WECC Interpretation of "Load Responsibility"

Approved by the WECC Board of Directors September 7, 2007

This document contains an interpretation of the WECC defined term "Load Responsibility."

Current Load Responsibility definition: A control area's firm load demand plus those firm sales minus those firm purchases for which reserve capacity is provided by the supplier.

Interpretation of Load Responsibility:

A Balancing Authority's (BA) Load Responsibility is the algebraic sum of the BA Area's:

- Net Generation
- Minus (-) Net Actual Interchange (NAI) (- or +)
    - NAI Exports are positive (+), NAI Imports are negative (-)
- Minus (-) loads that can be interrupted in 10 minutes or less by contractual agreement.
- Plus (+) Interchange Schedule exports where the BA is identified as retaining Contingency Reserve responsibility through the e-Tag process.
    - Contingency Reserve responsibility is identified as required by INT-BPS-014-0 Identification of Contingency Reserve Responsibilities in the e-Tag
- Minus (-) Interchange Schedule imports where another BA is identified as having Contingency Reserve responsibility through the e-Tag process.
    - Contingency Reserve responsibility is identified as required by INT-BPS-014-0 Identification of Contingency Reserve Responsibilities in the e-Tag

The following assumptions apply only to the interpretation of Load Responsibility:

1. WECC should focus on the interpretation of reliability criteria. It should not define energy market products.

2. Energy product definitions are determined by the entities that are parties to the transaction.
    - It is up to Purchasing Selling Entities to determine their level of acceptable deliverability risk and determine who has contingency reserve responsibility.

3. The minimum Contingency Reserve requirement under NERC's standard is equivalent to the individual BA's or Reserve Sharing Group's Most Severe Single Contingency (MSSC). (NERC BAL-002-0 R3.1)

    - The corresponding WECC Contingency Reserve requirement is the "loss of generating capacity due to forced outages of generation or transmission equipment that would result from the most severe single contingency;" (BAL-STD-002-0 section B.a.ii.(a))

4. The WECC's additional 7% Thermal/5% Hydro of Load Responsibility Contingency Reserve requirement is more stringent than NERC's MSSC requirement because the greater of the 7/5% or MSSC shall be used. The term Load Responsibility is only relevant in calculating the additional requirement imposed by the WECC Standard.

5. The current WECC Contingency Reserve requirement represents a holistic approach to carrying Contingency Reserves for the entire Western Interconnection. The Load Responsibility calculation is used to "transfer" Contingency Reserve responsibility between BAs.
    - Energy with associated Contingency Reserve can be exported and imported between Balancing Authority Areas. However, if Contingency Reserve is associated by agreement with the energy transaction, the responsibility for the Contingency Reserve obligation will remain with the Source BA. In other words, the BA exporting energy that has associated Contingency Reserve would increase its "Load Responsibility" by the amount of the energy being exported. The BA importing the energy has the ability to reduce its "Load Responsibility" by the same amount. This has the effect of maintaining the appropriate amount of Contingency Reserve on a Western Interconnection wide basis.

6. No WECC Minimum Operating Reliability Criteria or NERC Standard requires that energy imports be delivered over FERC defined "Firm" transmission.
    - The only exception is the delivery of operating reserve energy between Balancing Authorities. (MORC Section I.A.6.)

7. Contingency Reserve attributes associated with the traded energy must be identified and tracked to ensure compliance to Reliability Standards. This will be accomplished by the implementation of WECC Business Practice INT-BPS-014-01.
    - An Imported Interchange Schedule must have associated Contingency Reserve based on the information in the e-Tag in order for it to decrement the Sink BA's Load Responsibility.

8. All <u>energy</u> imports into a BA are in effect "contingent" based on the availability of the transmission path or paths used to deliver the energy. The importing BA must be prepared to compensate for the loss of the imported <u>energy</u>

resource just as they must be prepared to compensate for the loss of energy from a generating unit internal to the Balancing Authority.
    - This concept eliminates the need for a “Unit Contingent” product definition for reliability purposes.

9. WECC MORC requires that BAs must carry 100% Reserves for interchange schedules that can be interrupted at the sole discretion of the source PSE within 10 minutes or less and “on demand” obligations that must be provided in 10 minutes or less. Transactions of greater time duration are not mentioned.

10. Transactions between BAs that are contingent upon specific generating units output may be treated the same as transactions of generating units output residing inside the sink BA for contingency reserve purposes.

11. Nothing precludes individual BAs nor a Reserve Sharing Group from carrying more Contingency Reserve than the WECC Board Interpretation of the WECC Standard BAL-STD-002-0 - Operating Reserve.