The Bonneville Power Administration

NAESB Wholesale Electric Quadrant Request for Formal Comments – Due April 5, 2013

Please consider the following request for enhancement of WEQ-004 Coordinate Interchange Business Practice Standards and the e-Tag specification:

1. Bonneville Power Administration (BPA) and the California ISO (CA ISO) have identified in both the e-Tag specification (1.8.1.1 and draft 1.8.2 versions) and in NAESB WEQ-004 a lack of guidance for use of tagging fields in both the Market Segment and Physical Segment when entities sell to or buy from a Market Operator in organized markets (i.e., ISOs and RTOs).

Many ISO’s and RTO’s are currently requiring that a party transacting with the organized market put themselves as both the Load Serving Entity "L" and the Generator Providing Entity "G" on the Physical segments of the e-Tag. The e-Tag specification does not provide guidance for completing fields to identify the "L" when importing/selling into an organized market or "G" when exporting/selling from an organized market. Since e-Tags are used for reliability purposes, BPA is concerned that the e-Tag does not reflect the actual entity responsible for Load or Generation and in no way shows the "Market Operator".

In organized markets the "Market Operator" is merely a "clearing entity" for loads and generation without actually identifying generation owners or load serving entities. Although e-Tag physical segment specifications require a "PSE" designation for physical ownership, "Market Operators" functioning as "clearing entities" have refused to take title to the transmission or power and consequentially have refused to be listed as the PSE on an e-Tag.

Neither the e-Tag Specifications or WEQ-004 provide guidance for the e-Tag Author on where the Market Operator should be listed on the e-Tag, forcing market participants who have no load or generation within the Organized Market to be listed on the e-Tag as the PSE and Load when importing/selling and the Generator when exporting/buying from an Organized Market.

BPA suggests that NAESB should update the e-Tag Specifications to recognize that in organized markets, e-Tags generally do not reflect a transaction that sources from a generator and sinks to load. Instead, some e-Tags may source from a generator and sink to the Market Operator and some may source from the Market Operator and sink to load.

BPA is also concerned that in some Organized Markets, the market zones are registered as PODs, even the actual POD is the "interconnection point between the adjacent Balancing Authority and the ISO or RTO. The Physical Segments should only be Balancing Areas and actual procured transmission. By putting pricing zones as a POD, it looks as though there is a leg of transmission procured that could be measured by a Reliability Coordinator, but in reality it is only a mechanism for the ISO or RTO to price congestion at that injection point. BPA suggests that PODs should reflect physical transmission paths procured and market zones for pricing should only be reflected in the Market Segment with the Market Operator.

In summary, revise both the WEQ-004 business practice standards and the e-Tag Specification to allow registered Market Operators to be specified in e-Tag roles that better reflect their participation in Tagged Transactions.

1. BPA notes that there is significant industry confusion that some definitions in WEQ-004 appear to refer to the NERC Functional Model. In discussions with both NERC and WECC staff, they say there is no link to the L (LSE) or G (GPE) on the e-Tag with the use of the (L) LSE and (G) Generator Owner or Generator Operator in Reliability Standards. However, e-Tags are used for managing system reliability. The NAESB seems to have removed the definition of the L (Load Serving Entity) in the e-Tag Specifications because it is already defined in the Functional Model, yet the WECC and NERC state that the L on an e-Tag is not the same as the LSE in Standards. Particularly in Organized Markets, the LSE designated on an e-Tag may not correspond with the entity who is serving end-use customers through a distribution system. If NAESB’s intention is for the LSE and PSE in e-Tags to tie to LSEs and PSEs in reliability compliance, then entities that are not registered for those functions with NERC should not be acceptable entries in these fields. Either the LSE or GO should be the same in the e-Tag as it is in Standards and the Functional Model or new terms should be created.

In summary, revise terminology used in both the WEQ-004 business practice standards and the e-Tag Specification to remove any ambiguity between the use of registered NERC compliance entities (i.e., LSE, GPE, etc.) and the various roles within a Tagged Transaction reflected in e-Tags.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

Corresponding revisions to both WEQ-004 and the e-Tag specification that allow for better clarity of the Market Operator role will reduce confusion and better reflect the actual nature of the arrangements. Also, creation of new terms for entities placed in various e-Tag roles (e.g., LSEs, etc.) that do not necessarily have Functional Model implications, should be considered to separate reliability compliance from e-Tag/transaction roles.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

Reduced confusion and better reflection of actual roles within Tagged Transactions.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

Committee and subcommittee time in review and development of the requested changes; vendor coding and implementation to various e-Tag services; modifications to down-stream systems. Costs could be notable but in terms of industry benefits, they should be more than reasonable.

7. Description of Any Specific Legal or Other Considerations:

See item 3. Also, achievement of these requests should resolve or prevent further confusion.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

BPA & CAISO.

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

Participants in organized markets and users of e-Tag services.

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

none.