
Firm	Daily	N/A	30 days ⁶	24 hours	4 hours
Firm	Weekly	N/A	30 days ⁶	48 hours	4 hours
Firm	Monthly	N/A	30 days ⁶	4 days	4 hours
Firm	Yearly	60 days ⁷	30 days	15 days	4 hours

Notes for Table 4-2:

¹Consistent with regulations and filed tariffs, measurement starts at the time the request is QUEUED.

²Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preemption deadlines.

³Measurement starts at the time the request is first moved to either ACCEPTED or COUNTEROFFER. The time limit does not reset on subsequent changes of state.

⁴Measurement starts at the time the Transmission Customer changes the state to REBID. The measurement resets each time the request is changed to REBID.

⁵Days are defined as calendar days.

⁶Subject to expedited time requirements of Section 17.1 of the pro forma tariff. Transmission Providers shall make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is earlier, to a request for Daily Firm Service received during period 2-30 days ahead of the service start time.

⁷Subject to Section 17.1 of the pro forma tariff, whenever feasible and on a nondiscriminatory basis, transmission providers should accommodate requests made with less than 60 days notice.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 19 of 310

Section 4.4 Negotiations With Competing Bids for Constrained Resources

Competing bids exist when multiple requests cannot be accommodated due to a lack of available transmission capacity. One general rule is that OASIS requests should be evaluated and granted priority on a first-come-first-served basis established by OASIS QUEUED time. Thus, the first to request service should get it, all else being equal.

Exceptions to this first-come-first-served basis occur when there are competing requests for limited resources and the requests have different priorities established by FERC regulations and filed tariffs. Prior to the introduction of price negotiations, the attribute values that have served as a basis for determining priority include:

- I. Type (Network, Point-to-point)
- II. Class (Firm, Non-Firm)
- III. Increment (Hourly, Daily, Weekly, Monthly, Yearly)
- IV. Duration (the amount of time between the Start Date and the Stop Date)
- V. Amount (the MW amount)

Under a negotiation model, price can also be used as an attribute for determining priority. The negotiation process increases the possibility that a Transmission Provider will be evaluating multiple requests that cannot all be accommodated due to limited resources. In this scenario, it is possible that an unconfirmed request with an earlier QUEUED time could be preempted (SUPERSEDED). For this to occur, the subsequent request would be of higher priority or of greater price.

Standard 4.14: Consistent with regulations and filed tariffs, the following are

recommended relative priorities of Service Request Tiers¹. Specific exceptions may exist in accordance with filed tariffs. The priorities refer only to negotiation of service and do not refer to curtailment priority.

- 4.14.1. Service Request Tier 1: Native load, Network, or Long-term Firm
- 4.14.2. Service Request Tier 2: Short-term Firm
- 4.14.3. Service Request Tier 3: Network Service From Non-designated Resources
- 4.14.4. Service Request Tier 4: Non-firm
- 4.14.5. Service Request Tier 5: Non-firm Point-to-point Service over secondary receipt and delivery points
- 4.14.6. Service Request Tier 6: Non-firm Next Hour Market Service

Standard 4.15: Consistent with regulations and filed tariffs, reservation requests shall be handled in a first-come-first-served order based on QUEUE_TIME.

¹Note: The term Tier is introduced to avoid confusion with existing terms such as TS_CLASS.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 20 of 310

Standard 4.16: Consistent with regulations and filed tariffs, Table 4-3 describes the relative priorities of competing service requests and rules for offering right-of-first-refusal. While the table indicates the relative priorities of two competing requests, it also is intended to be applied in the more general case of more than two competing requests.

Table 4-3
Priorities for Competing Reservation Requests

R O W	Request 1	Is Preempted by Request 2	Right of First Refusal
1	Tier 1: Long-term Firm, Native Load, and Network Firm	N/A - Not preempted by a subsequent request.	N/A
2	Tier 2: Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted.	No
3	Tier 2: Short-term Firm	Tier 2: Short-term Firm of longer term (duration), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted. ¹	Yes, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted and right of first refusal is not applicable.
4	Tier 3: Network Service From Non-Designated Resources	Tiers 1 and 2: All Firm (including Network).	No
5	Tier 4: All Non-Firm PTP	Tiers 1 and 2: All Firm (including Network).	No
6	Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non-Designated Resources.	No
7	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of a longer term (duration) ¹ . Except in the last hour prior to start (See Standard 4.23).	Yes ²
8	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of equal term (duration) ¹ and higher price, when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of equal duration. (See Standards 4.22 and 4.25.)	Yes ³
9	Tier 5: Non-firm	Tier 5 can be preempted by Tiers 1 through	No

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 21 of 310

	PTP Service over secondary receipt and delivery points.	4.	
10	Tier 6: Non-firm Next Hour Market Service	Tier 6 can be preempted by Tiers 1 through 5.	No

¹ Longer duration, in addition to being higher SERVICE_INCREMENT (i.e., WEEKLY has priority over DAILY), also may mean more multiples of the same SERVICE_INCREMENT (i.e., 3 days may have priority over 2 days). Multiple service increments must be at the same level of capacity.

² Right of first refusal when a subsequent request is received of a longer duration applies only if the first request is confirmed.

³ Right of first refusal when a subsequent request is received of an equal duration and higher price applies only when the first request is unconfirmed and the subsequent request is received preconfirmed (see Standards 4.22 and 4.26).

Standard 4.17: For a request or reservation that is Superseded or Displaced, the Transmission Provider must indicate the Assignment Reference Number of the competing request and the reason for denial of service in the SELLER_COMMENTS field.

Standard 4.18: Given competing requests for a limited resource and a right-of-first-refusal is not required to be offered, the Transmission Provider may immediately move requests in the CONFIRMED state to DISPLACED, or from an ACCEPTED or COUNTEROFFER state to SUPERSEDED, if the competing request is of higher priority, based on the rules represented in Table 4-3. These state changes require dynamic notification to the Customer if the Customer has requested dynamic notification on OASIS.

Standard 4.19: In those cases where right-of-first-refusal is required to be offered, the Transmission Provider shall notify the Customer, through the use of a COUNTEROFFER, of the opportunity to match the subsequent offer.

Standard 4.20: A Customer who has been extended a right-of-first-refusal shall have a confirmation time limit equal to the lesser of a) the Customer Confirmation Time Limit in Table 4-2 or b) 24 hours.

Standard 4.21: A Transmission Provider shall apply all rights-of-first-refusal in a nondiscriminatory and open manner for all Customers.

Standard 4.22: Once a non-firm PTP request has been confirmed, it shall not be displaced by a subsequent non-firm PTP request of equal duration and higher price.

Standard 4.23: A confirmed, non-firm PTP reservation for the next hour shall not be displaced within one hour of the start of the reservation by a subsequent non-firm PTP reservation request of longer duration.

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 22 of 310

Standard 4.24: A Transmission Provider shall accept any reservation request submitted for an unconstrained Path if the Customer's bid price is equal to or greater than the Transmission Provider's posted offer price at the time the request was queued, even if

later requests are submitted at a higher price. This standard applies even when the first request is still unconfirmed, unless the Customer Confirmation Time Limit has expired for the first request.

Standard 4.25: Once an offer to provide non-firm PTP transmission service at a given price is extended to a Customer by the Transmission Provider, and while this first request is still unconfirmed but within the Customer Confirmation Time Limit, the Transmission Provider shall not preempt or otherwise alter the status of that first request on receipt of a subsequent request of the same Tier and equal duration at a higher price, unless the subsequent request is submitted as pre-confirmed.

Standard 4.26: If during a negotiation of service (i.e., prior to Customer confirmation) a subsequent pre-confirmed request for service over the same limited resource of equal duration but higher price is received, the Transmission Provider must COUNTEROFFER the price of service on the prior COUNTEROFFER or ACCEPTED price to match the competing offer, in order to give the first Customer an opportunity to match the offer. This practice must be implemented in a non-discriminatory manner.

Standard 4.27: Whenever a request or reservation is set to the state of Invalid, Refused, Declined, Superseded, Retracted, Annulled, or Displaced, the Transmission Provider or Seller shall enter the reason for the action in the SELLER_COMMENTS field.

Section 5 Procurement of Ancillary and Other Services

Section 5.1 Introduction

Phase IA OASIS data templates allow the coupling of ancillary service arrangements with the purchase of transmission service for the purpose of simplifying the overall process for Customers. Transmission Providers must indicate (consistent with filed tariffs), which services are MANDATORY (must be taken from the Primary Transmission Provider), REQUIRED (must be provided for but may be procured from alternative sources), or OPTIONAL (not required as a condition of transmission service).

The Transmission Customer should make known to the Transmission Provider at the time of the reservation request certain options related to arrangement of ancillary services. The Transmission Customer may indicate:

- a. I will take all the MANDATORY and REQUIRED ancillary services from the Primary Transmission Provider
- b. I will take REQUIRED ancillary services from Third Party Seller X
- c. I would like to purchase OPTIONAL services
- d. I will self provide ancillary services
- e. I will arrange for ancillary services in the future (prior to scheduling)

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 23 of 310

While these interactions are available in the Phase IA S&CP Document, there is a need to clarify the associated business practices. The standards in Section 5 apply to services defined in filed tariffs.

Section 5.2 Transmission Provider Requirements

Standard 5.1: The Transmission Provider shall designate which ancillary services are MANDATORY, REQUIRED, or OPTIONAL for each offered transmission service or each transmission path to the extent these requirements can be determined in advance of the submittal of a reservation request on a specific Path by a Transmission Customer.

Standard 5.2: A Transmission Provider shall modify a Transmission Customer's service request to indicate the Transmission Provider as the SELLER of any ancillary service, which is MANDATORY, to be taken from the Transmission Provider.

Standard 5.3: For REQUIRED and OPTIONAL services, the Transmission Provider shall not select a SELLER of ancillary service without the Transmission Customer first selecting that SELLER.

Standard 5.4: A Transmission Provider may accept a Transmission Customer's request for an ancillary service, which is not MANDATORY or REQUIRED, but shall indicate to the Transmission Customer at the time of acceptance in SELLER_COMMENTS that the service is not MANDATORY or REQUIRED.

Section 5.3 Transmission Customer Requirements

Standard 5.5: The Transmission Customer shall indicate with the submittal of a transmission reservation request, the preferred options for provision of ancillary services, such as the desire to use an alternative resource. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may

change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

Standard 5.6: A Transmission Customer may, but is not required to, indicate a third party SELLER of ancillary services, if these services are arranged by the Transmission Customer off the OASIS and if such arrangements are permitted by the Transmission Provider's tariff. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

Section 6 - Pathnaming Standards

Section 6.1 Introduction

The Data Element Dictionary of the OASIS S&CP Document, Version 1.3, defines a path name in terms of a 50-character alphanumeric string:

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 24 of 310

RR/TPTP/PATHPATHPATH/OPTIONALFROM-OPTIONALTOTO/SPR

RegionCode/TransmissionProviderCode/PathName/OptionalFrom-To(POR-POD)/Spare

This definition leaves it to the Transmission Providers to name the paths from their own perspective. The following standards provide an unambiguous convention for naming paths and will produce more consistent path names.

Section 6.2 Transmission Provider Requirements

Standard 6.1: A transmission provider shall use the path naming convention defined in the S&CP Data Dictionary for the naming of all reservable paths posted on OASIS.

Standard 6.2: A transmission provider shall use the third field in the path name to indicate the sending and receiving control areas. The control areas shall be designated using standard NERC codes for the control areas, separated by a hyphen. For example, the first three fields of the path name will be:

RR/TPTP/CAXX-CAYY/

Standard 6.3: A transmission provider shall use the fourth field of the path name to indicate POR and POD separated by a hyphen. For example, a path with a specific POR/POD would be shown as:

RR/TPTP/CAXX-CAYY/PORPORPORPOR-PODPODPODPOD/

If the POR and POD are designated as control areas, then the fourth field may be left blank (as per the example in 6.2).

Standard 6.4: A transmission provider may designate a sub-level for Points of Receipt and Delivery. For example, a customer reserves a path to POD AAAA. The ultimate load may be indeterminate at the time. Later, the customer schedules energy to flow to a particular load that may be designated by the transmission provider as a sub-level Point of Delivery. This option is necessary to ensure certain transmission providers are not precluded from using more specific service points by the inclusion of the POR/POD in the path name. All sub-level PORs and PODs must be registered as such on <http://www.tsin.com>.

Section 7 – Next Hour Market Service

Section 7.1 Introduction

The standards in this section apply to the offering of Next Hour Market (NHM) Service only. The Commission has designated this service as voluntary for a transmission provider to offer. Therefore the standards apply to a transmission provider only if that provider offers NHM Service, in which case the standards become mandatory for that provider.

Section 7.2 Transmission Provider Requirements

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 25 of 310

Standard 7.1: Use of NHM Service shall be limited to interchange transactions having a duration of one clock-hour and requested no earlier than 60 minutes prior to the start time of the transaction.

Standard 7.2: A transmission provider offering NHM Service shall allow an eligible transmission customer to request a NHM Service reservation electronically using protocols compliant with the NERC ETAG Specification 1.6.

Standard 7.3: A transmission provider offering NHM Service shall allow a transmission customer to request NHM Service for one or more path segments of a tag by designating: (a) 0-NX as the transmission product code under the OASIS block and (b) BUYATMARKET as the OASIS reservation identifier.

Standard 7.4: A transmission provider offering NHM Service shall consider the submittal of a tag designating that provider on one or more path segments using NHM Service to include a pre-confirmed request for the necessary transmission reservation and associated mandatory ancillary services for each designated path segment, for the hour indicated. No additional confirmation steps shall be required by the transmission customer for a NHM Service transmission reservation and associated ancillary services.

Standard 7.5: A transmission provider offering NHM Service shall consider set the amount of the NHM Service reservation as:

- a. The amount of the Transmission Provider Product, if specified.
- b. In accordance with the Transmission Provider's tariff, the MW amount at the POR or POD for that Provider in the Loss Table, if Transmission Provider Product is not specified.
- c. The MW amount in the Energy Profile, if neither Transmission Provider Product amount nor Provider Loss Table amounts are specified.

Standard 7.6: The OASIS queue time of a NHM Service request or reservation shall be the transmission provider ETAG approval service receipt time, unless a system failure requires the use of ETAG backup procedures, in which case the OASIS queue time shall be the time the tag is received by the transmission provider.

Standard 7.7: The 0-NX designation in the tag assigns as transmission customer, for all NHM Service path segments in the transaction, the PSE that is designated as the Purchasing-Selling Entity (PSE) responsible for the tag. A PSE submitting a tag may not designate a NHM Service reservation for another PSE and a transmission provider may not assign a reservation to any transmission customer other than the PSE submitting the NHM Service tag.

Standard 7.8: When evaluating competing requests for transmission reservations, a transmission provider offering NHM Service shall consider the NHM Service to have a priority lower than Tier 5 – point-to-point service over secondary receipt and delivery points.

Standard 7.9: Once a tag goes to IMPLEMENT or CONDITIONAL status in ETAG, the transmission provider shall consider the associated NHM Service reservations to be confirmed. Since the NHM

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 26 of 310

Service confirmed reservation(s) are by definition less than one hour prior to start, these reservations shall not be displaced by a subsequent non-firm reservation of higher priority.

Standard 7.10: The transmission customer shall be obligated to pay for the transmission service under the terms of the tariff at the posted offer price for non-firm hourly service, once the interchange transaction tag is changed to the IMPLEMENT or CONDITIONAL status in ETAG. In the event of a voluntary withdrawal or reduction in the amount or duration of the service by the transmission customer after the tag has changed to IMPLEMENT or CONDITIONAL, the transmission customer shall remain obligated to pay for the full amount of the approved request. In the event of an involuntary curtailment or reduction of the service, initiated by the transmission provider or any other transmission provider, the transmission customer shall not be obligated to pay for any portions of the NHM Service that were involuntarily curtailed. In the case of involuntary curtailment or reduction, payment shall be based on a calculation of the MWhours actually used.

Standard 7.11: In the case that a transaction uses NHM Service for all required path segments in the tag, the default condition of the tag is NOT approved unless all required transmission providers and control areas indicate tag approval.

Standard 7.12: In the case that a transaction mixes one or more transaction path segments that use NHM Service with one or more path segments that use other types of transmission service, then 1) as long as the NHM Service path segment(s) are not fully approved, then the tag shall default to NOT approved; and 2) if all NHM Service path segments in the ETAG are fully approved, then the tag shall revert to the normal default status as specified in NERC Operating Policy 3 and associated Appendices.

Standard 7.13: The transmission customer shall be required to submit a NHM Service transaction request prior to the tag submittal time limit as specified in NERC Operating Policy 3 and associated Appendices, and no earlier than 60 minutes prior to the start of the transaction.

Standard 7.14: The approval mechanism for a NHM Service reservation shall be the tag approval. If the tag is approved and moved to the IMPLEMENT or CONDITIONAL state, all required NHM Service transmission reservations associated with that tag shall be

R04005-Attachment

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 27 of 310

considered confirmed reservations. If one or more transmission providers do NOT approve their segment(s) of the transaction, then the transaction shall be considered NOT approved. Each transmission provider designated in a tag that does not approve that segment of the tag shall indicate that the associated reservation for that segment is REFUSED. If a designated transmission provider in a NHM Service path segment approves the tag but the tag is not approved through the action or inaction of another transmission provider, then that transmission provider shall indicate that reservation is ANNULLED.

Standard 7.15: The transmission provider shall assign the reservation request and final disposition status on behalf of the transmission customer within one hour of the requested start of the NHM Service transaction, regardless of the ultimate disposition of the tag.

Standard 7.16: NHM Service shall have the lowest curtailment priority in the event that a curtailment or reduction of transfers is initiated. Specifically, NHM Service (0-NX) shall have a NERC Curtailment Priority of 0.