Attire is business casual. A working lunch will be provided.

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

NERC-NAESB-ISO/RTO Council Joint Interface Committee

January 18, 2005 (9:00 a.m. to 3 p.m.)

Meeting Location
FRCC Offices (Phone 813-289-5644)
1408 N. Westshore Blvd., Suite 1002
Tampa, FL 33607-4512

Conference Line Information
Dial In Number: 800-369-1120
Pass Code: JIC
Conference Leader: Rae McQuade

Meeting Agenda

1. Administrative Items

a. Introductions

b. Roster and Quorum

c. Antitrust Guidelines

d. Prior Meeting Minutes (**Approve**)

e. Agenda and Objectives

2. Proposed Business Practice Standards

a. Standardize Electric Market Timelines (**Assign to NAESB**)

b. Revise OASIS Business Practices (**Assign to NAESB**)

c. Revise OASIS Standards of Conduct (**Assign to NAESB**)

d. Revise TSIN Registry (**Assign to NAESB**)

e. Revise Interchange Business Practices (**Assign to NAESB**)

3. Proposed Reliability Standards

a. Phase III-IV Planning Standards (**Assign to NERC**)

4. Preliminary Review of 2005 Annual Plans

a. NAESB 2005 Annual Plan for Wholesale Electric Quadrant

b. NERC Standards 2005 Work Plan

c. IRC 2005 Work Plan

5. Other Business

a. NERC Functional Model/Standards Coordination Task Force

b. Future Meetings and Conference Calls

c. Other Business

Adjourn

Background for Agenda Item 1 — Administrative Items

Item 1a Introductions — Co-Chairs Linda Campbell, Michael Deselle, and Karl Tammar will lead the introduction of JIC members and guests.

Item 1b Roster and Quorum — Secretary Cauley will check attendance and determine the presence of a quorum. The current JIC roster is provided in **Attachment 1**.

Item 1c Antitrust Guidelines — Rae McQuade will review the Antitrust Guidelines.

Item 1d Prior Meeting Minutes — Secretary Cauley will present the draft minutes of the September 21-22, 2004 JIC meeting for approval (**Attachment 2**).

Item 1e Agenda and Objectives — Co-chair Michael Deselle will review the meeting agenda and objectives.

Background for Agenda Item 2 — Proposed Business Practice Standards

Item 2a Standardize Electric Market Timelines — NAESB will present a proposal to standardize Electric Market Timelines (**Attachments 3 and 4**). The JIC is requested to assign development of the proposed standard to NAESB.

Item 2b Revise OASIS Business Practices — NAESB will present a proposal to revise the OASIS Business Practices (**Attachments 5 and 6**). The JIC is requested to assign development of the proposed standard to NAESB.

Item 2c Revise OASIS Standards of Conduct — NAESB will present a proposal to revise the OASIS Standards of Conduct (**Attachment 7**). The JIC is requested to assign development of the proposed standard to NAESB.

Item 2d Revise TSIN Registry — NAESB will present a proposal to revise the requirements for the NERC TSIN Registry (**Attachment 8**). The JIC is requested to assign development of the proposed standard to NAESB.

Item 2e Revise Interchange Business Practices — NAESB will present a proposal to revise the draft Interchange Business Practices (**Attachment 9**). The JIC is requested to assign development of the proposed standard to NAESB.

Background for Agenda Item 3 — Proposed Reliability Standards

Item 3a Request Phase III-IV Planning Standards — NERC will present four related SARs for the development of Phase III–IV planning standards to replace those not completed in the Version 0 standards (**Attachments 10-13**). The JIC is requested to assign development of the proposed standard to NERC.

Background for Agenda Item 4 — Preliminary Review of 2005 Work Plans

Item 4a NAESB 2005 Annual Plan for Wholesale Electric Quadrant — Rae McQuade will review a preliminary outline of the NAESB Wholesale Electric Quadrant 2005 Annual Work Plan (**Attachment 14**).

Item 4b NERC 2005 Reliability Standards Work Plan — Linda Campbell will review the current working draft of the Standards Authorization Committee's reliability standards work plan (**Attachment 15** to be provided).

Item 4c IRC 2005 Work Plan — Karl Tammar will review the status of the IRC 2005 Work Plan.

Background for Agenda Item 5 – Other Business

Item 5a NERC Functional Model / Standards Coordination Task Force — Gerry Cauley will review the status of a task force formed to resolve issues arising from the adoption of the Functional Model into the Version 0 Reliability Standards (**Attachments 16 and 17**).

Item 5b Future Meetings and Conference Calls — The JIC is requested to schedule meeting dates for the first half of 2005.

Item 5c Other Business — JIC members are requested to present any additional business for consideration of the JIC.

Attachment 1

September 2004

NAESB-NERC Joint Interface Committee

NERC Representatives

Co-Chair	Linda Campbell Director of Reliability	Florida Reliability Coordinating Council 1408 N. Westshore Boulevard Suite 1002 Tampa, Florida 33607-4512	(813) 289-5644 (813) 289-5646 Fx lcampbell@ frcc.com
	Mark E. Fidrych Power Operations Specialist	Western Area Power Administration MC J0003 P.O. Box 3700 Loveland, Colorado 80539-3003	(970) 461-7240 (970) 461-7299 Fx fidrych@wapa.gov
	R. Scott Henry Director, Regulatory Policy	Duke Power Company P.O. Box 1006 Charlotte, North Carolina 28201-2006	(704) 382-6182 (704) 382-4671 Fx Em: rshenry@duke- energy.com
	Sam R. Jones Chief Operating Officer	Electric Reliability Council of Texas, Inc. 2705 West Lake Drive Taylor, Texas 76574-2136	(512) 248-3177 (512) 248-3095 Fx sjones@ercot.com
	Edward A. Schwerdt Executive Director	Northeast Power Coordinating Council 1515 Broadway 43rd Floor New York, New York 10036-8901	(212) 840-1070 (212) 302-2782 Fx eschwerdt@ npcc.org
	Ed Tymofichuk Division Manager, Transmission System Operations	Manitoba Hydro P.O. Box 815 453 Dovercourt Winnipeg, Manitoba R3Y 1G4	(204) 487-5489 (204) 487-5360 Fx tetymofichuk@hydro .mb.ca

NAESB Representatives

Co-Chair	Michael Desselle Director - Public Policy	American Electric Power 1616 Woodall Rodgers Freeway Dallas, Texas 75202-1234	(214) 777-1831 (214) 777-1831 Fx mddesselle@ aep.com
	John A. Anderson Executive Director	Electricity Consumers Resource Council 1333 H Street, N.W. 8th Floor, West Tower Washington, D.C. 20005	(202) 682-1390 (202) 289-6370 Fx janderson@ elcon.org
	Syd Berwager Industry Restructuring Project Manager	Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97232	(503) 230-5958 (503) 230-3270 Fx sdberwager@ bpa.gov
	Barry Green Director, U.S. and Interprovincial Regulatory Affairs	Ontario Power Generation Inc. 700 University Avenue, H18 G3 Toronto, Ontario M5G 1X6	(416) 592-7883 (416) 592-8519 Fx barry.green@ opg.com

	Alan R. Johnson Manager Business and Reliability Standards	Mirant Corp. 1155 Perimeter Center West Atlanta, Georgia 30338	(678) 579-3108 (678) 579-7726 Fx alan.r.johnson@mirant.com
	Lou Oberski Director, Electric Market Power	Dominion Resources Services, Inc. 120 Tredegar Street Richmond, Virginia 23219	(804) 787-5714 (804) 787-6473 Fx lou_oberski@dom.com
	Mary Ellen Paravalos Manager ITC Development	National Grid USA 25 Research Drive Westborough, Massachusetts 01582	(508) 389-3233 (508) 389-3129 Fx mary.ellen.paravalos@ us.ngrid.com

NAESB Alternates

	Edward J. Davis Policy Consultant	Entergy Services, Inc. L-MOB-18E P.O. Box 61000 New Orleans, Louisiana 70161	(504) 310-5884 (504) 310-5477 Fx edavis@ entergy.com
	Andy Dotterweich General Supervisor-Federal Regulatory Affairs	Consumers Energy Co. 212 W. Michigan Avenue Jackson, Michigan 49281	(517) 788-0495 acdotterweich@ cmsenergy.com
	John P. Hughes Director of Technical Affairs	Electricity Consumers Resource Council 1333 H Street, N.W. 8th Floor, West Tower Washington, D.C. 20005	(202) 682-1390 (202) 289-6370 Fx jhughes@ elcon.org
	Tony Reed Project Manager	Southern Company Services 600 North 18th Street/GS-8260 Birmingham, Alabama 35203	(205) 257-7766 ((205) 257-6824 Fx alan.r.Johnson@mirant.com
	Thomas Ringenbach Manager, Business Standards	American Electric Power 1 Riverside Plaza 13th Floor Columbus, Ohio 43215	(614) 223-2679 (614) 716-1405 Fx tjringenback@ aep.com
	Jim Templeton Principal	Comprehensive Energy Services, Inc. 2929 Briarpark, Suite 220 Houston, TX 77042	(713) 759-6999 (713) 781-4966 Fx jrtemplton@ aol.com
	Walter L. Yeager Managing Director, Market Development	Cinergy Services, Inc. 139 East Fourth Street Cincinnati, Ohio 45202	(513) 419-5711 (513) 419-5511 Fx wyeager@cinergy.com

ISO/RTO Council

Co-Chair	Karl Tammar Administrator of Industry Affairs	New York Independent System Operator 3890 Carman Road Schenectady, New York 12303	(518) 356-6205 (518) 356-6118 Fx ktammar@ nyiso.com

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

NERC-NAESB-ISO/RTO Council Joint Interface Committee

September 21–22, 2004

MINUTES (Draft)

Attendance

NERC Members/Alternates
Mark Fidrych, WAPA*
Scott Henry, Duke Power*
Ed Schwerdt, NPCC*
Ed Tymofichuk, Manitoba Hydro [Phone]*
Gerry Cauley, NERC (Secretary)

IRC Members/Alternates
Karl Tammar, NYISO (JIC Co-Chair)*
Charles Yeung, SPP*
Kent Saatoff, ERCOT [Phone]*

NAESB Members/Alternates
Michael Desselle, AEP (JIC Co-Chair)*
Sydney Berwager, BPA *
Barry Green, OPG *
Alan Johnson, Mirant [Phone]*
Lou Oberski, Dominion Resources*
Mary Ellen Paravalos*
Ed Davis, Entergy [Phone]
Andy Dotterweich, Consumers (Alternate) [Phone]
Walt Yeager, Cinergy [Phone]

Observers/Guests/Staff
Delores Chezar, Keyspan
Laura Kennedy, NAESB [Phone]
Rae McQuade, NAESB
Todd Oncken, NAESB [Phone]
Andy Rodrigez

* Indicates voting members for this meeting.

Introductions

Co-Chair Michael Desselle called the meeting to order and led introductions of those present and on the conference line.

Quorum

Secretary Gerry Cauley determined a quorum of the JIC was available to conduct business.

Antitrust

Todd Oncken of NAESB read the antitrust guidelines for conduct of the meeting.

Agenda

Co-Chair Desselle reviewed the meeting agenda. The agenda was approved by consent.

Minutes

The minutes of the August 16, 2004, JIC meeting were approved without objection.

NAESB Standard Request R04016 — Standard Energy Day

Michael Desselle presented the standard request for consideration of the JIC.

Lou Oberski moved, and Barry Green seconded the motion, that the JIC assign R04016 — Standard Energy Day to NAESB for development as a business practice standard. The motion was approved without objection.

The following issues were noted in discussion:

- NAESB provides a forum for joint participation of the natural gas and electric industry stakeholders that would participate in the development of this standard.
- The standards developers should consider the effects of a standard energy day on electric system operations and reliability.
- The JIC is concerned that a lack of depth and specificity in the description of the scope makes evaluating where the project should be assigned more difficult. This issue was added to the end of the agenda, as it applies to other standards as well.
- Several members noted historical difficulties encountered in trying to standardize the energy day.
- It was noted that jurisdictional issues could arise if some entities are required to revise their tariffs to accommodate a different energy day.

NAESB Standard Request R04020 — Electric Transaction Scheduling and Timelines

Michael Desselle presented the standard request for consideration of the JIC.

Lou Oberski moved, and Barry Green seconded the motion, that the JIC assign R04020 — Electric Transaction Scheduling and Timelines to NAESB for development as a business practice standard. Following discussion, the motion was withdrawn by consent.

Some of the comments noted in discussion include:

- It is unclear from the request whether the scope is intended to address day-ahead markets or same-day operational scheduling.
- It is unclear from the request whether the scope is intended to address inter-RTO transactions or to set business practice standards for transaction scheduling within an RTO or operating entity.
- It is unclear if this request is already being addressed by several standards projects, including NERC and NAESB Version 0 standards and the work on Version 1 standards of the Coordinate Interchange drafting teams as NERC and NAESB. These scopes have already been assigned by the JIC.
- The proposed scope needs to be clarified and made more specific. The affected working groups should work together to determine if there is a gap in the ongoing transaction scheduling standards work that is addressed by this request and clarify what that gap is.

Following this discussion, it was agreed to add discussion of the Seams Matrix to the agenda.

NAESB Standard Request R04021 — Operational Communications between Pipelines and Power Plants

Michael Desselle presented the standard request for consideration of the JIC.

Lou Oberski moved, and Syd Berwager seconded the motion, that the JIC assign R04021 — Operational Communications between Pipelines and Power Plants to NAESB for development as a business practice standard. The motion was approved by roll call vote as follows:

Michael Desselle — Approve
Syd Berwager — Approve
Mark Fidrych — Approve
Barry Green — Approve
Scott Henry — Not Approve
Alan Johnson — Approve
Lou Oberski — Approve
Mary Ellen Pravalos — Approve
Kent Saathoff — Approve
Ed Schwerdt — Approve
Karl Tammar — Approve
Charles Yeung — Approve

The following issues were noted in discussion:

- Once again, the request was not sufficiently explicit to fully understand the intended scope with verbal explanation. The scope should be clearly defined in writing.
- The JIC considers that the scope is not intended to address communications between gas pipeline operators and power plant operators as suggested. The scope appears to be intended to address communications between gas supply operations, or gas providers, and electric power producers who are users of gas.
- There is some concern that operational communications about fuel supply are reliability issues.
- It was noted that on June 15, 2004, the NERC Board approved a report of the Planning Committee's Gas/Electricity Interdependency Task Force. The board approved a recommendation in that report to assign the NERC Reliability Coordinators to propose standards for gas-electric operational communications affecting reliability. The concern is that such an assignment could be duplicative of the proposed NAESB standard. Others noted that the NERC initiative could work closely with, and take credit for, the work at NAESB and fill in any reliability gaps as needed.
- NAESB provides a joint forum for standards development that includes both gas and electric stakeholders involved with this issue.

NERC SAR on Vegetation Management

Gerry Cauley provided an overview of the SAR on Vegetation Management.

Syd Berwager moved, and Mark Fidrych seconded the motion, that the JIC assign the SAR on Vegetation Management to NERC for development as a reliability standard. The motion was approved without objection.

The following issues were noted in discussion:

- NERC should coordinate this standard development with the Canadian Standards Association.
- NERC has already initiated discussions with IEEE for development of a joint standard and will explore adding sponsors of the National Electrical Safety Code and the Canadian Standards Association.

Work Plan Coordination

Michael Desselle provided an overview of preliminary thoughts on the 2005 work plan for the NAESB WEQ. This plan largely follows the 2004 plan with several updates. The NAESB 2005 work plan will be considered at the NAESB Board meeting in December 2004 and finalized in March 2005.

Gerry Cauley reviewed the SAC's prioritized list of standards projects. The SAC will be finalizing its 2005 work plan on November 12, 2004.

Karl Tammar reviewed the IRC standards work. The IRC is developing market extensions to data exchange protocols and regional market web services protocols.

Quality Preparation of Standards Requests for Consideration of JIC

The JIC is concerned with the quality and completeness of some of the standards requests being presented. In these cases, it is difficult to understand the intended scope of the standard and therefore where the standard should be assigned.

Differences were noted in the process NERC and NAESB use to develop a standards request. Before coming to the JIC, a NERC SAR has typically been reviewed by the SAC, posted for public comment and revised based on those comments. This vetting process requires the request to have a clearly documented scope.

Typically NAESB requests that are received from a subcommittee have a fleshed out scope statement. However, requests from individuals may be thin on details. Requests are submitted to inter-quadrant triage. It is in triage that discussion takes place to flesh out the scope of a standard. What the JIC received at this meeting was original requests from individuals. NAESB representatives committed to reviewing what can be done to present more complete and polished standards requests to the JIC in the future.

The JIC agreed that standards requests presented to the JIC for assignment should be posted 30 days prior to scheduled action, along with the agenda. This would allow NERC, NAESB, and IRC groups affected by the request sufficient time to provide comments to their JIC representatives.

The JIC agreed that in the future the JIC should state any factors or assumptions it considered in assigning a request to NERC or NAESB.

Seams Matrix

The JIC discussed the status of the Seams Matrix. It was agreed that the Seams Matrix served as a useful guidepost for reviewing proposed new standards but was not intended to be used as a checklist of standards to be developed. Although several members suggested the Seams Matrix should be reviewed and updated, it was agreed that the matrix was just approved in February 2004 and required substantial industry input. It was confirmed that the JIC should review the Seams Matrix periodically to assess progress, as was contemplated when the matrix was approved in February 2004.

Future Meetings

The JIC agreed to schedule a conference call for November 22, 2004 at 11 a.m. EST to consider a NERC SAR on Operating Personnel Training.

Adjourn

There being no further business, the meeting was adjourned.

R04020

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Instructions:

1. **Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

2. **Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

3. **Once completed, send your request to:**

   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX 77002

   Phone: 713-356-0060
   Fax: 713-356-0067

   By either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

R04020

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: June 29, 2004

1. Submitting Entity & Address:

Tennessee Valley Authority
1101 Market Street, MR2A
Chattanooga, TN 37402-2801

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name	:	Kathy York	or	Valerie Crockett
Title	:	Energy Market & Policy Specialist		Energy Market & Policy Specialist
Phone	:	423-751-3398		423-751-6096
Cell	:			423-580-9918
Fax	:	423-751-3376		423-751-8702
E-mail	:	keyork@tva.gov		vjcrockett@tva.gov

3. Description of Proposed Standard or Enhancement:

Establish business standards relating to electric transaction scheduling and timelines, which will address the following:

A. Interchange schedule coordination including ramp times (Seams issue #41 & GECTF Discussion Point List item D.)

B. Standardize Interchange Scheduling components of Day Ahead Market Design. Identify possible tools that can accommodate different interchange requirement rules. Include other scheduling components of Day Ahead Market Design to accommodate

inter-RTO transactions. (Seams issue #78, 79, 106 & GECTF Discussion Point List item D.)

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):

   Development of uniform interchange scheduling transactions will assist the electric industry in achieving greater reliability through efficient process protocol. Consistency of information and timing between inter-regional transactions can provide greater confidence in interchange seams helping to keep market participants on schedule and committing participants from reluctantly deviating from schedules.

   These standards should be developed to help minimize seams issues existing between RTOs and non-RTO control areas, thus supporting NERC's efforts to strengthen its existing reliability policies and planning standards. In addition, these new business standards should address barriers and resolve inefficiencies that interfere with the ability to transact electric capacity and energy across control area boundaries.

   This request supports the work of the NAESB Business Practice Subcommittee which outlined electric transaction scheduling as a seams issue (outlined in the Seams Catalog submitted to FERC) as well as support the work of the NAESB Gas Electric Coordination Task Force which identified electric market timelines as a barrier to coordination between the gas and electric markets (outlined in the draft final report of the Gas Electric Coordination Task Force).

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

   The proposed standards would make uniform scheduling transactions available to the industry by enhancing coordination between the regional transmission organizations and the interchange transaction and electricity HUB markets. Additionally, this standard would provide more inter-regional reliability by balancing interchange schedules (validation of sources and sinks, transmission reservation communication, Interconnected Operations Services, etc., as provided on the interchange transaction tag); enhance verification of ramping capability for requested interchange schedules with the Balancing Authorities; collect and disseminate interchange transaction approvals, changes, denials, and rejections; and authorize implementation of interchange transactions.

R04020

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

   To be determined. There could be some initial costs related to changing processes and software interfaces between RTOs, other control areas, and customers. Many of these costs may be captured as a result of standardization of an Energy Day (R04016), depending on the timing and prioritization of the requests.

7. Description of Any Specific Legal or Other Considerations:

   Cannot be determined at this time.

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

   The above named requester is willing to test any standards, which may be developed. Other participants are not yet determined.

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

   Not applicable.

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 at this time.

	Bill Limbrick	IMO Station A Box 4474 Toronto, Ontario M5W 4E5	(905) 855-6293 (905) 855-6471 Fx bill.limbrick@ theimo.com
	Ed Riley Director of Regional Coordination	California ISO 151 Blue Ravine Road Folsom, California 95630	(916) 351-4463 (916) 351-4486 Fx eriley@caiso.com
	H. Kent Saathoff Director of System Operations	Electric Reliability Council of Texas, Inc. 2705 West Lake Drive Taylor, Texas 76574	(512) 248-3011 (512) 248-3095 Fx ksaathoff@ ercot.com
	Audrey Zibelman Executive Vice President	PJM Inteconnection, L.L.C. 955 Jefferson Avenue Norristown, Pennsylvania 19403-2497	(610) 666-3184 (610) 666-4281 Fx zibela@pjm.com
IRC Alternates			
	M. Dale McMaster Executive Vice President	Alberta Electric System Operator 1800, 700-4th Avenue, S.W. Calgary, Alberta T2P 3J4	(403) 705-5202 (403) 543-0388 Fx dale.mcmaster@ aeso.ca
	William C. Phillips Vice President Operations	Midwest ISO 701 City Center Drive Carmel, Indiana 46032	(317) 249-5420 (317) 249-5703 Fx wphillips@ midwestiso.org
	Stephen G. Whitley Vice President, System Operations	ISO New England, Inc. One Sullivan Road Holyoke, Massachusetts 01040-2841	(413) 535-4361 (413) 535-4050 Fx swhitley@ iso-ne.com
	Charles Yeung Executive Director, Interregional Affairs	Southwest Power Pool 415 North McKinley Suite 800 Little Rock, Arkansas 72205	(823) 724-6142 cyeung@spp.org
Secretary	Gerry W. Cauley Director - Standards	North American Electric Reliability Council 116-390 Village Boulevard Princeton, New Jersey 08540-5731	(609) 452-8060 (609) 452-9550 Fx gerry.cauley@ nerc.net

Scoping Document
For
NAESB Electric Market Timelines

NAESB WEQ Executive Committee - Standards Review Subcommittee
WEQ SEAMS Subcommittee
October 6, 2004
NAESB Standard Request # R04020

Background:

The request for standardization of electric market timelines stemmed from work done by the NAESB Gas Electric Coordination Task Force (GECTF) to investigate "possible standards creation and/or modifications related to additional coordination of the interaction between the scheduling of electric and gas transactions." as well as issues raised by the WEQ Seams Subcommittee. The GECTF developed a Discussion Points List (DPL) which was organized into 14 broad categories, one of which is Electric Market Timelines.

Vision:

The request for electric market timelines is intended to resolve the need for standard electric timelines as brought out in the Gas Electric Coordination Task Force's (GECTF) final report to FERC, while also addressing issues identified in the Seams Matrix as priorities. The joint gas/electric coordination issues identified in the GECTF report are not limited to NAESB but are also recognized by NERC, as their Gas/Electric Interdependency Task Force confirmed the interdependency between gas and electric operations and planning on electric reliability issues.

Scope:

To resolve issues raised concerning Electric Market Timelines' two main categories of Flexibility/Planning and Timelines/Scheduling of the GECTF DPL while concurrently addressing two of the Seams issues in the category/1st sub-category "Transaction Scheduling/Interchange Scheduling and Standardized Protocols" as found in the Seams Issues Matrix. These issues are further described below.

GECTF DPL - http://www.naesb.org/pdf/gectf062904w2.pdf

Seams issue no. 79 is described in the Seams Issues Matrix as market design for day-ahead markets – other scheduling requirements.
Comments logged in the matrix include: Should the time intervals and submission times be synchronized to mitigate obstacles to inter-RTO trade?

Seams issue no. 106 is described in the Seams Issues Matrix as transaction scheduling. Comments logged in the matrix include: Inconsistent information and market timing rules lead to uncertainty and risk that discourage the scheduling of some inter-regional transactions.

The request is intended to target the standardization of timelines for day-ahead markets. As an example, some day-ahead markets call for a market participant to reserve ramp and transmission before the participant knows if he clears the market. As such, the participant may be holding purchased transmission for a bid that does not clear without any use for that transmission. Many participants would like to see this changed so that the clearing of the market coincides with the reserving of ramps and transmission; thus, alleviating any unnecessary costs for the participant. Any changes impacting tariffs or and/or market designs will be handled through appropriate channels.

It is not the purpose of this request to standardize or change the structure of the market within the RTO, but resolutions could result in changes to the timing of certain RTO market operation functions. Issues to be considered are not limited to but should include the following:

- RTO market closing deadlines
- RTO market results posting deadlines
- Transmission reservation deadlines
- Transaction scheduling deadlines (i.e. Tagging Deadlines)
- Schedule implementation timelines (i.e. "on the hour", "on the half hour", etc.)

The following linked exhibits from the GECTF report demonstrate varying timelines between; RTO to non-RTO, RTO to RTO, and Gas to Electric that this standard proposes to address.

Transmission Timing Analysis - http://www.naesb.org/pdf/gectf031504w2.pdf
Electric Market Timing Issues - http://www.naesb.org/pdf/gectf031504w3.pdf
Gas/CAISO Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w8.pdf
Gas/ERCOT Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w9.pdf
Gas/ISO-NE Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w10.pdf
Gas/MISO Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w11.pdf
Gas/NYISO Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w12.pdf
Gas/PJM Electric Timing Issues - http://www.naesb.org/pdf/gectf041304w13.pdf

Functionality/Usability:

Standardizing electric timelines might promote trades between RTO and non-RTO entities should many of these issues get resolved. Currently, these trades may require multiple submissions for the same transaction not to mention unnecessary business costs related to being required to purchase transmission before market clearing.

In addition, standardizing electric timelines should help in overall coordination efforts between the gas and electric industries. Some of these issues are likely to be addressed in the team work for NAESB Request R04016 addressing the need for an overall Energy Day. Work on Energy Day began on December 1, 2004.

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Instructions:

1. **Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

2. **Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

3. **Once completed, send your request to:**
   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX 77002

   Phone: 713-356-0060
   Fax: 713-356-0067

   by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: 10/6/04

1. Submitting Entity & Address:

Wholesale Electric Quadrant Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS)

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : **Joel Dison for the ESS and ITS**
Title : **ESS Co-Chair**
Phone : **(205) 257-6481**
Fax : **(205) 257-6824**
E-mail : **jjdison@southernco.com**

3. Description of Proposed Standard or Enhancement:

The WEQ ESS/ITS felt that comments received by the WEQ ESS/ITS on the draft of its recommendation for request R04005-A were worthy of consideration, however were out of scope of the original request. The changes posed in the comments are changes that go beyond the housekeeping matters R04005-A was drafted to implement. The comments proposed changes to some of the definitions, to remove references to the "Commission," etc. The WEQ ESS/ITS is requesting these "nomenclature" considerations to be dealt with in this request.

The WEQ ESS/ITS is also requesting that Section 4.19 of the OASIS Baseline Business Practices be clarified. The committees request that the language be modified to reflect that the Transmission Provider is not required to COUNTEROFFER a confirmed reservation.

As directed by the WEQ Executive Committee, the ESS/ITS is requesting consideration of the public comments received on Recommendations R04006-B and R04006-C and will evaluate those comments for possible enhancements to the business practices.

Finally, the WEQ ESS/ITS is requesting that the standard be clarified that its numbered components are "requirements" of the OASIS Business Practice Standard, not individual standards.

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):

The business practice standards are designed to implement the Commission's policy related to on-line price negotiation and to improve the commercial operation of the Open Access Same-Time Information System (OASIS).

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

The industry and the Commission have already ascertained and realized the benefits of these standards as they are already required by FERC regulation.

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

N/A

7. Description of Any Specific Legal or Other Considerations:

This is an existing standard already adopted by the FERC.

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

N/A

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

The standard applies to transmission users' interactions with public utilities.

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

Please see the attached document titled: "Incorporation of Comments Document." The document contains comments submitted to the WEQ Executive Committee for Request R04005 - Recommendation 2 (Clean-up)T, comments submitted to the WEQ Executive Committee for Request R04006-B and R04006-C.

R04035 - Attachment

INCORPORATION OF COMMENTS

I. Comments on Baseline Business Practices (R04005-A)

a. Comments by Entergy

b. Comments by WE Energies

c. Comments by Hydro-Quebec TransEnergie

II. Comments on Multiple Requests (R04006-B)

a. Comments by First Energy

b. Comments by Hydro-Quebec TransEnergie

c. Comments by Southern Company Bulk Power Operations

III. Comments on Redirects (R04006-C)

a. Comments by First Energy

b. Comments by Southern Company Bulk Power Operations

c. Comments by WE Energies

d. Comments by Puget Sound Energy

I. Comments on Baseline Business Practices (R04005-A)

a. Comments by Entergy

Submitted by: Edward Davis
September 20, 2004

Entergy suggests that expansion of the Pro Forma Tarrif and OASIS requirements since the initial issuances make the following wording not specific to the provision of transmission service. Therefore, we suggest the following changes to the draft:

"Standard 1: Provision of Open Access Transmission Service. All transmission providers shall provide open access transmission service in accordance with the following requirements.

Applicability

Standard 1 applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to transactions limited to the provision of open access transmission service performed under the pro forma tariff required under currently applicable regulations."

Entergy suggests expanding the legitimate reasons for denying access to include the provision of false information, as follows:

a. **Standard 3.1:** All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at http://www.tsin.com. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement or providing false information may be denied access by a transmission provider to that transmission provider's OASIS node.

b. Comments by WE Energies

For all documents, definition of terms should be consistent with the NAESB Glossary and between documents. Inconsistencies were found in the definition of Affiliate, Transmission Customer, Firm Transmission, Non-firm Transmission, Point-to-Point Transmission Service, Network Service .

P. 10 of R04005-A, Standard 1.8 - A definition of "significant amount" is needed. Thank you for the opportunity to comment.

Barb Kedrowski , Project Manager , We Energies

c. Comments by V. Bissonnette, Hydro-Quebec TransEnergie

HYDRO-QUÉBEC TRANSÉNERGIE COMMENTS
September 20, 2004

NAESB must prepare Business Standards that could apply internationally, meaning to Canadian entities also. This requires some adaptation work to this Recommendation. The term "Commission" as defined in this Recommendation refers to FERC. That term should be replaced by "Appropriate Regulating Authority" (or some other term) and should be defined as the entity which has regulating authority over a given Transmission Provider. The whole document should then be revised with this international intent in mind (for example, this simplifies 1.5(f) that would then apply to "Appropriate regulating authorities staff" and the introduction to Standard 4.1 could be simplified to read only "All reservations and price…." Instead of "Consistent with FERC policy and regulations, all reservations and price…").

A Transmission Provider is not necessarily a "public utility". The definition should be broadened to include all possibilities and specify that it is used for those who provide Open Access to their electrical transmission System. As written the definition seems to encompass even systems which do not offer such access. The term "interstate" is also limiting regarding the international nature of a Business Standard. We also question that a Transmission Provider is not necessarily operating "interstate" even in the U.S. As a first try, the resulting definition for Transmission Provider could then read: "An entity that owns, operates or control facilities used for the transmission of electric energy and that offers open access transmission service over those facilities".

Submitted by Victor Bissonnette
Délégué commercial
Direction Commercialisation

Hydro-Québec TransÉnergie

II Comments on Multiple Requests (R04006-B)

a. Comments by First Energy

Denial of Service – the act of intentionally or unintentionally denying service to other OASIS customers by consuming OASIS cyber resources in such a way that OASIS performance is degraded and the market's ability to operate is impeded. (The name didn't fit the definition.)

Queue Hoarding – this is the act, intentionally or unintentionally, of not confirming or withdrawing an accepted service request within the time limit specifed by the e-tag rules.

.

Standard 8. Requirements for dealing with multiple, identical transmission service requests.

8.1 Denial of Service - OASIS system administrators or Transmission Providers shall have the right to institute programs for the detection and mitigation of Denial of Service (DoS) events based on recognized standard industry practices. (the word attacks here implies an intentional event while the definition states a cause can be unintentional)

8.1.2 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more DoS events.

8.1.3 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the DoS events has been corrected.

8.2.1 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more Queue Flooding events.

8.2.2 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the Queue Flooding events has been corrected.

8.3.3 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more Queue Hoarding events.

8.3.4 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the Queue Hoarding events has been corrected.

b. Comments by Hydro-Quebec TransEnergie

Naesb weq recommendation r04006-B Oasis 1A Enhancements – Multiple Requests
Hydro-québec transénergie comments
November 5, 2004

The term "Commission" is defined as "the Federal Energy Regulatory Commission" and it is used only in "4. SUPPORTING DOCUMENTATION", Section d. Since the NAESB Standards should have an international intent, we propose to remove this definition and replace "Commission" by FERC (as is done elsewhere in the document) in this Section d.

Our comments on the definition of "Transmission Provider" stated for Recommendation R04005 also apply: A Transmission Provider is not necessarily a "public utility". The definition should be broadened to include all possibilities and specify that it is used for those who provide Open Access to their electric Transmission System. As written the definition seems to encompass even systems which do not offer such access. The term "interstate" is also limiting regarding the international nature of a Business Standard. We also question that a Transmission Provider is not necessarily operating "interstate" even in the U.S. As a first try, the resulting definition for Transmission Provider could then read: "An entity that owns, operates or control facilities used for the transmission of electric energy and that offers open access transmission service over those facilities".

Remove the "Responsible party", "Reseller" and "Wholesale merchant function" definitions as those terms are not used in the document.

Submitted by Victor Bissonnette
Délégué commercial
Direction Commercialisation Hydro-Québec TransÉnergie

c. Comments by Southern Company Bulk Power Operations

Multiple Requests Southern Company Bulk Power Operations
Comments Submitted by: Southern Company's Bulk Power Operations
Dated: 11/08/04; 3:56 PM via email

Redirects and Multiple Submissions

1) Standard 8, Section 8.3.2 references a time limitation imposed by the Transmission Provider in the event of Queue Hoarding. This restriction states "…in no event shall the TP impose such restrictions that would set the confirmation time limit to expire any earlier than 30 minutes before the pro forma scheduling deadline." This restriction puts an undue burden on the TP's and the TC's to approve and accept the rest of the queued reservations within only a 30 minute window. The Business Practice Standards for OASIS Transactions (Order 638), Standard 4.13 already specifies timing requirements for OASIS requests. Specifically in that standard, Table 4-2 Footnote 2 states "Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preexemption deadlines." This footnote already allows the TP to set the TC response deadlines to accommodate multiple reservation requests and yet minimize the impacts on scheduling deadlines due to queue hoarding. Therefore, the Southern Company transmission organization ("Southern Company Transmission") recommends that the EC delete this confirmation time limit restriction (i.e., the last sentence in Section 8.3.2) from the standard.

2) Standard 9, Section 9.8.1 references a calculation for a default charge on a firm redirect and a default credit on the Parent Reservation, "if not addressed in the Transmission Provider's tariff". All tariff rate calculations are submitted by each Transmission Provider to FERC for approval and should not be addressed here. Southern Company Transmission suggests that the EC delete this section (9.8.1) in its entirety.

3) Standard 10, Section 10.1.5 needs to be reworded. As presently worded, the standard seems to imply that Transmission Providers might have to offer additional service increments of Secondary Point-to-Point service. Southern Company Transmission suggests that the EC revise the wording "...offered by the TP for Non-Firm Point-to-Point service." to "…offered by the TP for Non-Firm **Secondary** Point-to-Point service." (emphasis added).

4) Standard 10, Section 10.5.3 references a "release" mechanism for Redirect on a Non-Firm basis. This proposed release mechanism has not yet been developed in support of this standard. Given the potential design complications that will likely arise in retrofitting a "release" mechanism into existing OASIS applications, as well as the likelihood of further automation requirements for verification of redirect capacity available on the Parent Reservation, Southern Company Transmission suggests that the EC consider a 6 months time frame for implementation of Standard 10. Some reasonable implementation period is necessary for an orderly transition which allows a Transmission Provider to remain in compliance with all applicable standards at any point in time.

5) Standard 10, Section 10.5.3 needs additional clarification, with respect to the rights and obligations of the TC and TP concerning a request for "release" of a confirmed non-firm redirect reservation. Some redundant wording can also be eliminated, in regard to the future use of the re-instated capacity on the Parent Reservation. Southern Company Transmission suggests that Section 10.5.3 be revised as follows:

10.5.3 – The TC shall have the right to request the TP to release unscheduled capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all valid requests for release, and reinstate the released capacity to the Parent Reservation.

III. Comments on Redirects (R04006-C)

a. Comments by First Energy

Definitions to be added to the OASIS Business Practice standard

Parent Reservation – the original, existing, confirmed reservation being modified by a Transmission Customer's request to redirect, reassign, resale, etc.

Business Practices to be added to the OASIS Business Practice standard

Standard 9. Requirements for dealing with Redirects on a Firm basis.

9.1 – The Transmission Customer (TC) shall have the right to request modifications to Points of Receipt and/or Points of Delivery (including source or sink, where required) on a firm basis for a Confirmed Point-to-Point Firm Transmission Service reservation (i.e., Parent Reservation) providing the original path of the transaction is utilized for the Redirect. This will be referred to as a Redirect on a Firm basis.

9.1.3 - A request to Redirect on a Firm basis shall be queued and treated in the same manner as any other firm point to point request providing the original path of the transaction is maintained and subject to the other requirements of this standard.

9.1.5 – The TC shall not submit a request for a Redirect on a Firm basis that exceeds the Capacity Available for Redirect.

9.2 - The TC shall be allowed to request a Redirect on a Firm basis for a portion or all of the Capacity Available to Redirect, even if the transmission scheduling rights on the Parent Reservation have been limited due to outages or other reliability-related events. An example is shown in Appendix B. (Ed – I am of the opinion that the request should be allowed, but a refusal should also be allowed if the request will worsen the reliability condition. However, if a TP sold transmission on a firm basis the entity purchasing the transmission capacity should be able to use the capacity up to the limits provided by a firm reservation such that the TP may be required to shed firm load to load the schedule. I think the bottom line here is that the TP sold transmission capacity that they didn't have if they have to shed firm load to allow the transaction to go forward.)

9.4.2 - The TC shall be allowed to submit and have pending multiple requests for Redirects on a Firm basis up to and not exceeding the Capacity Available to Redirect. The TP shall evaluate the requests for Redirects in the order they are received and will confirm only the requests up to and not exceeding the Capacity Available to Redirect.. An example is shown in Appendix B.

9.5 - Upon confirmation of the request or requests to Redirect on a Firm basis, the Capacity Available to Redirect shall be reduced by the amount of the total of the redirected capacity for the time period of that Redirect. An example is shown in Appendix B.

10.1.7 – The TC shall not submit a request for a Redirect on a non-Firm basis that exceeds the Capacity Available for Redirect.

10.4.2 - The TC shall be allowed to submit and have pending multiple requests for Redirects on a Non-Firm basis up to and not exceeding the Capacity Available to Redirect. The TP shall evaluate the requests for Redirects in the order they are received and will confirm only the requests up to and not exceeding the Capacity Available to Redirect An example is shown in Appendix B.

Appendix B – Redirect Standards Examples

These examples need a lot of work. They do not clearly represent the principles described in 9 and 10 above. These examples would be clearer if they included the parent reservation prior to the redirect, the redirect, and then the effect of the redirect on the parent reservation. Sort of a before and after or cause and effect view.

b. Comments by Southern Company Bulk Power Operations

Dated: 11/08/04; 3:56 PM via email
Redirects and Multiple Submissions

1) Standard 8, Section 8.3.2 references a time limitation imposed by the Transmission Provider in the event of Queue Hoarding. This restriction states "…in no event shall the TP impose such restrictions that would set the confirmation time limit to expire any earlier than 30 minutes before the pro forma scheduling deadline." This restriction puts an undue burden on the TP's and the TC's to approve and accept the rest of the queued reservations within only a 30 minute window. The Business Practice Standards for OASIS Transactions (Order 638), Standard 4.13 already specifies timing requirements for OASIS requests. Specifically in that standard, Table 4-2 Footnote 2 states "Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preexemption deadlines." This footnote already allows the TP to set the TC response deadlines to accommodate multiple reservation requests and yet minimize the impacts on scheduling deadlines due to queue hoarding. Therefore, the Southern Company transmission organization ("Southern Company Transmission") recommends that the EC delete this confirmation time limit restriction (i.e., the last sentence in Section 8.3.2) from the standard.

2) Standard 9, Section 9.8.1 references a calculation for a default charge on a firm redirect and a default credit on the Parent Reservation, "if not addressed in the Transmission Provider's tariff". All tariff rate calculations are submitted by each

Transmission Provider to FERC for approval and should not be addressed here. Southern Company Transmission suggests that the EC delete this section (9.8.1) in its entirety.

3) Standard 10, Section 10.1.5 needs to be reworded. As presently worded, the standard seems to imply that Transmission Providers might have to offer additional service increments of Secondary Point-to-Point service. Southern Company Transmission suggests that the EC revise the wording "...offered by the TP for Non-Firm Point-to-Point service." to "…offered by the TP for Non-Firm **Secondary** Point-to-Point service." (emphasis added).

4) Standard 10, Section 10.5.3 references a "release" mechanism for Redirect on a Non-Firm basis. This proposed release mechanism has not yet been developed in support of this standard. Given the potential design complications that will likely arise in retrofitting a "release" mechanism into existing OASIS applications, as well as the likelihood of further automation requirements for verification of redirect capacity available on the Parent Reservation, Southern Company Transmission suggests that the EC consider a 6 months time frame for implementation of Standard 10. Some reasonable implementation period is necessary for an orderly transition which allows a Transmission Provider to remain in compliance with all applicable standards at any point in time.

5) Standard 10, Section 10.5.3 needs additional clarification, with respect to the rights and obligations of the TC and TP concerning a request for "release" of a confirmed non-firm redirect reservation. Some redundant wording can also be eliminated, in regard to the future use of the re-instated capacity on the Parent Reservation. Southern Company Transmission suggests that Section 10.5.3 be revised as follows:

10.5.3 – The TC shall have the right to request the TP to release unscheduled capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all valid requests for release, and reinstate the released capacity to the Parent Reservation.

c. Comments by WE Energies

Comments Submitted by: Barb Kedrowski
Dated: 11/11/04, 1:21 PM
Below are We Energies' comments on the WEQ 2004 Annual Plan Item 2 - OASIS 1A Enhancements - Redirects (Comments in red, text from standard in blue):

Standard 10 - Requirements for dealing with Redirects on a non-firm basis:

Section 10.1.6 - Requests for redirects on a non-firm basis shall be submitted by the TC as pre-confirmed.
We Energies' comment: Why must it be preconfirmed? Would it be possible to set an acceptable time interval for redirect request confirmation that would allow requests to be submitted without being preconfirmed? Sometimes deals are done that encompass more than one transmission provider. If TLR's are in effect on one TP's jurisdiction, the deal falls apart. If the redirect request is preconfirmed and it has been confirmed by the TP, it is no longer of any use since one segment of the deal can't flow.
Section 10.5.1 - The TC shall not confirm any request to Redirect on a non-firm basis that would exceed the Capacity Available to Redirect at that point in time. The TP shall have the right to block any such confirmation.

We Energies' comment: If the TC can submit multiple redirect requests that are over the level of the parent request, how does the TC know if they have excluded the capacity available to redirect if the TP is evaluating multiple requests?

Sections 10.1.6 and 10.5.1
We Energies comment: When looking at these sections together, if a TC must pre-confirm a request and can have multiple competing redirect requests that are being evaluated, when the TC "accepts" a request it will automatically be confirmed in violation of 10.5.1. This then raises the question on how the TC would notify the TP which competing redirect request has priority if more than one are deemed Ok. If the requirement for pre-confirmation is removed, then the TC would be able to determine which request they would prefer to confirm.

Section 4.b Description of Recommendation (Supporting Documentation)
We Energies' comment: Use of the word "an" instead of the word "and" in the sentence: "Only the primary transmission provider is in a position to make such an assessment and authorize the redirected service under the OATT."

Thanks,

Barb Kedrowski
Project Manager
We Energies

d. Comments by Puget Sound Energy

Comments Submitted by: Susanne McFadden
Puget Sound Energy Marketing
Dated: 11/10/04; 5:21 PM
REDIRECTS R04006-C

9.5.2 – The TC shall withdraw any request to Redirect on a Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED. (The TC should not have to go in and remove all the Accepted requests if the capacity to redirect is depleted. TP's OASIS should automatically supercede remaining requests.)

9.6.2 - Curtailments or other capacity reductions affecting the reserved capacity on the Redirect reservation shall not affect the Parent Reservation nor result in a reinstatement of capacity on the Parent Reservation. (…result in the automatic reinstatement… Should alos inclued "unless the TC submits a subsequent Redirect on a Firm Basis request")

10.1.3 - A request to Redirect on a Non-Firm basis shall be queued and treated in the same manner as any other non-firm point to point request, subject to the other requirements of this standard. (What does this imply? The TC is requesting secondary point- to-point service, not non-firm point-to-point service. It is a "as available" service subordinate to all other services (exception is Buy At Market))

10.1.6 – Requests for Redirects on a Non-Firm basis shall be submitted by the TC as pre-confirmed. (Why pre-confirmed? This limits a customer's options.)

10.5 - Upon confirmation of the request to Redirect on a Non-Firm basis, the Capacity Available to Redirect shall be reduced by the amount of the redirected capacity for the time period of that Redirect. An example is shown in Appendix B. (OATT says in 22.1(3) the TC shall retain all of their scheduling rights on the parent. This statement limits the TC.)

10.5.1 – The TC shall not confirm any request to Redirect on a Non-Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to block any such confirmation.

10.5.2 – The TC shall withdraw any request to Redirect on a Non-Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Non-Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED. (The TC should not have to go in and remove all the Accepted requests if the capacity to redirect is depeleted. TP's OASIS should automatically supercede remaining requests.)

10.5.3 – The TC shall have the right to request the TP to release capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all such requests, and reinstate the capacity on the Parent Reservation such that it may subsquently be scheduled, Redirected on a Firm or Non-Firm basis to a different path, resold, etc. (OATT says in 22.1 (3) the TC shall retain all of their scheduling rights on the parent. This statement limits, the TC has to request to have their rights back.)

10.8 - TPs shall have the right, but are in no means obligated, to accept requests for Redirect on a Non-Firm basis based on the submission of an Electronic Tag (ETAG) using protocols compliant with Version 1.7.095 NERC Transaction Information System Working Group (TISWG) *Electronic Tagging Functional Specification*. (If a TC can use E-Tag to request a Redirect on a Non-firm Basis, then the TC should also have the ability "release" capacity via E-Taf by referencing the parent reservation.)

10.8.5 - The OASIS queue time of a Redirect requested via ETAG shall be the TP's ETAG Approval Service receipt time, unless a system failure requires the use of backup procedures, in which case the OASIS queue time shall be the time the ETAG is received by the TP. (How is the TP going to force the appearance and specified queue time into their OASIS?. How can this be comparable if some requests are on OASIS and other are off-OASIS)

R04036

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Instructions:

1. **Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

2. **Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

3. **Once completed, send your request to:**

   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX 77002

   Phone: 713-356-0060
   Fax: 713-356-0067

   by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

R04036

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: 11/19/2004

1. Submitting Entity & Address:

Wholesale Electric Quadrant Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS)

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name :	**Joel Dison for the ESS and ITS**
Title :	**ESS Co-Chair**
Phone :	**(205) 257-6481**
Fax :	**(205) 257-6824**
E-mail :	**jjdison@southernco.com**

3. Description of Proposed Standard or Enhancement:
When the WEQ ESS/ITS drafted the recommendation for R04006A, the ESS and ITS proceeded under the assumption that the request could not deviate from the intent of FERC Order 2004. However, several commenters suggested certain changes to the Standards of Conduct that the ESS and ITS feel are at least worthy of consideration. Based on those comments, the WEQ ESS/ITS would like to revisit the Standards of Conduct Standards by conducting a review of (and possibly modification of) the definitions and certain other terms contained within the standard. The WEQ ESS/ITS is requesting these definition and terminology considerations to be dealt with in this request.

The committee is also requesting that the numbering for the requirements within these standards be modified to make the numbering more efficient and straightforward.

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):

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

R04036

The industry and the Commission have already ascertained and realized the benefits of these standards as they are already required by FERC regulation.

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

7. Description of Any Specific Legal or Other Considerations:

This request proposes minor changes to an existing standard.

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

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

The standard applies to transmission users' interactions with public utilities.

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

HYDRO-QUÉBEC TRANSÉNERGIE COMMENTS
September 20, 2004

This Standards Recommendation has been drafted as a direct conversion of FERC Order 2004 into Business Standards. It must be realized that NAESB must prepare Business Standards that could apply internationally, meaning to Canadian entities also. Therefore the translation from a FERC Order, necessarily written for U.S. only, into such international Business Standards requires some adaptation work that has not been done in this Recommendation.

The term "Commission" is used but is not defined in this Recommendation. We presume it was intended to be defined as in R04005-A. As we stated in that case, that term should be replaced by "Appropriate Regulating Authority" (or some other term) and should be defined as the entity which has regulating authority over a given Transmission Provider. The whole document should then be revised with this international intent in mind.

Our comments on the definition of "Transmission Provider" stated for Recommendation R04005 also apply: A Transmission Provider is not necessarily a "public utility". The definition should be broadened to include all possibilities and specify that it is used for those who provide Open Access to their electric Transmission System. As written the definition seems to encompass even systems which do not offer such access. The term "interstate" is also limiting regarding the international nature of a Business Standard. We also question that a Transmission Provider is not necessarily operating "interstate" even in the U.S. As a first try, the resulting definition for Transmission Provider could then read: "An entity that owns, operates or control facilities used for the transmission of electric energy and that offers open access transmission service over those facilities".

The proposed text also refers to "Marketing Affiliate". That definition has been omitted. It should be reintroduced to read:
"(k) Marketing Affiliate means an Affiliate as that term is defined in 3(b) or a unit that engages in marketing, sales or brokering activities as those terms are defined at 3(e)."

A small editorial note: In 5(1), "of the its Marketing .." has to be corrected to "of its Marketing…".

Submitted by Victor Bissonnette
Délégué commercial
Direction Commercialisation
Hydro-Québec TransÉnergie

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Instructions:

1. **Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

2. **Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

3. **Once completed, send your request to:**

   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX 77002

   Phone: 713-356-0060
   Fax: 713-356-0067

   by either mail, fax, or to NAESB's email address, naesb@aol.com

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: November 18, 2004

1. Submitting Entity & Address:

North American Energy Standards Board
Wholesale Electric Quadrant
Information Technology Subcommittee
1301 Fannin, Suite 2350
Houston, TX 77002

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Paul R. Sorenson for the WEQ ITS
Title : Manager, Central Markets Strategy
Open Access Technology International, Inc.
Phone : 612-360-1633
Fax : 763-553-2813
E-mail : paul.sorenson@oati.net

3. Description of Proposed Standard or Enhancement:

Revise the basic structure and enhance the capabilities of the NERC Registry, for the registration of critical information needed by the WEQ for OASIS enhancements. This activity will require the close interaction and involvement of the NERC TISWG and NAESB WEQ ITS in order to effectively support the requirements for NERC and NAESB Version 1 Coordinate Interchange Standards and Business Practices. This work will also lay the framework for supporting Cyber-security standards for OASIS and NERC E-Tagging, and enabling future extensions necessary for OASIS enhancements.
It is expected that the final work product will be a registry specification and related supporting documents.

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):

The NERC Registry currently supports the Industry's registration of key information dictated in the OASIS technical standards as well as information critical to support NERC's Electronic Tagging specification. This registry is being revised by NERC in anticipation of the registration of business entities performing key functions specified in the NERC Functional Model.

The registry will require additional work beyond this initial enhancement as part of the Version 1 Standards development, particularly related to the Coordinate Interchange standards and the registration of entities qualifying to perform the Interchange Authority function.

Further, the Industry recognizes that the existing registry has significant shortcomings with respect to both its maintainability and being able to quickly and cost effectively integrate new requirements.

In 2002, NERC formed a Registry Task Force to address Industry concerns. That group recommended]changes to the basic registry structure. Part of this Standards request would be to review that document and incorporate all pertinent functions called out by the Registry Task Force as part of this larger standards effort.

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

The Industry will benefit from a robust and reliable central source for information required to implement and enhance OASIS 1A, Electronic Tagging, Entity registration supporting the Functional Model, and also from a solid foundation to build on to meet OASIS II requirements.

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

To be determined.

7. Description of Any Specific Legal or Other Considerations:

This standards development process will require the close coordination between the NAESB WEQ and appropriate NERC Committees, Subcommittees, and Task Forces.

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

   To be Determined.

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

   Not Applicable.

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

    NERC Registry Task Force - Registry Technical Specification, Version 2.0.3, July 3, 2003, available from the NERC Registry Task Force.

R05001

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Instructions:

1. **Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**

2. **Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**

3. **Once completed, send your request to:**

   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX 77002

   Phone: 713-356-0060
   Fax: 713-356-0067

   by either mail, fax, or to NAESB's email address, naesb@naesb.org.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

R05001

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: _01-03-2005_____

1. Submitting Entity & Address:

_____NAESB Members of the ESS/ITS _
_____
_____
_____

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Roman Carter_____
Title : Project Manager, Southern Company Generation_
Phone : __205.257.6027___
Fax : __205.257.6428___
E-mail : ___jrcarter@southernco.com__

3. Description of Proposed Standard or Enhancement:

NAESB_Standard R03013 was approved by the Executive Committee in May, 2004 and ratified by the general membership in June 2004. Standard R03013 identifies the market-supported processes necessary to facilitate Interchange transactions. It specifies the arrangements that need to be made and the data that needs to be communicated to the Interchange Authority (IA) in order for Interchange to take place between the Source and Sink Balancing Authorities.

Unfortunately, the Standard does not address the fact that Industry is transforming into Version 0 Standards and the entities which will perform the reliability functions under Version 0 may not be the same entities performing those functions today as this Standard suggests (e.g., Tagging Authority). Also, there are definitions which were purposely excluded from this Standard but now are necessary for clarity (e.g. Reliability Coordinator, Balancing Authority, Purchasing-Selling Entity).

Furthermore, NERC's Coordinate Interchange Standard Drafting Team has including Timing requirements within their proposed Standard which previously were not considered. The NERC timing requirements for the reliability period no longer make it necessary for the NAESB Standard to include these reliability timing requirements in its R01013 Standard. As a result,

the Standard should no longer require the Requesting PSE to provide the RFI to the Reliability Entities for reliability assessment as previously required.

Finally, Industry participants have provided several recommendations on re-wording some of the requirements within the Standard to make the intent of the requirement more clear and understandable.

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):

   As stated above, this revised Standard will be used to identify market-supported processes necessary to facilitate interchange transactions. It specifies the arrangements that need to be made and the data that needs to be communicated to the Interchange Authority in order for Interchange to take place between Source and Sink Balancing Authorities. As revised, this Standard will better accomplish the intent of the original Standard.

   A preliminary copy of this revised Standard will be provided for discussion for the Triage conference call scheduled for January 10th and the JIC meeting scheduled for January 18th.

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

By including the changes and revisions recommended in the revised Standard, Industry will be better able to understand their function and responsibilities to implement a bilateral Interchange Transaction.

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

7. Description of Any Specific Legal or Other Considerations:

It is recommended that the NAESB Standard R03013 not be submitted to FERC until these changes and revisions are allowed to be included in the Standard and NERC's Coordinate Interchange Standard has been adopted by the NERC Board of Directors. It is imperative that both the NERC and NAESB Coordinate Interchange Standards be implemented by Industry in a coordinated effort.

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

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

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

When completed, email to: gerry.cauley@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Phase III/IV Planning Standards – Disturbance Monitoring and Reporting
Request Date	November 17, 2004

SAR Requestor Information		**SAR Type** (Put an 'x' in front of one of these selections)	
Name	Version 0 Drafting Team and Planning Standards Task Force	☒	New Standard
Primary Contact	Brian Thumm/Armie Perez	☐	Revision to existing Standard
Telephone Fax	504-310-5818/916-351-4444	☐	Withdrawal of existing Standard
E-mail	bthumm@entergy.com aperez@caiso.com	☐	Urgent Action

Purpose/Industry Need (Provide one or two sentences)

Certain planning standards that were part of the Phase III and IV NERC compliance program were not included in the Version 0 reliability standards. The Version 0 drafting team, supported by industry comments, realized it could not achieve industry consensus on these specific standards in the timeframe or within the scope of the Version 0 standards project. These standards are important, nonetheless, as they contain critical reliability requirements in support of recommendations from the NERC and U.S./Canada Power System Outage Task Force reports on the August 14, 2003 blackout. Recognizing the importance of these standards, the NERC board resolved on October 15, 2004, that: "A satisfactory resolution of the issues regarding Phases III and IV of the planning standards would be to: (1) develop reliability standards covering the Phase III and Phase IV issues separate from the Version 0 effort, using the NERC standards development process; (2) have the Planning Committee expeditiously complete the drafting of the proposed standards needed to address the Phase III and Phase IV issues, and move those standards through the NERC standards development process as promptly as possible, but not later than the May 2005 board meeting." This SAR proposes the development of reliability standards that address the disturbance monitoring and reporting requirements of those Phase III and IV planning standards.

Reliability Functions

The Standard will Apply to the Following Functions *(Check box for each one that applies by double clicking the grey boxes.)*		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☒	Planning Authority	Plans the bulk electric system
☒	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
☒	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☒	Transmission Owner	Owns transmission facilities
☒	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☒	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☒	Generator Owner	Owns and maintains generation unit(s)
☒	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
☐	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
☒	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check boxes for all that apply by double clicking the grey boxes.)*	
☒	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☒	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☒	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
☒	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
☒	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
☐	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
☒	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.

Does the proposed Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)*
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes
2. An Organization Standard shall not give any market participant an unfair competitive advantage.Yes
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

The standard drafting team will consider comments received from industry in response to the posting of the Version 0 draft reliability standards and from the Phase III field testing. The drafting team will start from prior work on these standards by the Version 0 drafting team and the Planning Standards TF. The standard drafting team, through the reliability standards process, will be tasked to translate those reliability requirements within these standards for which industry consensus can be gained, to incorporate the functional model identifications for each requirement, and to conform the standards to the reliability standards format and numbering convention. The drafting team will be tasked to resolve technical comments as necessary to achieve consensus but not to introduce new reliability requirements. The drafting team will be tasked to prepare a recommendation on how to ballot the standards, e.g. individually or in logical groupings. The list below represents the disturbance monitoring and reporting standards proposed to be developed within the scope of this SAR. The drafting team will be tasked to develop the requirements and measures within these Phase III/IV standards. The drafting team will be requested to expedite its work to meet the NERC board's target of adopting the standards in May 2005.

I.F.S1.M2, List of monitoring equipment installations & operating status

I.F.S2.M3, Disturbance monitoring data reporting Requirements

I.F.S2.M4, Recorded fault and disturbance Data

I.F.S2.M5, Use Database

II.D.S1.M2, Reporting procedures that ensure against double counting or omission of customer demand data

II.D.S1-S2.M3, Procedures requiring consistency of data reported for reliability purposes and to gvt agencies

III.C.S6.M10, Procedure to monitor/ review/ analyze/ correct trip operations of generator protection equipment

Related Standards

Standard No.	Explanation
Version 0	The proposed standards complement the proposed Version 0 standards and are in addition to those standards.

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WECC	

Related NERC Operating Policies or Planning Standards

ID	Explanation
	Proposed reliability standards replace named planning standards above.

When completed, email to: gerry.cauley@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Phase III/IV Planning Standards – Modeling
Request Date	November 17, 2004

SAR Requestor Information		**SAR Type** (Put an 'x' in front of one of these selections)	
Name	Version 0 Drafting Team and Planning Standards Task Force	☒	New Standard
Primary Contact	Brian Thumm/Armie Perez	☐	Revision to existing Standard
Telephone Fax	504-310-5818/916-351-4444	☐	Withdrawal of existing Standard
E-mail	bthumm@entergy.com aperez@caiso.com	☐	Urgent Action

Purpose/Industry Need (Provide one or two sentences)

Certain planning standards that were part of the Phase III and IV NERC compliance program were not included in the Version 0 reliability standards. The Version 0 drafting team, supported by industry comments, realized it could not achieve industry consensus on these specific standards in the timeframe or within the scope of the Version 0 standards project. These standards are important, nonetheless, as they contain critical reliability requirements in support of recommendations from the NERC and U.S./Canada Power System Outage Task Force reports on the August 14, 2003 blackout. Recognizing the importance of these standards, the NERC board resolved on October 15, 2004, that: "A satisfactory resolution of the issues regarding Phases III and IV of the planning standards would be to: (1) develop reliability standards covering the Phase III and Phase IV issues separate from the Version 0 effort, using the NERC standards development process; (2) have the Planning Committee expeditiously complete the drafting of the proposed standards needed to address the Phase III and Phase IV issues, and move those standards through the NERC standards development process as promptly as possible, but not later than the May 2005 board meeting." This SAR proposes the development of reliability standards that address the modeling requirements of those Phase III and IV planning standards.

Reliability Functions

The Standard will Apply to the Following Functions *(Check box for each one that applies by double clicking the grey boxes.)*		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☒	Planning Authority	Plans the bulk electric system
☒	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
☒	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☒	Transmission Owner	Owns transmission facilities
☒	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☒	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☒	Generator Owner	Owns and maintains generation unit(s)
☒	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
☐	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
☒	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check boxes for all that apply by double clicking the grey boxes.)*	
☒	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☒	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☒	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
☒	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
☒	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
☐	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
☒	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.

Does the proposed Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)*
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes
2. An Organization Standard shall not give any market participant an unfair competitive advantage.Yes
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

The standard drafting team will consider comments received from industry in response to the posting of the Version 0 draft reliability standards and from the Phase III field testing. The drafting team will start from prior work on these standards by the Version 0 drafting team and the Planning Standards TF. The standard drafting team, through the reliability standards process, will be tasked to translate those reliability requirements within these standards for which industry consensus can be gained, to incorporate the functional model identifications for each requirement, and to conform the standards to the reliability standards format and numbering convention. The drafting team will be tasked to resolve technical comments as necessary to achieve consensus but not to introduce new reliability requirements. The drafting team will be tasked to prepare a recommendation on how to ballot the standards, e.g. individually or in logical groupings. The list below represents the modeling standards proposed to be developed within the scope of this SAR. The drafting team will be tasked to develop the requirements and measures within these Phase III/IV standards. The drafting team will be requested to expedite its work to meet the NERC board's target of adopting the standards in May 2005.

I.D.S1.M1, Assessment of reactive power resources

I.D.S1.M2, Generator reactive power capability

II.B.S1.M1, Procedures for validating generation equipment data

II.B.S1.M2, Verification of gross & net dependable capability

II.B.S1.M3, Verification of gross & reactive power capability of generators

II.B.S1.M4., Test results of gen. voltage regulator controls & limit functions

II.B.S1.M5, Test results of speed/load governor controls

II.B.S1.M6, Verification of excitation system dynamic modeling data

II.E.S1.M1, Plans for the evaluation and reporting of voltage & frequency characteristics of customer demands

II.E.S1.M2, Documentation of requirements for determining dynamic characteristics of customer demands

II.E.S1.M3, Customer (dynamic) demand data

III.C.S1.M1, Procedure by Sys Operator for reporting operation without automatic voltage control mode

III.C.S1.M2, Log of operation without automatic voltage control mode by gen owner

III.C.S2.M3, Documentation of schedule for maintaining network voltage

III.C.S2.M4, Log operation not maintaining network voltage schedules

III.C.S2.M5, Reporting Procedures for tap settings of generator step-up & auxiliary transformers

III.C.S2.M6, Tap settings Data of generator step-up & auxiliary transformers III.C.S3.M7, Requirements for withstanding temporary excursions in frequency, voltage, etc III.C.S4.M8, Info on generator controls coordination with unit's short-term capabilities & protective relays III.C.S5.M9, Information on speed/load governing system

Related Standards

Standard No.	Explanation
Version 0	The proposed standards complement the proposed Version 0 standards and are in addition to those standards.

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	
MAAC	
MAIN	
MAPP	
NPCC	
SERC	

SPP	
WECC	

Related NERC Operating Policies or Planning Standards

ID	Explanation
	Proposed reliability standards replace named planning standards above.

When completed, email to: gerry.cauley@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Phase III/IV Planning Standards – Protection and Control
Request Date	November 17, 2004

SAR Requestor Information		**SAR Type** (Put an 'x' in front of one of these selections)	
Name	Version 0 Drafting Team and Planning Standards Task Force	☒	New Standard
Primary Contact	Brian Thumm/Armie Perez	☐	Revision to existing Standard
Telephone Fax	504-310-5818/916-351-4444	☐	Withdrawal of existing Standard
E-mail	bthumm@entergy.com aperez@caiso.com	☐	Urgent Action

Purpose/Industry Need (Provide one or two sentences)

Certain planning standards that were part of the Phase III and IV NERC compliance program were not included in the Version 0 reliability standards. The Version 0 drafting team, supported by industry comments, realized it could not achieve industry consensus on these specific standards in the timeframe or within the scope of the Version 0 standards project. These standards are important, nonetheless, as they contain critical reliability requirements in support of recommendations from the NERC and U.S./Canada Power System Outage Task Force reports on the August 14, 2003 blackout. Recognizing the importance of these standards, the NERC board resolved on October 15, 2004, that: "A satisfactory resolution of the issues regarding Phases III and IV of the planning standards would be to: (1) develop reliability standards covering the Phase III and Phase IV issues separate from the Version 0 effort, using the NERC standards development process; (2) have the Planning Committee expeditiously complete the drafting of the proposed standards needed to address the Phase III and Phase IV issues, and move those standards through the NERC standards development process as promptly as possible, but not later than the May 2005 board meeting." This SAR proposes the development of reliability standards that address the protection and control requirements of those Phase III and IV planning standards.

Reliability Functions

The Standard will Apply to the Following Functions *(Check box for each one that applies by double clicking the grey boxes.)*		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☒	Planning Authority	Plans the bulk electric system
☒	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
☒	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☒	Transmission Owner	Owns transmission facilities
☒	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☒	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☒	Generator Owner	Owns and maintains generation unit(s)
☒	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
☐	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
☒	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check boxes for all that apply by double clicking the grey boxes.)*	
☒	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☒	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☒	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
☒	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
☒	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
☐	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
☒	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.

Does the proposed Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)*
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes
2. An Organization Standard shall not give any market participant an unfair competitive advantage.Yes
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

The standard drafting team will consider comments received from industry in response to the posting of the Version 0 draft reliability standards and from the Phase III field testing. The drafting team will start from prior work on these standards by the Version 0 drafting team and the Planning Standards TF. The standard drafting team, through the reliability standards process, will be tasked to translate those reliability requirements within these standards for which industry consensus can be gained, to incorporate the functional model identifications for each requirement, and to conform the standards to the reliability standards format and numbering convention. The drafting team will be tasked to resolve technical comments as necessary to achieve consensus but not to introduce new reliability requirements. The drafting team will be tasked to prepare a recommendation on how to ballot the standards, e.g. individually or in logical groupings. The list below represents the protection and control standards proposed to be developed within the scope of this SAR. The drafting team will be tasked to develop the requirements and measures within these Phase III/IV standards. The drafting team will be requested to expedite its work to meet the NERC board's target of adopting the standards in May 2005.

III.A.S2M2, Redundance requirements for transmission system protection

III.B.S1.M1, Assessment of reliability impact of transmission control devices

III.B.S1.M2, Transmission control device models and data

III.B.S1.M3, Periodic review & validation of settings & operating strategies

III.C.S6.M10, Procedure to monitor/ review/ analyze/ correct trip operations of generator protection equipment

III.E.S1-S2.M1, Documentation of undervoltage load shedding program

III.E.S1.M2, UVLS Regional Database

III.E.S1.M5, Analysis & documentation of UVLS event

III.C.S7.M12, Maintenance / testing Program of generation equipment protection systems

Related Standards

Standard No.	Explanation
Version 0	The proposed standards complement the proposed Version 0 standards and are in addition to those standards.

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WECC	

Related NERC Operating Policies or Planning Standards

ID	Explanation
	Proposed reliability standards replace named planning standards above.

When completed, email to: gerry.cauley@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Phase III/IV Planning Standards – Black Start Capability
Request Date	November 17, 2004

SAR Requestor Information		**SAR Type** (Put an 'x' in front of one of these selections)	
Name	Version 0 Drafting Team and Planning Standards Task Force	☒	New Standard
Primary Contact	Brian Thumm/Armie Perez	☐	Revision to existing Standard
Telephone Fax	504-310-5818/916-351-4444	☐	Withdrawal of existing Standard
E-mail	bthumm@entergy.com aperez@caiso.com	☐	Urgent Action

Purpose/Industry Need (Provide one or two sentences)

Certain planning standards that were part of the Phase III and IV NERC compliance program were not included in the Version 0 reliability standards. The Version 0 drafting team, supported by industry comments, realized it could not achieve industry consensus on these specific standards in the timeframe or within the scope of the Version 0 standards project. These standards are important, nonetheless, as they contain critical reliability requirements in support of recommendations from the NERC and U.S./Canada Power System Outage Task Force reports on the August 14, 2003 blackout. Recognizing the importance of these standards, the NERC board resolved on October 15, 2004, that: "A satisfactory resolution of the issues regarding Phases III and IV of the planning standards would be to: (1) develop reliability standards covering the Phase III and Phase IV issues separate from the Version 0 effort, using the NERC standards development process; (2) have the Planning Committee expeditiously complete the drafting of the proposed standards needed to address the Phase III and Phase IV issues, and move those standards through the NERC standards development process as promptly as possible, but not later than the May 2005 board meeting." This SAR proposes the development of reliability standards that address the black start capability requirements of those Phase III and IV planning standards.

Reliability Functions

The Standard will Apply to the Following Functions *(Check box for each one that applies by double clicking the grey boxes.)*		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☒	Planning Authority	Plans the bulk electric system
☒	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
☒	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☒	Transmission Owner	Owns transmission facilities
☒	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☒	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☒	Generator Owner	Owns and maintains generation unit(s)
☒	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
☐	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
☒	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check boxes for all that apply by double clicking the grey boxes.)*	
☒	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☒	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☒	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
☒	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
☒	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
☐	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
☒	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.

Does the proposed Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)*
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes
2. An Organization Standard shall not give any market participant an unfair competitive advantage.Yes
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

The standard drafting team will consider comments received from industry in response to the posting of the Version 0 draft reliability standards and from the Phase III field testing. The drafting team will start from prior work on these standards by the Version 0 drafting team and the Planning Standards TF. The standard drafting team, through the reliability standards process, will be tasked to translate those reliability requirements within these standards for which industry consensus can be gained, to incorporate the functional model identifications for each requirement, and to conform the standards to the reliability standards format and numbering convention. The drafting team will be tasked to resolve technical comments as necessary to achieve consensus but not to introduce new reliability requirements. The drafting team will be tasked to prepare a recommendation on how to ballot the standards, e.g. individually or in logical groupings. The list below represents the black start capability standards proposed to be developed within the scope of this SAR. The drafting team will be tasked to develop the requirements and measures within these Phase III/IV standards. The drafting team will be requested to expedite its work to meet the NERC board's target of adopting the standards in May 2005.

IV.A.S1.M2, Demonstrate by simulation / testing blackstart unit can perform its function.

IV.A.S1.M3, Diagram blackstart units & initial switching

IV.B.S1.M1, Document automatic load restoration (ALR) programs including database

IV.B.S1.M2, Document auto load restoration program with Regional requirements

IV.B.S1.M3, Assess effectiveness of automatic load restoration programs

IV.B.S1.M4, Document auto load restoration equipment testing / maintenance program

Related Standards

Standard No.	Explanation
Version 0	The proposed standards complement the proposed Version 0 standards and are in addition to those standards.

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WECC	

Related NERC Operating Policies or Planning Standards

ID	Explanation
	Proposed reliability standards replace named planning standards above.

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2005 WEQ Annual Plan Approved by the NAESB Board of Directors on December 9, 2004

	Item Description	Completion[1]	Assignment
1	**Develop business practices standards as needed to complement reliability standards**		
	Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		Business Practices Subcommittee
	a) Catalogue, prioritize, and develop enhancements to "Version 0" business practices and/or develop new business practices as identified in the Version 0 development process (i.e. meeting minutes) and comment periods.		High priority
	b) Make version 1 changes to business practices related to functional model entities as NERC undertakes the same efforts, (Interchange Authority, Reliability Authority, Transmission Service Provider and Purchasing-Selling Entity for Interchange Market Operator for Interchange).		
	c) Develop Inadvertent Interchange Payback Business Practices (2003 WEQ Annual Plan Item 6)	2005	
	d) Develop business practices to support Coordinate Interchange – update already adopted version 1 to reflect version 1 NERC CI (R03013)	2005	
	e) –Develop business practice standards to support Operate Within Limits (R03017)		
	f) Develop business practices to support the reliability components of TLR	2005	
	g) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC).		
	h) Develop jointly with NERC a Joint NERC/NAESB Operating training manual.		
2	**Develop business practice standards for Version 1 to support ATC calculations**		
	a) Review Version 0 NERC reliability standards and comments regarding ATC calculations to determine if business practice standards are needed for NAESB Version 1. Develop business practices if needed.		
	b) Develop version 1 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards may be based on		

[1] Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

	Item Description	Completion[1]	Assignment
	recommendations from NERC's Long Term ATC/AFC Task Force and could involve revised procedures for the ATC calculation and/or revised protocols for coordination between neighboring transmission providers and/or amendments to existing TLR procedures.		
3	**Develop and maintain business practice and communication standards for OASIS and Electronic Scheduling**		
	a) Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry groups' business practices and standards should be adopted as NAESB standards. Specific items to address include:	2005	Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS)
	i. Ongoing maintenance and enhancement of OASIS Phase IA Business Practices and S&CP, including but not limited to:		
	1) Clarification of definitions and terminology in OASIS Business Practices		
	2) Business Practices for the resale or reassignment of transmission service (R04006D)		
	3) Implementation of "release" mechanism in the OASIS S&CP to complement non-firm redirects		
	4) Network Services: determine if business practice standards or other support is needed to support use of OASIS for Network Service transactions.		
	5) Registry: determine if business practice standards are needed to support the registry functions currently supported by NERC.		
	ii. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders:	2006	Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS)
	1) Adoption/maintenance of ESC use cases (R04007)		
	2) Adoption/maintenance of Functional Requirements Document (R04007)		
	3) Develop and maintain business practices to support and implement the ESC use cases (R04007)		
	4) PKI Initiative (e-MARC) (R03007)		
	b) Develop and/or maintain standard communication protocols and cyber-security requirements as needed, including related industry standard communication protocols and cyber-security requirements	2006	Information Technology Subcommittee (ITS)
	i. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders (R04007)		
	ii. Develop companion business practices to NERC's Cyber Standard (1300), and specifically review section 1303-Personnel		

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2005 WEQ Annual Plan Approved by the NAESB Board of Directors on December 9, 2004

	Item Description	Completion[1]	Assignment
	& Training to determine if business practices are needed.		
	c) Develop business practices as needed for clarification of definitions and terminology in the Standards of Conduct.		
	d) Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.		
4	**Develop business practices standards to Improve the Current Operation of the wholesale electric market**		
	a) Evaluate the entries on the seams catalog, determine the need for business practice standards and draft the standards requests to develop business practice standards to complement or assist specific seams mitigation efforts as noted in the seams catalog.	Ongoing	Seams Subcommittee and others
	b) Develop business practice standards according to approved and assigned standards requests that complement or assist specific seams mitigation efforts as noted in the seams catalog.		
	c) Develop business practices to support WECC Tag Definitions (R04032)		Business Practices Subcommittee
5	**Determine the need for and develop, if necessary, business practice standards supportive of the Gas-Electric Coordination Report**		
	a) Evaluate and develop business practice standards for Energy Day (R04016)		Business Practices Subcommittee and others
	b) Evaluate and develop business practice standards for electric scheduling timelines (R04020).		
	c) Evaluate and develop business practice standards for communications between entities representing gas-fired power generators and the pipelines serving them (R04021)		

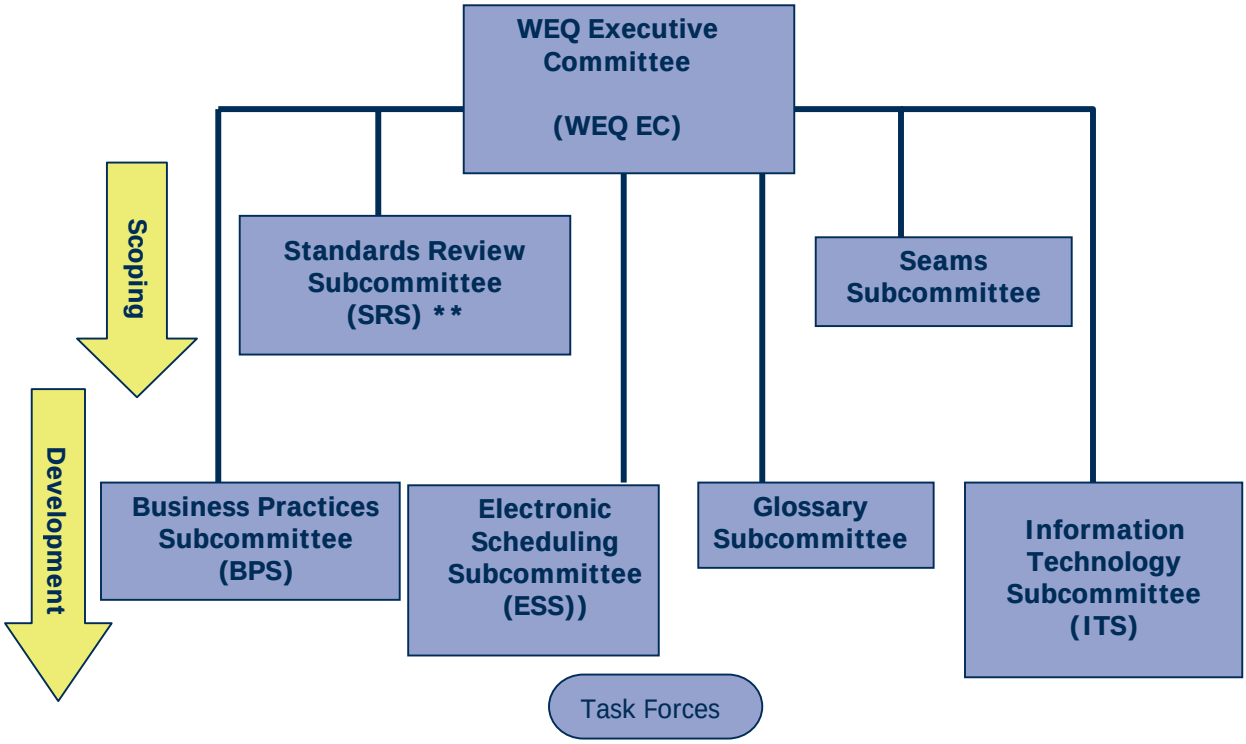
PROVISIONAL ITEMS

1 Develop business practice standards as requested by the regional and state advisory groups.

2 Using the NERC Interconnected Operations Services reference document (March 2002, version 1.1) as a guide and starting point, develop business practices as necessary for ancillary services and/or interconnected operating services transactions.

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NAESB Wholesale Electric Quadrant Committee Structure



NAESB WEQ EC and Leadership is:

Executive Committee: Lou Oberski (WEQ EC Chair) and Steve Cobb (WEQ EC Vice Chair)
Standards Review Subcommittee: Raj Rana
Seams Subcommittee: Steve Cobb and Joe Rossignoli
Business Practices Subcommittee: Phil Cox, John Powers and Joel Dison
Electronic Scheduling Subcommittee: Joel Dison and Andy Rodriquez
Glossary Subcommittee: Tony Reed and Sherri Monteith
Information Technology Subcommittee: Monroe Landrum

** Please note that the NERC Markets Committee may be reconstituted in 2005 and the efforts undertaken by the Standards Review Subcommittee would be assumed by the individual NAESB Subcommittees, with the coordination with NERC addressed through the reconstituted NERC Markets Committee functions. If so, the Standards Review Subcommittee would no longer exist.

Functional Model and Standards Coordination Task Force

Scope

The Standing Committees' Executive Committee has established the following goals for the Functional Model and Standards Coordination Task Force:

1. Review the list of issues in **Attachment 1** and prepare a concise statement of the problems to be addressed by the task force. Additional issues may be considered as long as they are within the scope of removing barriers to implementing the Functional Model in reliability standards, certification criteria, and compliance monitoring. Additional background information is provided in **Attachment 2**.
2. Investigate the technical, corporate, and regulatory impediments that hinder implementing the Reliability Authority as defined in the Functional Model. Identify the differences between the Reliability Coordinator as defined in the Version 0 standards and the Reliability Authority as defined in the Functional Model. Recommend a course of action for developing standards and certification criteria for Reliability Coordinators or Reliability Authorities, or a combination of the two.
3. Develop a recommendation for the scope and criteria for regional reliability plans that would systematically ensure that reliability responsibilities are effectively defined, coordinated, and communicated on a continuing basis going forward.
4. For other problem areas defined in Goal 1 above, develop a recommendation to remove barriers to implementing the Functional Model in reliability standards, certification criteria and compliance monitoring. For each problem area, describe the impediments and an approach for overcoming those impediments.
5. Based on the findings above, recommend whether further changes are needed to the standards, Functional Model, certification criteria, and Regional Reliability Plan templates.

Membership

The Functional Model and Standards Coordination Task Force must include members with expertise in the Reliability Functional Model, regional reliability plans, Version 0 Reliability Standards, and the criteria for certifying the Reliability Authority, Balancing Authority, Interchange Authority, and Transmission Operator. The membership should also include representatives from each of the 10 Regional Councils; however, we would expect those members selected for their expertise in the areas listed above would also serve as the Regional Council representatives.

Reporting

The task force will report to the Standing Committees' Executive Committee.

Officers

The Standing Committees' Executive Committee will select a chairman and vice-chairman from those on the task force.

Timeline

January 3, 2004	Task force in place
February 15, 2005	Preliminary recommendations to SCEC
March 15-17, 2005	Final report to standing committees
May 2-3, 2005	Report to NERC Board of Trustees

Attachment 1 - Issues for Consideration

The following list of issues serves as a beginning point for the Functional Model and Standards Coordination Task Force. These issues will likely evolve as the group conducts its investigation.

1. **Reliability Coordinator and Reliability Authority.** The Functional Model does not specifically identify the Reliability Coordinator as a responsible entity, yet Reliability Coordinators exist today and provide necessary reliability functions. The tasks currently assigned to Reliability Coordinators in NERC operating policies (and hence in the Version 0 standards) do not completely align with the functions and authorities of the Reliability Authority. While there is disagreement on whether the Reliability Coordinators are the Reliability Authorities defined in the Functional Model, the difficult issue for many is with whom does the 'ultimate authority' for reliability reside? Who are and who can be the Reliability Authorities? Some argue the historical control areas are the Reliability Authorities, and that NERC rules cannot require an entity in a local jurisdiction to cede operational authorities to a regional entity outside that jurisdiction. Others argue the Reliability Authority is an entity with broader oversight of the Interconnection, like today's Reliability Coordinators.

2. **Effects of Deferring Interchange Authority.** The Interchange Authority defined in the Functional Model has not been included in the Version 0 reliability standards; it is possible that the development of standards and tools to implement the Interchange Authority may proceed on a different timetable driven by industry needs for a new approach to scheduling interchange. This raises the question: If and how new standards and certification criteria can be developed for other related functions if the Interchange Authority is not developed for some time?

3. **Real World Responsibilities Not Grouped Per Functional Model.** The Functional Model states that the functions it describes are grouped into logical, indivisible clusters. But some organizations today have divided these functions differently. Since the Functional Model itself does not define organizational structure, different groupings of functions did not previously present a stumbling block. What has changed is a need, driven by the August 2003 blackout, to identify organizations that are accountable for meeting reliability standards. There is, for example, an assumption from the standards development and compliance perspective that a Transmission Operator will comply with all of the standards that apply to that function (delegation of tasks is acceptable but not delegation of responsibility.) The differences between actual groupings of functions in the industry and the grouping of the Functional Model are now more apparent as a result of the feedback NERC and the regions received from efforts to register responsible reliability entities. Questions include: how to address these different groupings of functions, and can responsible entities be held accountable for only an applicable subset of requirements or should they be held accountable for all requirements applicable to a function?

4. **Planning Authorities, Planners and Regional Reliability Organizations.** In today's industry, many planning tasks are dispersed among multiple entities, making a clear assignment of planning responsibility difficult. In some Regions, the RRO may also be a Planning Authority, or perform a portion of the Planning Authority tasks. Further, there is not a consistent understanding among systems today as to who should be the Planning Authority and who should be the Transmission Planner.

5. **Boundary Constraints.** Although the Functional Model provides little definition of boundary constraints on various functions (e.g., a Balancing Authority Area must be within a Reliability Authority Area), the question arises whether such constraints are necessary and should be addressed in certification criteria or standards. Questions have arisen such as whether multiple Transmission Operators or Balancing Authorities can be nested within others providing the same function? What if there are overlapping responsibilities or gaps on the bulk electric system?
6. **Reliability Plans.** What is the expectation of the regional reliability planner to develop an integrated plan that identifies reliability responsibilities and ensures that those responsibilities are effectively integrated and assigned to ensure a reliable bulk electric system? Stated another way, is the designation of responsible reliability entities based solely on the prerogative of the individual organizations themselves to volunteer, or is it necessary to have a broader plan that reconciles and coordinates responsibilities to ensure that all necessary reliability tasks are being performed for all portions of the bulk electric system?

Attachment 2 - Background

Introduction

One objective in developing the Version 0 Reliability Standards was to adopt Functional Model definitions for responsible entities in place of less specific terms used in NERC's operating policies and planning standards, such as "control areas" and "entities responsible for the reliability of the interconnected systems." The Version 0 standards drafting team was asked to use the Functional Model as a guide to identify the responsible entity for each requirement in the Version 0 standards. At the same time, NERC was seeking to identify and register those organizations responsible for complying with the Version 0 Reliability Standards. Incorporating the Functional Model into the revised standards provided an opportunity to clarify NERC's reliability requirements and better define what entities are responsible for complying with the standards.

Challenges

The standards drafting team encountered several challenges in applying the Functional Model to the translation of the operating policies and planning standards. This is not surprising, since the existing NERC rules were based on the vertically integrated utility and control area models. Around the time transmission open access was introduced and the 1996 blackouts occurred in the Western Interconnection, NERC introduced the reliability coordinator function. The Functional Model was developed in more recent years to provide a more flexible approach to defining and assigning reliability responsibilities in a restructured market place in which marketing, generation and transmission functions are unbundled.

- **Some functions omitted from Version 0 standards.** The first challenge the drafting team encountered was the difficulty of incorporating some of the model's functions into the Version 0 Reliability Standards. The best example of this was the Interchange Authority. Implementing the Interchange Authority in the Version 0 standards would have required substantive changes to the existing reliability requirements and industry tools, procedures, and practices, rather than the straightforward translation that was envisioned. Therefore, the drafting team, supported by industry comments, recognized that the Functional Model would be only partially implemented in the Version 0 standards and additional aspects of the Model would be left for inclusion in future standards.

- **Other functions partially implemented in Version 0 standards.** A second challenge the drafting team encountered was the significant amount of interpretation necessary to integrate the Functional Model with the requirements of the NERC operating policies and planning standards. Rather than simply inserting a responsible entity into each reliability requirement, the drafting team strived to be consistent with the hierarchical relationships between functions and authorities that are defined in the Functional Model. The drafting team made these interpretations, but the result should be viewed as a starting point in which a partial implementation of the Functional Model was achieved.

- **Matching Functional Model to existing reliability institutions.** A third challenge was that some of the functions and responsibilities carried out by today's existing reliability institutions do not exactly match the Functional Model, although some of the relationships may be implicit. For example, there was a lack of clarity in the Functional Model concerning the relationship between today's Reliability Coordinators and the model's Reliability Authorities. Some industry participants thought that the Reliability Coordinators were the corollary of the Reliability Authorities described in the model. Others were not willing to assign the ultimate authority for reliability of the bulk electric system within their local franchise service territory to another entity, namely today's Reliability Coordinator. Another example is that a number of system planning responsibilities are today assigned to Regional Reliability Organizations (RROs). The Functional Model does not recognize the RRO as a responsible entity, although the RRO's role as

Compliance Monitor could be implied. Faced with this dilemma, the drafting team chose to leave the RRO as the responsible entity for certain Version 0 Reliability Standards, while also specifying as the RRO as the Compliance Monitor for most standards.

- **Initial mapping of responsible entities.** A fourth challenge the group encountered was that no wide-scale mapping of organizations to Functional Model responsibilities had been previously attempted. A premise of the Functional Model is that it does not define or constrain organizational structures. The goal of establishing a common set of industry reliability standards and naming the entities that are accountable for complying with those standards sparked a number of questions as regions and organizations consider how to map the complexities of real-world institutions onto the Functional Model's responsible entities.

While significant, these challenges provide NERC with the opportunity to advance its reliability standards and implement the Functional Model. It would be inappropriate to conclude based on the work to date that the Version 0 standards are incorrect or that the Functional Model needs changing. Simply, the partial integration leaves additional work to be done. Some of the functions defined in the model did not translate directly into the Version 0 standards, and, conversely, the Version 0 standards did not accommodate some of the tasks defined in the model.

The Version 0 Reliability Standards and the partial incorporation of the Functional Model into the standards have thus far achieved the objectives set for the project. However, the issues noted above must be resolved before the Functional Model can be fully integrated into the new reliability standards. Resolving these issues is essential for further development of reliability standards, establishing organization certification criteria, and ensuring that the compliance program is properly structured to monitor compliance with NERC standards in the future.

Functional Model Concepts in Relation to Reliability Standards

Without belaboring the details of the Functional Model, there are a few basic concepts that are important to understand:

- **The model as a reflection of the industry.** The Functional Model captures the basic functions that must be performed to ensure a reliable bulk electric system, and defines each function as a collection of tasks. NERC developed the functional model because, in the mid-1990's, the traditional, vertically integrated utility was no longer the de facto organizational structure for the electricity industry. While many utilities remain vertically integrated today and will for the foreseeable future, others have unbundled their organizations or sold their generation or transmission assets to other organizations and bilateral transactions have moved from the system operators to independent and affiliate marketers. The development of Independent System Operators and Regional Transmission Organizations has resulted in the shifting of old responsibilities and the development of new responsibilities and relationships that NERC's operating policies and planning standards had never considered. As a result, NERC's reliability standards were losing their focus because they were written primarily for control areas, reliability coordinators, and regional reliability councils.

- **Loss of corporate "glue."** The obvious physical "disintegration" of the traditional control area into separate reliability and market functions and organizations has masked the more subtle loss of the corporate "glue" that once held those functions together. Confidentiality agreements and physical separations between the marketers and system operators have imposed new barriers to the coordinating interrelationships between transmission and generating operations. Because the NERC operating policies and planning standards were written for a vertically integrated organizational structure, they depended on the built-in coordination between departments or operating functions within those organizations that were inherent in their corporate structure. For example, a policy that requires the control area to operate its transmission system within NERC's first contingency criteria didn't need to specify that the operator on the transmission operator had

to work with the generation dispatcher on the energy management function, or with the tariff administrator who provided transmission service to other customers. The policies assumed the utility's overall management structure would fill in those details.

Therefore, as some vertically integrated organizations have unbundled, it isn't sufficient to only list the tasks that they used to do and bundle those tasks into functions. The industry also has to:

- Clearly state that the tasks within a function cannot be assigned to other functions, and
- Establish the *relationships* between and among those functions.

This is why the Functional Model must define both the reliability functions as sets of tasks, and the interrelationships between and among the responsible entities who perform those functions and tasks.

- **Reliability Authority.** Some of the interrelationships that are defined in the Model are missing from the existing operating policies and planning standards, and hence from the Version 0 standards. Therefore, when the drafting team simply replaced the "Reliability Coordinator" with the "Reliability Authority," many people objected because their organizations were not structured to accommodate the responsibilities of the reliability authority or its interrelationship with other responsible entities as defined in the Model. Furthermore, the new reliability standards were not structured to accommodate the Reliability Authority either, but rather the Reliability Coordinator. For these reasons, the drafting team put the Reliability Coordinator in, and the left the Reliability Authority out.

- **Interchange Authority.** The Functional Model defines the Interchange Authority as the responsible entity who authorizes bilateral transactions from one Balancing Authority to another. When the Interchange Authority function was first unveiled in the Functional Model, many folks assumed that every control area would perform this function as they do today (mostly, the sink Control Area). This led to the conclusion that the Balancing Authorities would be need to deal with more than a hundred Interchange Authorities, and the Control Area Criteria Task Force and its successor, the Functional Model Review Task Group, was deluged with comments and concerns about the impending mess this would cause.

  But the Functional Model is not a physical model. The Model describes functions that must be performed, but not how to perform them.

  Taking this to heart, the Operating Committee's Interchange Subcommittee is working on a plan to implement the Interchange Authority function, and is considering the merit of there being one Interchange Authority for each Interconnection. Until the Interchange Subcommittee's work is complete, the Version 0 drafting team decided to leave the Interchange Authority out of the draft reliability standards for now, and assigned most of the Interchange Authority tasks to the Balancing Authorities.

- **Functional Model Purpose.** The Functional Model is not a physical model. Its sole purpose is to identify the functions (tasks) that must be performed, and the interrelationship between the responsible entities that perform those functions.

  The Model is not intended to prescribe the physical structure the electric industry or any organization. The hierarchy that many people have suggested between the functions (e.g., the Reliability Authority as the highest level) is better left to the Reliability Standards, Regional Reliability Plans, and Reliability Authority certification requirements. These documents are better suited to effect the corporate structure changes, agreements, and relationships that are necessary as described in the Functional Model. The interrelationships described within the Model may not be possible within in the industry today because of constraints and boundaries imposed by state, provincial, and federal laws and tariffs.

The successful implementation of NERC's reliability standards depends on the proper interrelationship among the standards and:

- The responsible entities as defined in the Functional Model,
- The details of reliability coordination as explained in the regional reliability plans, and
- The organization certification requirements. (See diagram at right).

Only by reviewing all of these documents together can the course of their future development be understood.