

Additional Comments Submitted by Southern Company

Todd,

Please make copies of Ed's most recent comments and my response below available to the EC next week. Thanks.

Ed,

Thank you for sending these additional comments. Throughout this process, your comments have been instrumental in making crucial improvements to the standard recommendation. As the person most likely to be presenting the CIBP to the EC, I will personally make sure that these comments are made available at the EC meeting in Juno and given proper consideration. As a part of that consideration, please accept these "unofficial" responses regarding your comments ("unofficial" because I am responding personally to you as opposed to a formal response from NAESB).

First of all, I would ask that you review the comments of the ESS to the EC per the following link:

http://www.naesb.org/pdf/weq_ec050404w16.pdf

These comments include a replacement to the originally recommended CIBP standard that, I believe, addresses most - if not all - of the concerns you raise in these comments. If I may, please allow me to elaborate.

Per your comments

"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."

Although this is obviously a matter of subjective opinion, I personally believe that the version of the table included in the link above does in fact assign those times in an unambiguous manner. For example, "Submit Deadline to Reliability Entities" has been clarified in the footnote to specifically include RA, BA, TSP, and IA. Furthermore, while you are correct in your statement that "no time is specified for the IA to send the RFI to the Approval Entities (or the reliability authorities)", the table specifically provides times for "Approval Entity Response to IA".

Between these two timing specifications, there is a clear requirement for the IA AND the approval entities to receive the RFI at approximately the same time and that the approval entities not only have an unambiguous assessment period, but also have an unambiguously specified deadline for notifying the IA of that assessment. The standard DOES NOT get into the implementation issues associated with the communication between the IA and the reliability entities, nor should it. That should be part of an implementation protocol. The standard simply places boundaries around the submission, assessment, and response functions.

With respect to the NERC standard section 403, your comments say

"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."

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The CIBP Task Force and the ESS have sought clarification from the NERC Coordinate Interchange Reliability Standard drafting team (and others) regarding this issue. Although there is still disagreement within the industry over the interpretation of the NERC Standard, the general consensus from the CIRS drafting team is that section 403 of the standard is intended to be a clarification that approvals have taken place, NOT - as Entergy suggests - an initiation of an assessment period. The original intent of the CIRS required all approvals - and therefore all assessments - to take place prior to submission of the RFI to the IA. As such, there must be a specification somewhere (currently in the CIBP standard) that requires submission of the RFI to those approval entities for the purpose of initiating that evaluation. This is the approach taken by the CIBP standard and, I (in fact the majority of the CIBP task force) believe, represents the intent of the CI Reliability Standard. In fact, until such time as the NERC CI drafting team changes the wording in section 403 to explicitly require the initiation of an assessment period through wording such as "The IA shall initiate assessment of the arranged interchange" or equivalent, this is the only prudent interpretation the NAESB team can take on this matter.

Your comments also say

"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."

First of all, it appears to me as if there is an assumption being made on your part regarding the relationship of the timing requirements in Appendix 3A1 and the functional model entities - in particular the IA. This simply cannot be the case because there are no references to the IA in Policy 3. Therefore, there can be no direct conclusion made regarding that relation EXCEPT through the creation of the new standard specifically written in Functional Model terminology. Timing requirements in Appendix 3A1 refer to submission of a tag to a Tagging Authority. Assessment periods in Appendix 3A1 are in reference to that submission to the Tagging Authority. The Tagging Authority is NOT an Interchange Authority, it is an implementation of current Policy 3. The Coordinate Interchange Reliability Standard and its corresponding Business Practice Standards must define those relationships because they did not previously exist. Entergy's assumption, therefore, that assessment times begin when the IA requests approval verification are based on an assumption that is not necessarily true... In fact, as mentioned above, the CIBP Standard takes the exact opposite position based on discussions with the NERC CI drafting team.

Your comments say

"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

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to inform the BA, PSE, etc that the interchange has transitioned to Confirmed Interchange."

While I agree with the comment, this represents a purely reliability interaction that is outside the scope of the CIBP standard. The NAESB standard deals only with the interface between the market and the reliability entities and the associated timing of that interface (submission, assessment, and response). Interactions between reliability entities should be addressed by the NERC CI standard.

Finally, your comments say

"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". "

Although the CIBP standard admittedly does not address the timing of the IA's confirmation of approvals, I believe the table as recommended to the EC from the ESS does clarify all other timing requirements. With respect to Entergy's opinion regarding the initiation of the assessment period, I could only suggest that Entergy pursue this issue with the NERC Coordinate Interchange team. While it is my discerned opinion (and the opinion of many others) that our interpretation of this issue is consistent with the intent of the NERC Coordinate Interchange team, I will be the first in line to recommend a change to the NAESB standard if you are successful in getting this clarified to the contrary.

I realize that this does not address all of your issues, so I can at least offer the following. Although I believe the NAESB standard is clear in its intent, and although Entergy clearly does not agree with that intent, I can suggest a change to the recommendation at the EC meeting that will unambiguously clarify that intent. That change would be to insert a standard requirement as follows:

RFI 6.1 The initiation of the assessment period shall begin at the time the Approval Entities receive a copy of the RFI from the Requesting PSE.

The existing RFI 6.1 and RFI 6.2 would be changed to RFI 6.2 and 6.3, respectively.

Furthermore, Roman and I have thoroughly discussed this issue with Mike Oatts of the NERC Coordinate Interchange drafting team, and he has agreed to specifically bring this issue up for resolution. If his team comes to consensus on your viewpoint and recommends a change to the NERC standard that clarifies that viewpoint, I will get behind it 100% and champion a corresponding change in this standard as well.

Again, I appreciate your concerns and comments. Hopefully, the latest version of the standard addresses those concerns as well as could be expected under the circumstances.

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-----Original Message-----

From: DAVIS, EDWARD J
Sent: Thursday, April 29, 2004 1:39 PM
To: 'toncken@naesb.org'
Subject: Additional Comments for the WEQ EC Coordinate Interchange
Agenda Item
Importance: High

Todd,

Please post the attached Entergy Additional Comments to the NAESB website for the WEQ EC meeting May 4. These comments are in addition to those previously submitted and contain a discussion relevant to the Coordinate Interchange Agenda item. I realize they are late and will not be included in the EC Book which has already been distributed.

Thank you. Ed

Edward Davis
Entergy Services, Inc