



## North American Energy Standards Board

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

---

**TO:** NAESB Wholesale Electric Quadrant Seams Subcommittee, Posting for Interested Industry Participants

**FROM:** James Cargas, NAESB Deputy Director

**RE:** Final Minutes from the NAESB Wholesale Electric Quadrant Seams Subcommittee Conference Call on January 7, 2004

**DATE:** January 20, 2004

---

**NAESB Wholesale Electric Quadrant Seams Subcommittee  
Conference Call  
January 7, 2004 (10:00am - 11:30am CST)**

**Final Minutes**

### **1. Administrative**

Mr. Steven Cobb, Seams Subcommittee Co-Chair, called the meeting to order. Mr. James Cargas gave the antitrust advice. Participants introduced themselves. Mr. Cobb reviewed the draft minutes from the Subcommittee's December 5, 2003 meeting. The draft minutes were adopted by consent.

Mr. Cobb reviewed the draft agenda. Mr. Ken Brown clarified that he was only representing PSEG, and not speaking on behalf of NERC as was previously noted in review of the catalog. Mr. Walter Yaeger noted that he will report the Subcommittee's progress to NERC, but cannot speak on their behalf either. The agenda was revised accordingly and adopted by consent.

### **2. Discuss Elimination of Priorities Column**

Mr. Cobb noted that the "Priority" column was included in the matrix sent to, and approved by, the Executive Committee (EC). However, this column will have no value to the Joint Interface Committee (JIC) because each organization will be setting their own priorities to the seams issues assigned to them. Mr. Cobb proposed that the priorities be eliminated from the final seams matrix. Mr. Steve McCoy clarified that only the values would be eliminated, and not the column itself. The "Priority" column content, but not the column itself, was eliminated from the matrix by consent.

### **3. Review of Assignment Recommendations**

Mr. Cobb, who provided one set of recommended assignments, opened the discussion by requesting that the participants focus on the philosophies behind why certain assignment were made, rather than discussing each individual assignment recommendation. He reminded the group that their goal was to produce a consensus on the assignments that can be delivered to the JIC as part of the final seams catalogue. Keeping the current three individual columns with different recommendations would be of little to no value to the JIC and its deliberations.

Mr. Karl Tammar, who offered another set of recommended assignments, suggested looking at opportunities where the group can agree as an industry that standards can resolve an issue. He made reference to the decision tree contained in his comments on page 1. He felt assignments were premature, and that the term "lead responsibility" may be a better column heading. Such a heading would lend itself better to looking at categories in a board scope.

Many of the issues have a local or regional flavor to them, which defy a national standard, Mr. Tammar continued. Many of the issues have a policy or regulatory flavor to them, and cannot be resolved by NERC or NAESB standards. He often used a dual responsibility designation in making his recommendations because he saw joint action being required frequently.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@aol.com](mailto:naesb@aol.com)  
Home Page: [www.naesb.org](http://www.naesb.org)

Mr. Cobb presented the group with the following chart tabulating the recommendations made by the three individuals:

	S Cobb	K Tammar	Mueller/Brown
IRC	21	86	12
NAESB	42	26	106
NERC	17	22	13
WECC/Regional	47	0	0
FERC	7	0	3
Total	134	134	134

Mr. Andy Rodriguez noted that IRC and WECC/Regional can be viewed as the same category. He also noted that many of the issues in the matrix coming out of the regional Seams Steering Group – Western Interconnection (SSG-WI) were generic in nature. Mr. Michael Desselle pointed out that even in the West there was not a consensus on which model to follow. Mr. Cobb elaborated that in the West only one out of three organizations even exist, and that IRC, therefore, only represented one western regional transmission organization (RTO).

Mr. John Lucas recommended recategorizing the seams issues into regional vs. national. Then there would be no need for NERC or NAESB to address items identified as regional. He also stated that FERC would be implicated in all standards.

Mr. Ken Brown, who provided the third set of recommendations, said that only NERC and NAESB have ANSI approved processes. For this reason, he recommended that most assignments be sent to them. The RTOs and independent system operators (ISO) are not frozen out of the process. They are encouraged to take primary responsibility for a portion of the seams issues. NERC and NAESB allow for the transfer of solutions developed in one region to another. Furthermore, Mr. Brown said NAESB standards do allow for multiple choices that accommodate regional differences.

Ms. Barbara Rehman assured the group that the resulting work load would not duplicate what is already being done to resolve seams issues by others. The matrix only catalogs the existence of the seam. Mr. Lucas concurred and added that such regional effort can be copied as long as they go through the NAESB process.

When asked whether the IRC, as an entity would be getting involved in mitigating the seam issue, or whether it would be the two RTOs, Mr. Tammar responded that there were really only three buckets: NERC, NAESB and policy (a.k.a. IRC and FERC assignments). He characterized the decision on assignments to be based on a market policy versus standard distinction. He also recommended that the phrase “primary responsibility” be substituted for “assignment” as the column heading. Mr. Tammar stated that it was not about the number of assignment that each organization received as set forth in Mr. Cobb’s chart (above). There was wide spread agreement about this statement. He offered the harmonizing of market rules as the goal of the seams effort; and therefore, many of the regional issues would default into the IRC bucket. Mr. Tammar continued that the IRC is not a standards making organization, and it is not interested in becoming one.

Mr. Brown observed that the intent behind a “IRC/NERC” designation was that such issues go through the ANSI process at NERC with the IRC input. Concern was raised that the members of



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: [www.naesb.org](http://www.naesb.org)

the IRC do not have a role on either the NAESB Board or the NAESB Executive Committee as ISOs and RTOs do not have their own segment. In response, it is made clear in the NAESB governance documents that the ISOs and RTOs can join any segment in which they operate, with full membership and voting rights. Also noted, when developing the NERC-NAESB-IRC memorandum of understanding, NAESB asked if the IRC would like NAESB to pursue creation of a segment that would be solely for the ISOs and RTOs, and the IRC declined. Furthermore, Mr. Desselle reiterated that the IRC would have voting rights in the NAESB development process. When asked how companies participate if they were not in an RTO in the IRC process, Mr. Tammar said that there was still an open stakeholder process, albeit not an ANSI process.

Mr. Desselle concluded that the Seams Subcommittee would not reach consensus on each of the seams issues, but that the decision would need to be made by the JIC with each participant advising their JIC representative.

When asked if the IRC represents anyone but its members, Mr. Tammar said "no." Mr. Cobb then concluded that the regional category designation suggested by Mr. Lucas would not work since there were only two national organizations: NERC and NAESB. Mr. Rodriguez suggested that the regional groups would handle the issue, and later their solution could be taken national. On how NAESB handles regional issues, Ms. McQuade noted that in the current body of standards, several of them reflect regional or operational differences.

Mr. Cobb suggested that a new straw man was needed. The current catalogue product was not good enough to deliver to the JIC in its present form. Mr. Desselle countered that the place to resolve these issues is the JIC forum, not this subcommittee. The next JIC meeting was scheduled for Feb. 18 & 19 in New Orleans, and will cover other issues besides seams. Mr. Lucas noted that if a seams issue was regional, then the JIC need not get involved. Mr. Tammar added that "IRC" or "FERC" on the catalogue was short hand for a policy issue.

Mr. Rodriguez cautioned that "assigning" an issue to FERC might encourage it to take action. Mr. Brown added that FERC need not be in the catalogue unless there is a clear need for policy guidance. He also said it might be worth identifying which regional efforts are close to resolution or give their time frame for resolution.

Ms. McQuade clarified that the catalogue was not intended to create marching orders for each seam issue identified. The value is in having them catalogued in one place, and seeing the status of various items, including those before the FERC, state commissions, or for those that are policy determinations to be addressed by ISOs or RTOs. The catalog and progress made toward the seams issues will be public and easily accessible to any interested party. It will also be filed with the FERC, further publicizing the activities to be addressed by NERC, NAESB, or directed to the ISOs and RTOs or FERC for policy determinations.

Mr. Cobb offered to develop a straw man of assignments that: did not include FERC, and gave the IRC the lead for local seams issues but would name the actual parties to the seam, not the IRC. He anticipated that most issues would be regional or local, with the remainder assigned to NERC or NAESB.

Mr. Cobb offered to work with Mr. Tammar to get a draft together by Monday, January 12. They would refine the straw man and have it posted by Thursday, January 15 for everyone to review. Another conference call meeting on Friday, January 16 was recommended to discuss their straw man. Mr. Desselle also recommended another face-to-face meeting before the JIC meeting in February. This schedule and action items were adopted by consensus.



## North American Energy Standards Board

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

### 4. Action Items, Future Meetings and Other Business

The next Subcommittee conference call will be Friday, January 16, 2004, from 10:00 am to 3:00 pm CENTRAL. The purpose will be to review the proposed "straw man" offered by Mr. Cobb.

The following action items were reviewed:

<u>Deadline:</u>	<u>Responsible Person(s):</u>	<u>Action Item:</u>
Jan. 12	Steven Cobb	Develop straw man assignment for the seams catalogue
Jan. 15	Steven Cobb and Karl Tammar	Post straw man catalogue for everyone to review
Jan. 16	Entire Subcommittee	Conference call to discuss straw man catalogue

### 5. Adjourn

The meeting adjourned at 11:45am Central.

### 6. Attendees:

	<u>Attendee:</u>	<u>Organization:</u>
1	Ken Brown	PSEG
2	James Cargas	NAESB
3	Steven Cobb	Salt River Project
4	Phil Cox	AEP
5	Ed Davis	Entergy
6	Michael Desselle	AEP
7	Andrew Dotterweich	Consumers Energy
8	Ken Gates	Conectiv
9	Alan Johnson	Mirant
10	John Lucas	Southern Co.
11	Steve McCoy	California ISO
12	Rae McQuade	NAESB
13	Lou Oberski	Dominion
14	Marjorie Perlman	Energy East
15	Tony Reed	Southern Co.
16	Barbara Rehman	Bonneville Power Auth.
17	Andrew Rodriguez	PJM
18	Joe Rossignoli	National Grid
19	Jerry Smith	Arizona Public Service Co.
20	Karl Tammar	New York ISO
21	Walt Yeager	Cinergy