NERC Interchange Subcommittee
SPP RE Trustees Update
April 2013
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Executive Summary:

The NERC Interchange Subcommittee has been dormant since 2012, but NERC is resuming the Coordinate Interchange Standards Drafting Team this year. The main points which the drafting team plans to address are:

- FERC Paragraph 81 compliance in the INT standards
- Coverage of issued FERC directives that impact the INT standards
- Revisiting the changes made in the original drafting team efforts and finalizing necessary standards changes to address industry concerns
- New INT standards for Dynamic Transfers and electronic and backup Interchange capabilities

The future efforts of the CISDT are:

- Webinar to industry for Q&A on standards changes May 8, 2013
- Meeting at MISO in Carmel, Indiana, on May 8-10, 2013
- Issuing revised standards for ballot in June 2013
- Future meetings to address comments
- NERC Board of Trustees consideration in November 2013

Details:

The NERC Interchange Subcommittee (IS) has not met in person since February 2012. However, several NERC IS members, in conjunction with members of the NAESB Joint Electric Scheduling Subcommittee (JESS) and other industry experts, are participants on a drafting team. Project 2008-12, Coordinate Interchange Standards Drafting Team (CISDT), was shelved in 2011 due to NERC prioritizing other projects with higher priority. This project is now being resumed to address needed changes to the NERC INT standards.

The CISDT met April 16-18, 2013, at NERC Headquarters in Atlanta, Georgia. The following agenda items were covered during that meeting:

1. *Overview of Standards Development Process*
   NERC staff delivered a presentation providing an overview of the standards development process. NERC introduced to the drafting team the Five-Year Review Template, which requires the CISDT to review all standards with consideration for FERC directives, Paragraph 81 criteria, stakeholder concerns, requests for clarity, and other factors.

2. *Review Project Timeline*

   NERC staff reviewed the history of this project and the delay of two and a half years due to higher priority projects. NERC staff explained the NERC Board of Trustees' desire for expediency on current projects. NERC staff also explained that the goal of current drafting team efforts is to achieve industry consensus quickly through informal outreach prior to posting the revised standards. The current schedule for the standards developed by the CISDT is to post for initial ballot in June 2013 with NERC Board consideration in November 2013.

3. *Paragraph 81 Review of CISDT Efforts*

   NERC staff discussed Paragraph 81 principles and their application to the CISDT work. Paragraph 81, issued in a March 2012 FERC Order on NERC's Find, Fix, and Track process, requires modification or retirement of NERC Reliability Standards requirements that "provide little protection to the reliable operations of the BES", are redundant or unnecessary, or whose modification and/or retirement increase the efficiency of the NERC ERO compliance programs. The CISDT analyzed all the standards based on the Paragraph 81 criteria and revised or retired some requirements. The Paragraph 81 effort also received industry comments on some of the applicable standards. Suggestions included removing all PSE designations from the standards, the commercial nature of many requirements within the standards, and a suggestion to retire all INT standards and transfer any remaining reliability requirements to the BAL standards.

4. *Addressing FERC Directives*

   FERC had issued two directives that impacted the efforts of the CISDT:

   a. FERC issued a directive that required intra-Balancing Authority transactions to be submitted in a manner similar to other Interchange. The CISDT created a new NERC standard to address this directive. This new standard also supported requests made from the NAESB perspective.
   b. FERC issued a directive that the TOP and RC Functional Model entities should have responsibilities tied to Interchange. The CISDT plans to modify language in existing NERC definitions, the TOP standards, and the IRO standards to address this FERC request rather than creating new INT standards requirements.

5. *Modification of the INT Standards*

   The CISDT reviewed the previous efforts in modifying the NERC INT standards. The CISDT project originally:

   - revised the INT standards,
   - posted those modified standards for comment to the industry,
   - received comments from the industry, and
   - made a second revision of the standards based on industry feedback

The CISDT revisited their prior efforts and confirmed the validity of those changes. The INT standards previously had standalone standards for each step in the Interchange process with lots of duplication, but the INT standards have been cleaned up for simplification. This cleanup included moving the timing tables for processing Interchange to one INT standard (INT-006). Requirements tied to the timing around distribution of Interchange messages was modified so that no violations occur if the supporting software does not meet the timing requirements but has no reliability consequences. Finally, the original INT standards changes had added requirements around the electronic capabilities and backups needed to participate in Interchange, but the CISDT modified those standards and plans to move some of those concepts into the guideline section of the INT standards.

6. *Dynamic Transfers*

   The CISDT drafted two new INT standards to address the implementation of Dynamic Schedules (INT-013) and Pseudo-Ties (INT-014). Additionally, the CISDT modified INT-004 to apply to both types of Dynamic Transfers so that Pseudo-ties have the same requirements as Dynamic Schedules in terms of congestion management.

7. *Future Efforts*

   The CISDT plans to meet May 8-10, 2013 at MISO in Carmel, Indiana.

   The CISDT plans to hold an industry webinar on Wednesday, May 8th to discuss the proposed standards changes. This webinar provides an excellent forum for SPP members to bring any concerns related to Interchange and/or the INT standards to the attention of the Coordinate Interchange Standards Drafting Team.