



North American Energy Standards Board

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Home Page: www.naesb.org

December 23, 2002

TO: **NAESB/NERC/ISO-RTO Group Members: (NAESB)** Bill Boswell - Dominion, Michael Desselle - AEP, Scott Brown - Exelon, Rick Lentz - Tatum CIO, Rae McQuade - NAESB, Jim Buccigross - 8760, Steve Corneli - NRG Energy; **(NERC)** Glenn Ross - Dominion, Michehl Gent - NERC, David Cook - NERC, Tim Gallagher - NERC, **(ISO/RTO Group)** Gordon van Welie - NE ISO, Karl Tammar - NY ISO, William Museler - NY ISO, John Marschewski - SPP

FROM: Rae McQuade, NAESB Executive Director

RE: **January 14 Meeting Notes**

**NAESB, NERC and RTOs/ISOs Negotiating Group
Meeting Notes**

Tuesday, January 14, 2003 - 12:00 p.m. central

1. Welcome and Introductions

Bill Boswell and Bill Museler welcomed the team to its fourth meeting. The group agreed that the agenda for the meeting would be to review and suggest changes to a draft Memorandum of Understanding (MOU) that could be signed by the ISO Council, NAESB and NERC.

2. Review of the MOU

Mr. Museler noted that the ISOs and RTOs are continuing the process of forming an ISO/RTO Council and it is proceeding as planned. A draft MOU was presented by Michael Desselle, who noted that it had not been prepared in adequate time for a full review by the drafting team. It was used as the basis for discussions. The MOU addresses both the planning or high level screening of activity, which is typically the review of the annual plans or similar documents, and the more detailed level of standards development, which is prompted by the Request for Standards Development or the Standards Authorization Request. The group conceptually discussed a two phase approach, where in phase 1, the plans and requests would be reviewed to determine if there are policy elements. In phase 2, after the policy elements have been addressed, an assignment would be made to either NERC or NAESB for standards development. The elements of these discussions will be reflected in a redrafted MOU. After a discussion of options, the group decided to explore the idea of expanding the responsibility of the JIC to facilitate phase 1 & 2 of the process. In addition, the make up of the JIC would be expanded to include the ISO Council. The drafting committee was charged with developing details of the concept and the expanded JIC.

3. Conclusions and Next Steps

The drafting committee composed of Michael Desselle and Steve Corneli from NAESB, Karl Tammar and Jim Douglas from the ISOs and Dave Cook and Glenn Ross from NERC were identified. They should have a redrafted three-way MOU for discussion distributed to the larger group for discussion on February 12. The next meeting of the group is February 12 in Washington D.C. at AEP's offices, 801 Pennsylvania Avenue.

The points identified earlier by the group as points of agreement as the basis for further discussions were reaffirmed:

- (1) Develop a draft three-way MOU including the following components:



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- High Level description of NERC, NAESB and ISO/RTO responsibilities
 - Sequencing of efforts among the three groups
 - Identification of time constraints
 - Determination of when FERC policy calls are needed
 - Coordination of annual plan reviews among the three groups
- (2) NAESB and the RTOs will consider further development of a technical advisory function, as appropriate given the details of the draft MOU.
- (3) The three groups should exchange comments on their respective annual work plans (target: end of January).
- (4) The target for completing the discussions should be March 2003, in time for the NAESB Board of Directors meeting.

The following upcoming meetings were reaffirmed during the meeting:

February 12 from 10 am to 2 pm eastern – hosted at AEP's offices in Washington D.C.

February 26 from Noon to 5 pm eastern – hosted at AEP's offices in Washington D.C. –
(This meeting may not be needed and it will be determined on February 12 if additional meetings or conference calls are required.)

Participation via conference calling will be made available for these meetings to accommodate those unable to travel.

All agreed that the notes from this meeting would be forwarded to Chairman Wood's office once finalized, and a conference call scheduled for after the January 14 meeting, when more progress has been made toward the conceptual agreement.

4. Adjourn

The meeting adjourned at 4:00 p.m. eastern.

5. Attendance

NAESB Bill Boswell
Michael Desselle
Scott Brown
Rick Lentz
Rae McQuade
Steve Corneli

NERC Glenn Ross
David Cook

ISOs Gordon van Welie
Karl Tammar
William Museler
John Marschewski