



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
FRCC Offices
Tampa, Florida

Minutes

Attendance

NERC Members/Alternates	IRC Members/Alternates
Linda Campbell, FRCC (JIC Co-Chairman)	Karl Tammar, NYISO (JIC Co-Chairman)
Mark Fidrych, WAPA [Phone]	Bill Limbrick, IESO [Phone]
Scott Henry, Duke Power	Ed Riley, California ISO [Phone]
Sam Jones, ERCOT [Phone]	Charles Yeung, SPP
Ed Schwerdt, NPCC	
Ed Tymofichuk, Manitoba Hydro [Phone]	Observers
Gerry Cauley, NERC (Secretary)	Bruce Balmat, MAAC [Phone]
	Christopher Burden, Williams Gas [Phone]
NAESB Members/Alternates	Roman Carter, Southern Company
Michael Desselle, AEP (JIC Co-Chairman)	Dale Davis, Williams Gas [Phone]
Syd Berwager, Bonneville Power [Phone]	Al DiCaprio, PJM [Phone]
Ed Davis, Entergy [Phone, non-voting]	Joel Dison, Southern Company [Phone]
Andy Dotterweich, Consumers [Phone, non-voting]	Ollie Frazier, Duke Energy [Phone]
Barry Green, Ontario Power Gen. [Phone]	Dowell Hudson, MISO
Lou Oberski, Dominion Resources	DeDe Kirby, NAESB [Phone]
Mary Ellen Paravalos	Rae McQuade, NAESB
Jim Templeton [Phone]	Lorne Midford, Manitoba Hydro [Phone]
Walt Yeager, Cinergy	John Mosier, NPCC [Phone]
	Veronica Tomason, NAESB [Phone]
	Kathy York, TVA [Phone]

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Call to Order

Chairman Desselle called the meeting to order.

Quorum

Secretary Cauley announced that each party had reached a quorum.

Antitrust Guidelines

Dede Kirby reviewed the antitrust guidelines.

Prior Meeting Minutes

On a motion by Scott Henry, the JIC approved the September 21–22, 2004 meeting minutes without objection.

Agenda

Chairman Desselle reviewed the meeting agenda, which is provided as **Exhibit A**. The agenda was adopted, with the addition of a discussion item on a joint NERC-NAESB operating manual.

Electric Market Timelines (R04020)

Kathy York presented a proposal to standardize Electric Market Timelines (Attachments 3 and 4 in the agenda package). Kathy clarified that this request focuses on the day-ahead trading horizon, including arrangements for transmission and energy trading. It was noted that this request is related to Seams Issues 79 and 106.

The JIC agreed that the Scoping Document provided a more complete and focused description of the proposed business practice than the request itself. The Scoping Document did not include ramping and the JIC agreed ramping should not be part of the request.

Several members questioned whether the request was duplicative of other projects, such as energy day, OASIS business practices, or interchange scheduling. NAESB representatives indicated this work is not duplicative of those projects. This project is focused on coordinating tariff and market timelines among RTOs, and between RTO and non-RTO entities.

There was also a concern expressed that the proposed standard was addressing an issue among several entities and could possibly be more appropriately addressed in an agreement. Others noted that whether or not the need for the standard is justified should be addressed in the appropriate (NERC or NAESB) standards forum, and not by the JIC.

The JIC unanimously approved a motion by Syd Berwager to assign Request R04020 "Electric Market Timelines" to NAESB for development, on the assumption that the scope will be as defined in the Scoping Document. A roll call vote was conducted as follows:

NERC
Linda Campbell — Yes
Scott Henry — Yes
Sam Jones — Yes
Ed Schwerdt — Yes

NAESB
Michael Desselle — Yes
Syd Berwager — Yes
Barry Green — Yes
Lou Oberski — Yes
Mary Ellen Paravalos — Yes
Jim Templeton — Yes
Walt Yeager — Yes

IRC
Karl Tammar — Yes
Bill Limbrick — Yes
Ed Riley — Yes
Charles Yeung — Yes

OASIS Business Practices (R04035) and Standards of Conduct (R04036)

Joel Dison presented a proposal to revise the OASIS Business Practices (Attachments 5 and 6 in the agenda package) and to revise the OASIS Standards of Conduct (Attachment 7 in the agenda package).

The JIC approved without objection a motion by Lou Oberski to assign the development of Request R04035 "OASIS Business Practices" and Request R04036 "OASIS Standards of Conduct" to NAESB for development.

TSIN Registry (R04037)

Joel Dison presented a request for developing a standard for the TSIN Registry. The JIC was concerned that the registry is a tool maintained by NERC, and that the tool has both reliability and business practice purposes. The JIC suggested there might be a need for both a business practice standard and a reliability standard to define the functional needs for the tool. The JIC also suggested that the standard should focus on generically defining data and performance requirements necessary to meet business and reliability objectives, not on writing a tool specification as part of a standard. NAESB representatives withdrew the request and indicated the request would be remanded back to Paul Sorenson for further work.

Interchange Business Practices (R05001)

Roman Carter presented a proposal to revise the draft Interchange Business Practices (Attachment 9 in the agenda package). The JIC discussed the relationship of this proposal to other interchange standards efforts at NERC and NAESB. A concern was expressed that there was not a clear sense of the purpose defined for the requested work.

The JIC approved without objection a motion by Lou Oberski to assign Request R05001 "Interchange Business Practices" to NAESB for development, with a request that this work be closely coordinated with the NERC Coordinate Interchange Standard Drafting Team and that a clear description of the need would be developed.

Phase III-IV Planning Standards

Gerry Cauley presented 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 in the agenda package).

The JIC approved without objection a motion by Scott Henry to assign the development of the Phase III-IV planning standards to NERC.

Review of 2005 Work Plans

Michael Desselle provided an overview the NAESB Wholesale Electric Quadrant 2005 Annual Work Plan (Attachment 14 in the agenda materials). It was noted that Item 2 on the NAESB WEQ plan, related to ATC, required coordination between NERC and NAESB. It was also noted that the previous results on Seams Issues in February 2004 still apply in this area and should be considered for any project planning going forward.

Linda Campbell reviewed the current working draft of the Standards Authorization Committee's reliability standards work plan (Attachment 15 to be provided).

Karl Tammar reviewed the status of the IRC 2005 Work Plan (**Exhibit B**).

Joint TLR Procedure Task Force

Michael Desselle reviewed the status of the work by the joint NERC-NAESB task force determining how to split the TLR procedure into reliability requirements and business practices.

Functional Model / Standards Coordination Task Force

Gerry Cauley reviewed 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 in the agenda package). The JIC discussed the need to clarify the status of the Interchange Authority or Coordinator to allow interchange standards to move forward.

NERC-NAESB Coordination

The JIC discussed how best to coordinate joint standards projects, now that the Market Committee is proposing to disband. The JIC agreed to work further on this issue at the next meeting.

Joint Operating Manual

The JIC discussed the need for initiating an operating manual that is coordinated between NERC and NAESB to facilitate ease of use by operating personnel. The JIC indicated a preference for a seamless, one-stop navigation page for users that would allow each organization to maintain its own source documents.

Future Meetings and Conference Calls

The JIC tentatively set March 4, 2005 at 2 p.m. EST for its next conference call.

Adjourn

There being no further business, a motion was approved to adjourn the meeting.



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NERC-NAESB-ISO/RTO Council Joint Interface Committee

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

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

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ISO/RTO Council 2005 Annual Work Plan for Standards Development and Standardization Activities

The ISO/RTO Council (“IRC”) will participate in industry standards development efforts with NERC and NAEASB. This plan identifies the objectives and priorities for the IRC in coordinating standards development activities with NERC and NAEASB. The primary mechanism for coordinating and presenting consensus positions to the industry will be through the IRC’s Standards Review Committee (“SRC”).

Reliability Standards Development

The IRC vigorously supports reliability standards that are clear, concise, and measurable. The requirement that reliability standards be uniformly implemented and complied with was clearly demonstrated by the August 2003 Blackout. During 2004 NERC and the industry responded to these needs and the Blackout Investigation recommendations through the development and ratification of the Version 0 Reliability Standards. The ISOs/RTOs concur with NERC’s 2005 objectives to build and improve on the foundation of reliability standards established in Version 0 and complete several high priority standards from the August 2003 blackout recommendations.

ISO/RTOs will participate in the development and prepare consensus comments and positions, as appropriate, for the Reliability standards that NERC plans to develop during 2005:

1. Version 0 adoption and implementation
2. Phase III/IV Planning replacement standards
3. Nuclear Station Off-Site Supply
4. Cyber Security permanent standard
5. Transmission right-of-way vegetation management
6. Organizational Certification of:
 - a. Balancing Authority Function
 - b. Reliability Authority/Coordinator Function
 - c. Transmission Operator Function
7. Complete development of compliance information

Recognizing the need to develop new standards must be balanced with available resources, the IRC anticipates NERC will review proposed standards efforts started before Version 0 and move forward to reach closure on these, as appropriate:

1. Coordinate Operations
2. Operate within Interconnection Operating Reliability Limits (IROL)
3. Determine Facility Ratings, Operating Limits, and Transfer Capabilities
4. System Personnel Training

The IRC recognizes there are other standards projects that are in development or may yet be proposed during 2005. The ISOs/RTOs will work with NERC to balance priorities and ensure that needed standards are developed in a timely manner.

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Functional Model

The Model provides the foundation and framework upon which NERC will develop and maintain its Reliability Standards. While the Model is not a standard, and does not have compliance requirements, the Reliability Standards must respect the definitions and interrelationships contained in the Model. NERC has formed a Functional Model Working Group (“FMWG”) to continue to evolve the Model. IRC will support the FMWG and related groups, working with NERC to seek enhancements to the Model, as appropriate.

Compliance

Compliance with consistently applied standards is essential for maintaining reliability. The ISOs and RTOs be actively engaged in developing and implementing new compliance templates and information to cover all of the Version 0 standards. The IRC will work with NERC to ensure that appropriate penalties are applied uniformly and proper appeals processes are established.

Business Standards Development Activities with NAESB

The ISO/RTOs will assist NAESB in the development of business standards by providing the perspectives and expertise of subject matter experts, as appropriate. The IRC will work with the NAESB WEQ’s Subcommittees, Task Forces, and working groups as they assess issues for potential market impacts and needs for market standards. Through the SRC, the ISOs/RTOs will advise NAESB on issues identified, submit comments in the standards process, and provide joint responses to NAESB.

The IRC will work with NAESB on the following issues in 2005:

- Market Seams, including TLR and ATC issues.
- Complimentary business practices to NERC Reliability Standards (including Version 0 and Version 1)
- OASIS Standards
- Electronic Scheduling Issues
- Gas/Electric Coordination
- Other significant Wholesale Electric Market Operations and Standardization issues, as they may arise.

Coordination with NAESB and NERC

One of the goals of the MOU is to establish and implement a process to coordinate work efforts among NERC, the NAESB WEQ and the IRC in a manner that avoids overlap and duplication of effort. The IRC, through its JIC representatives and the SRC, will work jointly with NAESB and NERC to coordinate standards development and related work efforts of each organization.

Inter-ISO/RTO Information Technology

The ISO/RTOs will look to identify appropriate technologies and opportunities for standardizing inter-ISO/RTO Information Technology (“IT”) processes. Through the

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IRC's Information Technology Committee ("ITC"), the ISO/RTOs will seek to adopt standard technologies and standardize processes and data exchanges unique to ISO/RTOs.

The IRC IT Committee is actively engaged in three initiatives:

1. Data initiative – defines the content of messages exchanged between ISO/RTOs
2. Message Transmission – the mechanics of data exchange
3. Common User Portal – defines interface to create and retrieve messages

The Data initiative will be based on the Common Information Model ("CIM") standard from EPRI. This will be extended to include market data.

The Message Transmission initiative will enable ISO/RTOs to access data across ISO/RTOs through a common portal. This will provide benefits in reliability coordination, outage management, and seams management. Once the scope and schedule are finalized, an implementation schedule will be developed

The Common User Portal will simplify information exchange processes with the ISO/RTOs. It will reduce development costs for each ISO/RTO and transaction costs for market participants. A development plan and requirements schedule is being prepared.

Technologies that may be identified as potential standards that may be applied on a North American basis will be proposed and coordinated through the IRC's Standards Review Committee.