

## **Charter for the Future of Security and Coordination**

### **Vision**

The goal of security and coordination is to enhance the reliability of the Western Interconnect by:

- Automated sharing of reserves, both operating and regulating through the system developed by the Northwest Power Pool (NWPP)
- Enhancement of operations coordination and direction provided by the Pacific Northwest Security Coordinator (PNSC)
- Coordinated operational planning through the Northwest Power Pool
- Transparent operational information flow to system operators via existing communication networks
- Voluntary consolidation of control areas for improved reliability management

The goal of this charter is to enhance and improve the current operational systems with the need or prior to the startup of an RTO to meet the current or prospective needs of control area operations in the region.

### **Proposed Implementation**

- The operating reserve sharing program currently in use by the Northwest Power Pool would be enhanced and expanded to include regulating reserves
- Each control area or combination of control areas would maintain the same relationships with federal and state regulatory authorities as currently
- No changes to liability or shift of liability to other parties or entities as a result of operational decisions would result
- Additional personnel and systems would be added to the PNSC or other entity to provide greater operational system visibility and direction to mitigate path congestion and provide system security
- Information systems currently in use between the NWPP, PNSC, and control areas would be enhanced to provide greater exchange of current system line status and flows to enable better coordination
- Automated systems would be developed to provide line loading relief across congested paths through voluntary increments and decrements
- Real time schedules and tags would be coordinated through the automated system to model power flows and ensure critical line loadings are not exceeded
- Design the organization structure required to support control area consolidation.
- Design and estimate costs for the infrastructure and systems required to support the voluntary consolidated control area, which would be a NERC certified Balancing Authority and possibly Reliability Authority; responsible for administering constrained paths, balancing, real time scheduling, and curtailment procedures in the control area.

### Proposed Structure

- Project oversight through hiring of a jointly funded Reliability Project Coordinator
- Implementation through dedication of additional staff and systems at the NWPP and PNSC, coordinated through the NWPP Board of Directors, Operating Committee and PNSC Board of Directors
- System development by third party vendors administered by the NWPP and PNSC
- Flexibility to meet changing FERC, NERC, and WECC reliability criteria
- Non-FERC jurisdictional until the point of merging into an operational RTO

### Funding

- Contractual relationship for Reliability Project Coordinator
- Through normal budgeting of the NWPP Operating Committee and PNSC Board of Directors, in coordination with WECC per Funding Agreement
- Some direct funding of PNSC for systems and personnel potentially beyond the scope as defined by the NERC security coordination

### Staffing

Add additional staff as required and budgeted through the NWPP and PNSC organizations. Dedication of time from various participating utilities and organizations is required for this effort to be successful.

### Timeline

- Establish task force to scope work products Q1 2005
- Develop contract for Coordinator and hire Q2 2005
- Finalize work plan for information sharing and operational enhancements by end of Q2 2005
- Implement enhanced reserve regulating reserve sharing by end of Q3 2005
- Implement increasing information sharing by end of Q4 2005
- Implement automated congestion clearing system by end of Q2 2006
- Implement real time schedule clearing mechanism by Q3 2006

### Discussion

Currently, Grid West operation is several years in the future. The goal of this Charter is to implement system improvement through cooperation with regional utilities and utilizing existing organizational structures. Any and all of these structures could at some point be rolled into a Grid West organization, but that is by no means required. In any case, at the end of implementation of this plan, the region should be positioned to comply with all FERC and NERC mandates as they may evolve and develop in the future.