

**ENTERGY ADDITIONAL COMMENTS
TO THE NAESB EXECUTIVE COMMITTEE CONCERNING**

STANDARD R03013

**COORDINATE INTERCHANGE BUSINESS PRACTICES DRAFT STANDARD
SUBMITTED TO THE EC FOR APPROVAL
05-04-04 MEETING**

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Entergy has submitted comments to the EC concerning the NAESB draft standard Coordinate Interchange Business Practices being presented for approval to the WEQ EC on May 4, 2004. However, after further consideration and discussions during several recent meetings we have several additional concerns we would like the EC to consider before approving this draft. Our additional concerns are:

- The NERC and NAESB Coordinate Interchange (CI) draft standards do not seem to interface properly with each other,
- Neither of the two draft standards have assigned the existing E-Tag timing requirements contained in NERC Operating Policy "Appendix 3A1 - Tag Submission and Response Timetables" to the appropriate Functional Model entities,
- The interface between the two standards leaves holes in the overall process that could cause problems.

The NAESB and NERC CI draft standards are based on the NERC Functional Model (FM) requirements. That FM model introduces what may be a new step (or at least a new function) in the process of developing and implementing interchange between two control areas – sorry – that should be between two Balancing Authorities. That new step introduces an Interchange Authority that is to review and verify an interchange (transaction) request.

The NERC standard does not specify any times by which the interchange must be submitted, reviewed, or responded to by any FM reliability authority. The NAESB draft standard being presented contains the timing tables contained in the existing NERC Operating Manual Appendix 3A1, but does not completely assign those times to the FM entities in a clear, unambiguous manner.

The following is a summary of the interaction between the two standards. The attached diagram illustrates the coordination between the two draft standards and the timing issues of concern as applied to the Eastern Interconnection requirements. Entergy would like one of the standards, probably the NAESB CI standard, to explicitly address to which FM entities the times in the RFI Submission and Response Timetable apply.

NERC CI STANDARD

First, in NERC standard 402 the requirement on IA is to "verify":

402 - The Interchange Authority shall verify that Arranged Interchange is balanced and valid prior to transitioning Arranged Interchange to Confirmed Interchange.

Second, the NERC standard 403 requires the RA, BA, and TSP to respond to requests from the IA that the Arranged Interchange is "acceptable and reliable":

403 - The Reliability Authority, Balancing Authority and Transmission Service Provider shall respond to a request from an Interchange Authority to transition an Arranged Interchange to a Confirmed Interchange by acknowledging that the Arranged Interchange is acceptable and reliable with respect to their functional responsibilities.

Please note the following:

NOTE 1 - At what time are the reliability authorities stating the interchange was acceptable - when the approval was first given, or at the time the IA made the request? We believe the approval would be given for the time the IA made the request.

NOTE 2 - Entergy believes the times in the "Appendix 3A1 - Tag Submission and Response Timetables" apply starting when the reliability authorities receive the request from the IA. At the time the NERC CI standard was being developed Entergy expressed the desire to put the Appendix 3A1 times into the NERC CI standard. However, others on the team feel strongly that the Appendix 3A1 times belong in the NAESB CI Business Practices standard and therefore the times were not included in the NERC standard.

NOTE 3 - Appendix 3A1 is written in terminology used today and contains no references to Functional Model entities like IA, BA, RA, etc.

NAESB CI BUSINESS PRACTICE STANDARD

The key parts of the NAESB CIBP standard are contained in the following standards which are summarized as follows:

2.0 - Completed RFI to IA

4.0 - PSE Distributes RFI to All Involved Parties

5.0 - PSE Distributes Completed RFI to IA and Concurrently to All Involved Parties per Table

6.0 - Arranged Interchange Assessed by Approval Entities & Assessment Sent Back to IA per Table

The Table referred to in 5 and 6 is essentially the same tables contained in Appendix 3A1 with the addition of a footnote for the second column of the Table stating that the deadline to submit the RFI to Reliability Entities (BA, TSP, and RA). Note the NAESB standard does not contain a

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time for submittal of the RFI to the IA, and no time is specified for the IA to send the RFI to the Approval Entities (or the reliability authorities).

The attached drawing is a side-by-side of the pertinent NERC and NAESB standard requirements and the timing contained in the NAESB standard. Note that two of the times from the NAESB standard may line up with the NERC standard even though the appropriate FM entities are not identified in the Table. One is for standard 403 that the Approval Entity Assessment Time is " ≤ 10 Minutes from Tag Receipt". The second is for standard 401 that the BA Implements Arranged Interchange Time to Start of Interchange " ≥ 10 Minutes".

Note there is not time specified for the IA to request the approvals required in the NERC standard and there is no time specified for the IA to inform the BA, PSE, etc that the interchange has transitioned to Confirmed Interchange.

HOLE BETWEEN THE TWO STANDARDS

If a reliability authority wants he may cause problems at the seam between the two standards. This authority would receive a copy of the RFI from the Market Assembly. However, that entity may claim that he does not have to evaluate it until he receives a request from the IA per the NERC standard. However, there is no time specified for the IA to send the RFI to those reliability authorities.

RECOMMENDATION

We suggests that the interface between the two standards be better coordinated, and all the times associated with Appendix 3A1 be assigned in either the NERC or NAESB standard and in terms of the FM. If done as suggested we think the two new standards would reasonably reflect parts of the current day reliability and business practices contained in the NERC Operating Manual.

Entergy would like to see one of the standards, preferably the NAESB CI standard, to explicitly address to which FM entities the times in the RFI Submission and Response Timetable apply. We would recommend that the "starting of the clock" is when the IA submits a RFI to the RA, BA, and TSP as indicated in the NERC standard 403. As applied to Table 1 this recommendation would change the heading of the second column from "PSE Submit Deadline" to "IA Submit Deadline". Other changes to the all the Tables would be needed to accommodate this recommendation.

We also suggest the industry not change the times contained in Appendix 3A1 so this standard will be approved. Any changes to the table can be suggested in a new standard.

DIAGRAM COMPARING NAESB AND NERC REQUIREMENTS

