



North American Energy Standards Board

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via email and posting

TO: NAESB WEQ Inadvertent Interchange Payback Task Force and posting for interested parties

FROM: Todd Oncken, Deputy Director

RE: NERC-NAESB Coordination Meeting on NAESB Inadvertent Interchange Payback Practice Task Force (IIPTF) issues – August 4, 2003

DATE: August 5, 2003

**NAESB Wholesale Electric Quadrant - North American Electric Reliability Council
Coordination Meeting on NAESB Inadvertent Interchange Payback Practice Task Force
August 4, 2003
(1:00 p.m. – 5:00 p.m. Eastern)**

1. Welcome

Ms. McQuade called the meeting to order and introductions were made. Mr. Oncken gave the antitrust advice. Ms. McQuade reviewed the agenda. Ms. McQuade facilitated the meeting.

2. Discussion on NAESB's use of NERC inadvertent interchange data in the development of business practice standards for inadvertent interchange payback

Mr. Goss, co-chair of NAESB's Inadvertent Interchange Payback Task Force (IIPTF), introduced the topic for discussion. He stated there was some confusion over comments he made during a June 2003 IIPTF meeting, specifically that the scope of the IIPTF was not to determine inadvertent interchange numbers, but instead to develop a payback method for the inadvertent interchange numbers provided by NERC. He said those comments sparked discussion on the scope of IIPTF activities. Mr. Vandervort noted it was never clearly defined that the IIPTF would only be responsible for developing an inadvertent interchange payback method.

During discussion, it was noted the IIPTF was considering hourly settlement of inadvertent interchange with the interconnection. However, Mr. Monroe stated NERC collects monthly data, not hourly data, even though the Control Areas (CAs) might currently have hourly data. Since the hourly inadvertent interchange data is currently not available, it was decided that NERC would work to develop the hourly data collection, either through the NERC Committee or Standards process, whichever appropriate. Further, it was agreed that the IIPTF would base any inadvertent interchange payback method on the hourly inadvertent interchange data (MWh) developed, compiled and provided by NERC. There was some confusion on the availability of hourly data, as NERC policies require its collection by CAs.

Moving to an hourly accounting raised several issues and concerns, paramount of which was the determination that while the hourly data is collected by most control areas, it is not balanced on an hourly basis. This change to balance the data on an hourly basis is a significant business process change that would include confirmation and validation of the hourly data, before the balancing at interconnections could take place. Mr. Benjamin emphasized that if monetary payback for inadvertent interchanges was to be based on the hourly data provided by the control areas and centralized through NERC, the data would have to be balanced for data integrity purposes.

In response to whether the IIPTF settlement standards would be voluntary or mandatory, Ms. McQuade explained that NAESB views all of its standards as voluntary standards. Since there



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is no experience with the FERC's treatment of Wholesale Electric standards, Ms. McQuade provided an example of the approach the FERC has taken with Wholesale Gas standards. She stated the FERC has adopted the majority of Wholesale Gas standards for jurisdictional entities, and noted that after adoption those standards become mandatory for the jurisdictional entities. Mr. Oberski noted that NAESB has no policing powers.

Participants agreed on the following processes regarding Inadvertent Interchange. NERC will develop a method to collect and balance inadvertent interchange data on an hourly basis. NAESB will base its IIPTF settlement standards on the inadvertent interchange data provided by NERC. The NAESB IIPTF standard will contain a mechanism to transmit the settlement data to NERC for NERC's accounting requirements.

It was noted frequency data was not covered by this agreement. However, NERC is currently developing standards for frequency data through another process. Once developed, that data would be available for use by the IIPTF if required.

3. Adjourn

The meeting adjourned at 3:00 p.m. Eastern.

4. Attendees

Name	Company	In Person/Phone
Don Benjamin	NERC	In Person
Terry Bilke	Midwest ISO	Phone
Robert Blohm	Economist	Phone
Keith Comeaux	Cleco Power	Phone
Phil Cox	American Electric Power	Phone
Michael Desselle	American Electric Power	In Person
Mark Fidrych	WAPA	In Person
Larry Goins	Tennessee Valley Authority	In Person
Bob Goss	SEPA	In Person
Scott Henry	Duke Power	Phone
Doug Hils	Cinergy	In Person
Howard Illian	EnergyMark	Phone
Mark Lively	Utility Economic Engineer	In Person
Rae McQuade	NAESB	In Person
Carl Monroe	Southwest Power Pool	Phone
Lou Oberski	Dominion	In Person
Todd Oncken	NAESB	In Person
William Smith	Allegheny Power	Phone
Karl Tammar	NYISO	In Person
Steve Terelmes	Ameren Energy	In Person
Veronica Thomason	NAESB	In Person
Thomas Vandervort	NERC	In Person