

## ISO/RTO Council 2004 Annual Work Plan for Standards Development and Standardization Activities

The ISO/RTO Council ("IRC") will participate in industry standards development efforts with NERC and NAESB. The primary mechanism for coordinating and presenting consensus positions to the industry will be through the IRC's Standards Review Committee ("SRC").

### **Reliability Standards Development**

ISO/RTOs will participate in the development and prepare consensus comments and positions, as appropriate, for following Reliability standards that NERC plans to have developed during 2004:

1. Cyber Security
2. Assess Transmission Future Needs and Develop Transmission Plans
3. Balance Resources and Demand
4. Organizational Certification
5. Coordinate Interchange
6. Coordinate Operations
7. Interconnection Requirements
8. Design, Install and Coordinate Control and Protection Systems
9. Determine Facility Ratings, Operating Limits, and Transfer Capabilities
10. Monitor and Analyze Disturbances, Events and Conditions
11. Operate Within Transmission Limits
12. Prepare for and Respond to Abnormal or Emergency Conditions
13. Prepare for and Respond to Blackout or Island Conditions

The ISO/RTOs will participate in development efforts and provide consensus comments and positions, as appropriate, on the following reliability standards related activities with NERC:

### **Functional Model**

The Model provides the foundation and framework upon which NERC will develop and maintain its Reliability Standards. While the Model is not a standard, and does not have compliance requirements, the Reliability Standards must respect the definitions and interrelationships contained in the Model. NERC is updated Version 1 of the Model and the standing committees approved Version 2 at their November 2003 meetings.

### **Existing Operating Policies and Planning Standards**

Maintain and consider revisions, as appropriate, to existing Operating Policies and Planning Standards until replaced by NERC Reliability Standards, under NERC's "Transitional Process for Revising Existing NERC Operating Policies and Planning Standards."

NERC anticipates the following changes:

1. Policy 3, "Interchange," and Appendix 3A4, "Required and Correctable Tag Data," (removing Market Dispatch)
2. Appendix 1D, "Time Error Correction," (revise time error initiation)
3. Appendix 9C1B, "Interchange Transaction Reallocation During TLR Levels 3a and 5a."

### Standards Transition

The ISO/RTOs will actively engage in committee (i.e. SAC) activities to assist in the transition from existing NERC operating policies and planning standards to reliability standards, with a goal of completing the transition by December 2006. This includes participation in determining what parts of existing operating policies and planning standards should become business practice standards and what business practice standards are needed to implement the emerging reliability standards.

### **Business Standards Development Activities With NAESB**

The ISO/RTOs will assist NAESB in the development of business standards by providing the perspectives and expertise of subject matter experts, as appropriate. The IRC will work with the NAESB WEQ's Subcommittees, Task Forces, and working groups as they assess issues for potential market impacts and needs for market standards. Through the SRC, the ISOs/RTOs will advise NAESB on issues identified, submit comments in the standards process, and provide joint responses to NAESB.

The IRC will work with NAESB on the following issues in 2004:

- Market Seams
- Complimentary business practices to NERC Reliability Standards
- OASIS Standards
- Electronic Scheduling Issues
- Other significant Wholesale Electric Market Operations and Standardization issues, as they may arise.

### **Coordination with NAESB and NERC**

One of the goals of the MOU is to establish and implement a process to coordinate work efforts among NERC, the NAESB WEQ and the IRC in a manner that avoids overlap and duplication of effort. The IRC, through its JIC representatives and the SRC, will work jointly with NAESB and NERC to establish a mutually agreeable approach to coordinate standards development and related work efforts of each organization.

### **Inter-ISO/RTO Information Technology**

The ISO/RTOs will look to identify appropriate technologies and opportunities for standardizing inter-ISO/RTO Information Technology ("IT") processes. Through the IRC's Information Technology Committee ("ITC"), the ISO/RTOs will seek to adopt standard technologies and standardize processes and data exchanges unique to ISO/RTOs.

The IRC IT Committee is actively engaged in three initiatives:

1. Data initiative – defines the content of messages exchanged between ISO/RTOs
2. Message Transmission – the mechanics of data exchange
3. Common User Portal – defines interface to create and retrieve messages

The Data initiative will be based on the Common Information Model (“CIM”) standard from EPRI. This will be extended to include market data. The planning phase of this initiative is complete. The next steps are to solicit bids from various vendors and apply this technology to inter-ISO/RTO applications that this initiative would add value to.

The Message Transmission initiative will enable ISO/RTOs to access data across ISO/RTOs through a common portal. This will provide benefits in reliability coordination, outage management, and seams management. Once the scope and schedule are finalized, an implementation schedule will be developed

The Common User Portal will simplify information exchange processes with the ISO/RTOs. It will reduce development costs for each ISO/RTO and transaction costs for market participants. A development plan and requirements schedule is being prepared.

Technologies that may be identified as potential standards that may be applied on a North American basis will be proposed and coordinated through the IRC’s Standards Review Committee.