

# **DRAFT**

## **Notes from the EQR Users Group Meeting March 29, 2006**

### **Introductions**

- Steve Reich of FERC EQR staff opened the meeting and provided logistical information.
- Susan Court, Director of the Office of Market Oversight and Investigations thanked the attendees for participating and reiterated the importance of the EQR.

### **EQR Updates**

- *Recent EQR Orders*
  - Mr. Reich identified two EQR-related orders that had been issued by the Commission at its February meeting, ER02-2001-004 revoking the market-based rates of eight companies and ER02-2001-005 noticing the intent to revoke market-based rates for six others.
- *ISO Reports*
  - Michelle Reaux reviewed progress toward getting the ISOs to generate EQR-friendly reports.
    - NYISO and MIDWEST ISO have been providing these reports
    - NE ISO is on schedule to have something by the 3<sup>rd</sup> quarter of this year
    - PJM – Harry Dessender of PJM announced that the report is expected to be part of its new settlement system, tentatively scheduled for implementation in the first half of 2008. He said that the map to FERC's products will be an agenda item at the next Market Settlements Working Group meeting. He also indicated that a sub-group of the MSWG has gotten together to discuss this matter. Ms. Reaux and Mr. Reich offered the assistance of EQR staff to this group.
    - CaISO is in the process of implementing changes significant changes in its operations causing a relative reduction in the prioritization of EQR-friendly reports.
  - Question: Is MISO filing transactional data at FERC?
    - No. ISOs and RTOs are not required to file transactional data under Order 2001.

### **Changes in Restricted Fields**

- *Control areas/hubs* (<http://www.ferc.gov/EventCalendar/Files/20060323114611-control%20area%20changes.pdf>)
  - Deleted control areas
    - Beginning Q2 2006, filings will no longer be able to use certain control areas in the EQR.
    - Three reasons for deletion:
      - Specialized pseudo control areas that no longer exist (no record of these areas having been used in filings)

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- Control areas that have been incorporated into PJM (should have stopped using them when the control area was subsumed)
  - Canadian control areas (sales in Canada are not subject to FERC jurisdiction)
    - Question: Can EQR staff identify the control areas now in PJM?
      - Yes.
- Added Control Areas
  - Three new control areas have been added to the NERC TSIN list. They will be added to the accepted EQR list for Q1 2006.
- New Hubs
  - A new trading hub ("Gonder" in Nevada) has been identified. It will be added to the accepted EQR list for Q1 2006.
- "Balancing Authorities"
  - Control Areas will become "balancing authorities" on April 1, 2006. This may change some control area abbreviations listed on NERC's TSIN site.
- *New Product Names*
  - Start-up costs
    - Mr. Reich indicated that he is frequently asked what Product Name to use to report contractual start-up costs. Guidance has been to use "Other." He suggested adding Start-Up Costs as a new product.
    - Several attendees said that such a change would require reprogramming of existing systems.
    - Mr. Reich said that because of the concern, Start-Up Costs would not be added as a Product Name.
  - Exchange Energy
    - Mr. Reich proposed adding "Exchange Energy" as a new Product Name so that sales under Exchange Agreements (where energy "the receiver accepts delivery of energy for a supplier's account and returns energy at times, rates, and in amounts as mutually agreed") correctly identify in-kind energy sales whose price is not fully reflected in \$/MWH.
    - One attendee raised the concern that not all exchange agreements result in in-kind energy trades.
    - It was also suggested that the definition/product name coincide with the product "Exchange Agreement" in the contracts tab.
  - Must Run Agreement.
    - Mr. Reich noted that Must Run Agreement had been defined in Order 2001-E as a contract-only product. However, the software has been allowing Must Run Agreement as a transaction product. This error will be corrected for Q2 2006 filings.
- *Data Dictionary*

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- EQR staff has been working on a data dictionary that provides a single source for definitions of allowable entries in restricted fields. This document would complement the Users' Guide and the Requirements Guide. A strawman version of the data dictionary was presented.
- One attendee suggested that the data dictionary should include definitions of the hubs.
  - EQR staff will look into the hub definitions provided by reporting sources (e.g., Platt's, ICE).
- Class Name
  - Attendees suggested that the language provided did not coincide with contract language defining firm/non-firm service.
  - Mr. Reich asked for examples to be sent to [EQR@ferc.gov](mailto:EQR@ferc.gov)
- Term Name
  - Long-Term and Short-Term had been discussed previously and defined in the Requirements Guide.
- Increment Name
  - Increment Names ("H," "D," "W," "M," "Y," and "N/A") are intended to reflect the term of the underlying arrangement being described in the data record. In the Contract tab, it is intended to reflect the term of the contract. In the Transaction tab, it is intended to reflect the term of the deal underlying the transaction. The proposed definitions are intended to clarify the meaning of this field.
  - The strawman data dictionary included additional Increment Names for seasonal and long-term transactions. EQR staff added them to address questions about transaction increments falling between "M" and "Y" and greater than "Y."
    - Attendees indicated that adding additional Increment Names would require significant re-programming of their internal systems.
    - Attendees also asked for bright line definitions to distinguish when a "M" deal becomes "Y."
    - Mr. Reich asked for them to send the definitions that they have been using in their programming to [EQR@ferc.gov](mailto:EQR@ferc.gov).
  - Several questions followed about interpretation:
    - All sales are reported in \$/MWH so I use "H"?
      - No. "MWH" is a unit of energy measurement. It has nothing to do with the term of the underlying deal.
    - I have a one-year contract with an indexed price that changes monthly. Which Increment Name do I use?
      - "Y." Even though the price changes monthly, the underlying terms of the deal were set for the entire year. The price is not negotiated each month.
    - I bid into an ISO. Which Increment Name do I use for my energy?

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- "H." The price you're paying and the amount you're selling can change hour-by-hour.
- I have a long-term contract that provides for sales for a few days during the year. The price and the amount of power that the seller is obligated to deliver is defined in the contract. Which Increment Name do I use?
  - "Y." The price and quantity terms of the underlying deal are set in the long-term contract. The deliveries under that contract, no matter how long they last, were defined under the contract.
- Should the Increment Name in the Contract tab correspond to the Increment Name in the Transaction tab?
  - They should be the same when the contract defines the terms of the underlying deal. If the contract is an open ended master agreement (e.g., WSPP, EEI), however, the transaction's Increment Name will reflect the duration of the confirm underlying the specific transaction.
- Did the technical compliance screen require that the Contract and Transaction Increment Name Match?
  - No. The compliance screen identified hourly ("H") increment names for transactions with durations of greater than a day. The "H" entry implies that the terms of the underlying transaction may change on an hourly basis, but the flagged transactions indicated that the pricing terms did not change.
    - Attendees suggested that the final version of the data dictionary include several examples (such as the ones discussed above).
- EQR staff committed to review suggested changes and issue a new draft for the data dictionary.
  - One attendee suggested that a conference call be convened when the new draft was ready.

## Technical Compliance Updates

- *Status*
  - Mr. Reich reviewed the status of the technical compliance process
    - EQR staff is developing a process that will provide for a routine (probably, monthly) run of the technical compliance screens on all filings (for any quarter) that have been received since the last screen run.
    - EQR staff has been incorporating lessons learned from the first run into the planned process.
    - Mr. Blazejowski indicated that 92% of the problems identified in the initial technical compliance run have been corrected. That success figure may be higher because exceptions (false positives) were not excluded from the calculation.

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- Question: Can EQR staff provide descriptions of what's in the technical compliance error files in the email that is sent?
    - Yes.
  - Will pre-2005 filings be screened? What is the timetable?
    - Whether and how EQR staff will send out pre-2005 screening results has not yet been determined.
  - *Software*
    - At the December meeting on technical compliance process, callers suggested incorporating the screens into the software, so check could be made prior to filing.
      - Mr. Reich announced that those screens that could be straightforwardly implemented into the software would be rolled out in early April.
        - For filings until June 1 (regardless of the filing quarter), warnings will be provided when a screen is failed, but filing will be permitted.
        - After June 1 (regardless of the filing quarter), failing certain screens will create critical errors that must be corrected prior to filing. Other screens will provide a warning about a possible error.
        - EQR staff will provide a list of screens and whether they will be critical errors or warnings when the software is rolled out.
  - *Duplicate Records*
    - In developing the technical compliance screens, EQR staff discovered a few filings that have rows that duplicate fields that are supposed to be unique. These records could not have been filed intentionally.
      - A check is being added to the software to not allow duplicate data to be filed in the future.
      - EQR staff is working with the software developer to create a feature in the software that checks for the duplicate data in past filings and allows it to be deleted and refiled.
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## Items to Be Addressed

1. Assist PJM MSWG with EQR/PJM settlement mapping.
  2. Add column on the control area spreadsheet to identify PJM control areas.
  3. Identify contractual language defining firm service and see if it can be incorporated into the data dictionary.
  4. Develop a timeline for the data dictionary that clarifies the transition points between daily, weekly, monthly increment names.
  5. Circulate a new draft of the data dictionary and hold a conference call to discuss it.
  6. Create descriptions of the technical compliance error files for inclusion with the next screening cycle.
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