



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

NAESB Offices
1301 Fannin, Suite 2350
Houston, Texas 77002

August 16, 2004

MINUTES (DRAFT)

Attendance

NERC Members/Alternates

Linda Campbell, FRCC (Co-Chair) [Phone]
Mark Fidrych, WAPA [Phone]
Scott Henry, Duke Power [Phone]
Sam Jones, ERCOT [Phone]
Ed Schwerdt, NPCC [Phone]
Ed Tymofichuk, Manitoba Hydro [Phone]
Gerry Cauley, NERC (Secretary)

IRC Members/Alternates

Karl Tammar, NYISO (Co-Chair)
Dale McMaster, AESO [Phone]
Ed Riley, CAISO
Kent Saatoff, ERCOT [Phone]
Charles Yeung, SPP

NAESB Members/Alternates

Michael Desselle, AEP (Co-Chair)
John Anderson, ELCON [Phone]
Sydney Berwager, BPA [Phone]
Ed Davis, Entergy
Barry Green, OPG [Phone]
Alan Johnson, Mirant [Phone]
Lou Oberski, Dominion Resources [Phone]
Andy Dotterweich, Consumers (Alternate) [Phone]
Tony Reed, Southern Company (Alternate) [Phone]

Observers/Guests/Staff

Bruce Balmat, MAAC [Phone]
Scott Brown, Exelon [Phone]
James Cargas, NAESB
Phil Cox, AEP [Phone]
Joel Dison, Southern Company
Laura Kennedy, NAESB
DeDe Kirby, NAESB
Bill Lohrman, NERC
Rae McQuade, NAESB

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

Jim Cargas 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

Three editorial corrections were noted to the attendance list of the July 16, 2004, JIC minutes. With these revisions, Ed Riley moved to approve the July 16 minutes. The minutes were approved without objection.

Joint NERC-NAESB Recommendation on Version 0 Standards

Joel Dison and Gerry Cauley presented a joint NERC-NAESB recommendation on assignment of reliability standards and business practices. The recommendation is provided in **Exhibit A** and the presentation is in **Exhibit B**.

The JIC discussed the Transmission Loading Relief procedure, which is proposed to be developed in Version 0 as both a NERC and a NAESB standard. Several JIC members commented that the Version 0 TLR procedure should be identical in both organizations. It was noted that if any changes to the TLR procedure were requested after Version 0 is approved, they should be forwarded to the joint task force working on the Version 1 TLR procedure.

A concern was expressed that by approving the TLR procedure as a standard it could be interpreted that TLR was the exclusive standard for managing congestion in the Eastern Interconnection. Gerry Cauley noted that incorporating the TLR procedure into the NERC and NAESB Version 0 standards does not elevate the TLR procedure from its current status. The TLR procedure is one congestion management approach that is required for use in the Eastern Interconnection, but it is not an exclusive method. Regional and local congestion management, using market-based or other models, is allowed and encouraged, and will continue to be so once Version 0 is approved.

John Anderson moved to approve the NERC SAR and NAESB standard request for the development of Version 0 reliability and business practice standards, respectively, as identified by the joint NERC/NAESB task force. Ed Davis seconded the motion.

Co-Chair Desselle requested a roll call vote and the motion was approved unanimously as follows:

NERC		NAESB		IRC	
Linda Campbell	Approve	Michael Desselle	Approve	Karl Tammar	Approve
Scott Henry	Approve	John Anderson	Approve	Ed Riley	Approve
Mark Fidrych	Approve	Syd Berwiger	Approve	Dale McMaster	Approve
Sam Jones	Approve	Ed Davis	Approve	Kent Saatoff	Approve
Ed Schwerdt	Approve	Barry Green	Approve	Charles Yeung	Approve
Ed Tymofichuk	Approve	Alan Johnson	Approve		
		Lou Oberski	Approve		

Future Meetings

The JIC set its next meeting for September 21 (1–5 p.m.) and September 22 (8 a.m.–noon) at NPCC offices in New York City. NPCC offered to provide lunch on the first day beginning at noon. The agenda is as follows:

- Assignment of standards requests to NAESB and NERC
- Preliminary review of 2005 annual plans

Adjourn

There being no further business, the meeting was adjourned.

NERC-NAESB Collaborative Proposal for Version 0 Business Practice Standards

Results Based on Joint TF Meeting August 2-3, 2004

August 13, 2004

Background

At its July 16, 2004, meeting the Joint Interface Committee (JIC) reviewed proposals from the NERC Version 0 Drafting Team and the NAESB Business Practices Subcommittee (collectively “the drafting teams”) for the assignment of Version 0 reliability standards and business practice standards. The JIC noted agreement between the two proposals on the vast majority of proposed Version 0 standards, including both reliability standards to be assigned to NERC and business practice standards to be assigned to NAESB.

There were, however, a few areas in which the proposals differed. The NERC drafting team considered a several of the proposed business practices to be too difficult to separate from the reliability requirements, requiring a substantial rewrite of the current NERC rules. A substantial rewrite of the current reliability rules is clearly not in the scope of the Version 0 project. The NAESB Business Practices Subcommittee accepted that position and recommended creating duplicate or “shadow” NAESB Version 0 standards in these areas to establish an equivalent baseline for developing future business practice standards.

The JIC took several actions at its July 16 meeting:

1. The JIC assigned to NERC the development of proposed reliability standards, as documented in NERC’s July 9, 2004, Version 0 reliability standards posting.
2. For the proposed business practice standards agreed to by the drafting teams, the JIC deferred assignment of those to NAESB, pending discussions at the NERC standing committee meetings the following week and the August 9 close of comment periods for the NERC and NAESB postings. The JIC felt that waiting a few weeks to be informed by a broader set of industry stakeholder inputs would be beneficial.
3. For the third set of proposed standards, in which the NERC drafting team proposed to develop a reliability standard and the NAESB team proposed to develop a “shadow” business practice standard, the JIC requested NERC and NAESB to assign a joint task force of committee leaders to collaboratively reconcile the proposals into a common recommendation.
4. The JIC requested this joint task force, if possible, to bring a single NERC-NAESB recommendation to the JIC for approval on August 16, after the close of the public comment periods and before the two drafting teams meet to continue working on their respective Version 0 standards.
5. The JIC noted that NAESB was not expected to slow its timetable for developing its proposed Version 0 business practice standards.

Joint Recommendation

The NERC-NAESB joint task force met in Chicago on August 2-3 and prepared a proposal for assignment of Version 0 business practice standards as outlined below. The joint task force was successfully able to clarify the division of Version 0 reliability standards and business practices, such that there are no proposed duplicate standards, with one exception. The one exception is the Transmission Loading Relief (TLR) Procedure. The task force proposes that that NERC and NAESB adopt a TLR procedure document with the “same language and format” in their respective Version 0 standards and

immediately begin a joint project to develop replacement Version 1 standards distinguishing reliability requirements and business practices by the end of 2005.

The task force will review the recommendation a final time on August 13 after an analysis of public comments received by NERC and NAESB. Because the standards in question are all derived from the NERC operating policies, the NERC Operating Committee is also being asked to review the recommendation prior to August 13. The joint task force will submit its final recommendation to the JIC on August 16.

The recommendation was endorsed by the participants on the task force from both NERC and NAESB. The task force members at the meeting were:

NERC	NAESB
Mark Fidrych, WAPA (OC)	Michael Desselle, AEP (NAESB Board)
Michel Armstrong, TransEnergie (OC)	Lou Oberski, Dominion (WEQ EC)
Terri Grabiak, Allegheny (MC)	Scott Brown, Exelon (WEQ EC)
Wayne Lewis, Progress (MC)	Phil Cox, AEP (BPS)
Scott Henry, Duke Power (SAC)	Joel Dison, Southern (BPS)
Gerry Cauley, NERC (V0 Drafting Team)	Andy Rodriguez, PJM (BPS)
Bill Lohrman, NERC (MC)	Rae McQuade, NAESB
	DeDe Kirby, NAESB

Recommended Assignment of Appendix 1A Sections B, C, and D (ACE Special Cases)

Proposed NERC Standard – The NERC Version 0 Drafting Team has incorporated the control performance standards (CPS1 and CPS 2) into proposed Standard 001. To make this standard complete, the drafting team incorporated the ACE equation, definitions to support the ACE equation, and specific reliability requirements from Appendix 1A into the standard.

Proposed NAESB Standard – The proposed NAESB Version 0 Business Practice Standard addresses treatment of special cases of the ACE equation in Appendix 1A: Section B – Pseudo-Ties and Dynamic Schedules for Jointly Owned Units); Section C – Supplemental Regulation Service; and Section D – Load or Generation Transfer by Telemetry. Reliability requirements in the NERC standards will not be duplicated in the NAESB standard.

References

- NERC Version 0 Reliability Standard 001
- NAESB Version 0 Standard
- Appendix 1A

Operating Policy 1D and Appendix 1D (Time Error Correction)

Proposed NERC Standard – The NERC proposed reliability standard addresses four elements from Policy 1D Requirement 4: 1) the Time Monitor for an Interconnection must be a Reliability Authority (RA); 2) any RA in the Interconnection may halt a time error correction for reliability considerations (before or during the correction); 3) any Balancing Authority may request its RA to halt a time error

correction for reliability considerations, and 4) establishing frequency offset at 0.02 Hz. This standard is derived from Operating Policy 1D Requirement 4.

Proposed NAESB Standard – The NAESB proposed business practice standard is the time error correction procedure, exclusive of the reliability elements noted above. This standard incorporates Operating Policy 1D (excluding Requirement 4) and Appendix 1D.

References

- NERC Version 0 Reliability Standard 004
- NAESB Version 0 Standard
- Appendix 1D

Operating Policy 1F (Inadvertent Interchange Payback Procedure)

Proposed NERC Standard – The NERC Version 0 Drafting Team has developed a standard that includes the reliability requirements for inadvertent payback. This proposed standard excludes the inadvertent payback procedure (Policy 1F Requirement 5 and Appendix 1F). The NERC standard retains the inadvertent accounting and metering requirements necessary for reliability. NERC will evaluate whether a distinct dispute resolution procedure should be retained for inadvertent interchange, or whether NERC’s general dispute resolution procedure would be suitable, as suggested by the Version 0 Drafting Team. The Version 0 Drafting Team will be requested to review whether it should incorporate Appendix 1F Section C – On Peak and Off Peak Periods – into the NERC standard.

Proposed NAESB Standard – The NAESB proposed business practice standard incorporates the inadvertent payback procedure in Policy 1F and Appendix 1F, with modifications to exclude reliability requirements noted above and addresses only the payback and business practice aspects. NAESB would incorporate any aspects of accounting or dispute resolution that it needs for the business practices purpose of payback. (In future standard development efforts (e.g. Version 1), NAESB may establish additional levels of inadvertent granularity that might be needed for business practice or payback purposes. NERC will work with NAESB to try to optimize the collection and distribution of that information.)

References

- NERC Version 0 Reliability Standard 006
- NAESB Version 0 Standard
- Appendix 1F

Operating Policy 3 and Appendices 3A1, 3A2, 3A3, 3A4, and 3D

Proposed NERC Standard – The NERC and NAESB drafting teams were able to divide Operating Policy 3 into reliability and business practice requirements. NERC has proposed four standards on interchange addressing requirements for: tagging interchange transactions; assessing interchange transactions, communicating and implementing tagged interchange transactions; and modifying tagged interchange transactions. The NERC standards incorporate the tag timing requirements in Appendix 3A1. Omission of the tag data elements was an oversight and the drafting team will be requested to review Appendix 3A4 to identify tag data elements needed for reliability and incorporate them into the next posting of the Version 0 reliability standards.

Proposed NAESB Standard – The NAESB business practice standard is proposed to include the remaining portions of Policy 3 addressing business practice issues and Appendices 3A2 – Tagging Across Interconnection Boundaries, and 3A3 – Electronic Tagging Service Performance Requirements and Failure Procedures. Any tag data requirements in Appendix 3A1, 3A4, and 3D not considered by NERC

to be reliability requirements may be incorporated by NAESB into a business practice. If the comments indicate that the above five appendices (3A1, 3A2, 3A3, 3A4, and 3D) should remain with NERC, NAESB would be able to reference the appendices in their Version 0 CIBP Business Practice.

References

- NERC Version 0 Reliability Standards 010, 011, 012, and 013
- NAESB Version 0 Standard
- Appendices 3A1, 3A2, 3A3, and 3A4

Operating Policy 5C

Proposed NERC Standard – The proposed NERC standards address the reliability requirements of Operating Policy 5.

Proposed NAESB Standard – NAESB agrees to withdraw its proposed business practice in Version 0 that includes Operating Policy 5C requirement 2.1 and requirement 3. NAESB will propose that it later develop these as a Version 1 Business Practice.

References

None.

Appendices 9C1, 9C1B, and 9C1C

Proposed NERC Standard – NERC has proposed a set of standards that translates the entirety of Operating Policy 9 into reliability standards. The NERC Version 0 Drafting Team, although acknowledging significant business practices exist in the TLR procedures (Appendices 9C1, 9C1B, and 9C1C), believed that it was not possible in the time frame of the Version 0 project to rewrite the TLR procedure to separate reliability requirements from business practices. The drafting team proposes to incorporate the TLR procedure in its entirety into the Version 0 reliability standards, modified only to incorporate functional model language. The NERC drafting team will also request WECC and ERCOT to provide updates in Version 0 to Appendices 9C2 and 9C3 respectively.

Proposed NAESB Standard – NAESB proposes to adopt the TLR procedure (Appendices 9C1, 9C1B, and 9C1C) as a Version 0 business practice standard. The NAESB standard addresses only the Eastern Interconnection and does not propose to address WECC or ERCOT congestion management procedures.

Additional Considerations

1. NERC and NAESB should use the identical TLR procedure in their Version 0 standards.
2. NERC and NAESB should develop a joint plan for filing an update of the TLR procedure with the FERC.
3. NERC and NAESB should immediately begin a joint effort to update the TLR procedure to divide the reliability requirements and business practices and to incorporate other necessary improvements to the TLR procedure. The recommended target for retiring the duplicate Version 0 standards with the next version is end of 2005.

References

- Proposed Version 0 TLR Procedure
- Appendices 9C1, 9C1B and 9C1C

Joint Interface Committee

Joint Recommendation for Version 0
Business Practices

August 16th 2004

Summary of July 16th JIC

- NERC presented a “generic” SAR to develop Version 0 reliability standards
 - Included a status report of the work to date
- NAESB presented a “generic” standard request to develop business practices associated with NERC’s Version 0 efforts
 - Included a status report of the work to date
- Concerns were presented...
 - NERC/NAESB drafting teams had not been able to completely resolve issues associated with business practices contained within existing policy
 - Potential for “duplication” existed
 - Other, related concerns were expressed

Outcome of July 16th JIC

- Standards were divided into 3 “buckets”
 - Bucket 1: requirements that both NERC V0DT and NAESB BPS agreed were reliability requirements
 - Bucket 2: requirements that both NERC V0DT and NAESB BPS agreed were business practices
 - Bucket 3: requirements that that both NERC V0DT and NAESB BPS agreed had commercial implications, but which NERC needed to maintain; therefore NAESB BPS proposed to develop as “shadow” practices

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Motion to resolve differences

Michael Desselle moved that the JIC divide the standards requests into the three groups listed above...

The JIC requests that NERC and NAESB bring more specific recommendations for the assignment of proposed standards in Groups 2 and 3 for consideration by the JIC...

The JIC requests that NERC and NAESB designate a joint team to collaboratively resolve potential Group 2 and 3 conflicts no later than August 16.

The motion was passed without objection.

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Joint Task Force Members

NERC Representatives

- Mark Fidrych, WAPA (OC)
- Michel Armstrong, TransEnergie (OC)
- Terri Grabiak, Allegheny (MC)
- Wayne Lewis, Progress (MC)
- Scott Henry, Duke Power (SAC)
- Gerry Cauley, NERC (VODT)
- Bill Lohrman, NERC (MC)

NAESB Representatives

- Michael Desselle, AEP (BOD)
- Lou Oberski, Dominion (EC)
- Scott Brown, Exelon (BOD)
- Phil Cox, AEP (BPS)
- Joel Dison, SOCO (EC, BPS)
- Andy Rodriguez, PJM
- Rae McQuade, NAESB
- DeDe Kirby, NAESB

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Joint Meeting

- Met in Chicago August 2-3
- Reviewed all “bucket 2” items to endorse VODT/BPS recommendation
- Reviewed and discussed all “bucket 3” items to resolve any differences and/or duplications

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Results of Joint Meeting

- All “bucket 2” items were endorsed as proposed
 - Some minor changes were recommended to ensure removal of all reliability components
- All “bucket 3” items were assigned to either “bucket 1” (i.e. NERC) or “bucket 2” (i.e. NAESB) except for TLR Procedure
 - One item was withdrawn from Version 0 consideration
 - Joint assignment was made for the existing TLR procedure
- Details outlined in meeting notes

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TLR Recommendation

- The TLR procedure will be “streamlined” based upon the NAESB proposal
 - Appropriate NERC/NAESB representatives will work together to finalize prior to the August 30th Draft 2 posting
- The TLR procedure will be a NAESB business practice standard and a part of NERC Standard 039

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Other TLR Considerations

- The same language will be utilized at both NERC and NAESB
- NERC/NAESB to develop a coordinated plan for filing an update of the TLR procedure with FERC
- Joint Task Force will be established to develop “Version 1” by YE 2005
 - Separate reliability requirements and business practices
 - Incorporate other necessary improvements (e.g. IDC granularity task force recommendations)
 - Approval of Version 1 will retire the Version 0 TLR procedure at both NERC and NAESB

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NERC/NAESB Endorsements of Recommendation

- The NAESB BPS approved the joint team’s recommendations Aug 10
- The OC endorsed the joint team’s recommendations Aug 11 and encouraged continued coordination between the NAESB BPS and NERC VODT.
- The SAC endorsed the process

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Joint Recommendation

- All “bucket 1” items as identified by joint task force should be developed as reliability standards by NERC
- All “bucket 2” items as identified by joint task force should be developed as business practice standards by NAESB
- The TLR Procedure shall be developed jointly, shall use the same language, shall be approved separately, and a joint team established to develop “Version 1” by year end 2005.

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Motion to Approve

Motion by _____ to approve the NERC SAR and NAESB standard request for the development of Version 0 reliability and business practice standards, respectively, as identified by the joint NERC/NAESB task force.

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