

# **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**

July 21–22, 2005

Offices of the Northeast Power Coordinating Council  
New York, New York

### **Meeting Minutes**

#### **Attendance**

<b>NERC</b>	<b>IRC</b>
Linda Campbell, FRCC (JIC Co-Chairman)	Karl Tammar, NYISO (JIC Co-Chairman)
Mark Fidrych, WAPA	Bill Limbrick, IESO [Phone]
Scott Henry, Duke Power	Lisa Szot, California ISO
Sam Jones, ERCOT	Charles Yeung, SPP
Mike Penstone, Hydro One [Phone]	
Ed Schwerdt, NPCC	
Gerry Cauley, NERC (Secretary, Non-Voting)	
<b>NAESB</b>	<b>Observers</b>
Michael Desselle, AEP (JIC Co-Chairman)	Bruce Balmat, MAAC [Phone]
John Anderson, ELCON [Phone]	Ollie Frazier, Duke Power [Phone]
Andy Dotterweich, Consumers [Phone]	John Hughes, ELCON [Phone]
Barry Green, Ontario Power Gen.	Laura Kennedy, NAESB [Phone]
Lou Oberski, Dominion Resources	Rae McQuade, NAESB

#### **Call to Order**

Chairman Desselle called the meeting to order.

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## Membership and Quorum

Members and observers introduced themselves. Chairman Desselle noted the following membership changes:

- NERC: Mike Penstone of Hydro One replaces Ed Tymofichuk of Manitoba Hydro.
- IRC: Karl Phirrmann of PJM replaces Audrey Zibelman of PJM.
- IRC: Lisa Szot of California ISO replaces Ed Riley of California ISO.

## Quorum

Secretary Cauley announced that each party had a quorum present to conduct business.

## Antitrust Guidelines

Laura Kennedy reviewed the antitrust guidelines.

## Prior Meeting Minutes

*Linda Campbell moved to approve the January 18, 2005 meeting minutes and the April 29, 2005, conference call minutes. The motion was adopted without objection.*

## Agenda

The meeting agenda is provided in **Exhibit A**.

## R05004 TTC/ATC/AFC/CBM/TRM in Requesting and Scheduling Transmission Service

Barry Green presented a proposal of the NERC Long Term ATC/AFC Task Force (LTATF) to develop a business practice standard on processing transmission service requests, as related to TTC, ATC, AFC, CBM, and TRM.

*Barry Green moved that the JIC assign R05004 to NAESB for development.*

Several questions were raised in discussion of the request:

- Section 3 — Use of the term "evaluation" implies, or could be confused with, reliability evaluation that is performed by transmission operators and reliability coordinators to determine if the system is secure. A clarification would be to remove the term "evaluation" and use more specific language that explains the intended scope.
- Section 4b — The phrase "ensuring consistent scheduling practices" appears to be too broad, possibly encompassing reliability aspects of transmission scheduling already addressed in existing standards. Omission of Section 4b appears to be an appropriate clarification that the scope of the request is as stated in Section 4a, focused on "processing requests for transmission service".

- Section 7 — A number of the bullets listed within the scope appear to be reliability-focused. Examples of language that could be revised to better clarify the intended scope include:
  - "Determine the quantity of transmission service to be made available."
  - "Use similar models and assumptions."
  - "Use models and assumptions ... that are similar to those used for the planning of the transmission system."

*Following the discussion, the JIC agreed by unanimous consent to request the motion be withdrawn and it was.*

NAESB will refer the request back to the requester for further clarifications regarding the intended scope. Barry Green, who is on the LTATF, will communicate the JIC's comments and questions to them.

Gerry Cauley noted two related NERC SARs provided in the agenda package for informational purposes. These SARs are currently posted for stakeholder comment and will be submitted to the JIC at the next regular meeting. The proposed NAESB and NERC standards are related to a current FERC Notice of Inquiry.

### **R05007 Remove References to ERCOT from Version 0 Business Practice Standards**

The Electric Reliability Council of Texas (ERCOT) had submitted Request R05007 to NAESB, proposing to remove references to ERCOT from the Version 0 business practice standards.

*Sam Jones moved to assign R05007 to NAESB for development. The motion was approved without objection.*

### **R05018 PSE Optional Approval Rights for E-Tag Transmission Segment**

Lou Oberski presented a proposal to revise the E-Tag specification to provide optional approval rights to the PSE associated with each transmission segment of an interchange transaction. The request was submitted by the Joint NERC-NAESB Interchange Scheduling Work Group.

The JIC discussed possible concerns whether the proposed revision would provide 'veto' power over a PSE on any segment of a transaction, noting this could be a market power issue if not correctly implemented. In considering this request, the JIC noted that the request is narrowly defined to include the optional approval rights of a PSE on an E-Tag and does not address other aspects of the E-Tag specification.

*Lou Oberski moved to assign R05018 to NAESB for development. The motion was approved without objection.*

## **SAR on Nuclear Plant Offsite Power Reliability**

Gerry Cauley presented a SAR proposing a standard on Nuclear Plant Offsite Power Reliability. The SAR had been posted for two rounds of stakeholder comments. There was support in the comments of the reliability need for the proposed standard. Minority views, which the SAC felt were adequately addressed by the drafting team, were: a) the requirements for reliable offsite power to nuclear plants can be addressed in agreements, and b) there may be a shifting of responsibilities or costs from the nuclear plant to the transmission owner/operator. The requester is the Nuclear Energy Institute Grid Reliability Task Force. The request was sparked in part by an initiative of the Nuclear Regulatory Commission inquiring how to ensure grid reliability is sufficient to meet nuclear safety licensing requirements.

*Linda Campbell moved to assign the SAR on Nuclear Offsite Power Reliability to NERC for development. The motion was approved without objection.*

## **Functional Model and Regional Reliability Plans**

Linda Campbell, Mark Fidrych, and Gerry Cauley reviewed the status of functional model revisions and a guide for regional reliability plans. They also noted that the Standards Authorization Committee has directed drafting teams to develop standards based on the reliability coordinator in lieu of the reliability authority.

## **Review of JIC Process**

The JIC reviewed its performance since the adoption of the revised Memorandum of Understanding (MOU) on May 15, 2003. The MOU calls for an annual review stating:

The Parties agree to meet annually during the anniversary month of the signing of this MOU to evaluate in good faith the effectiveness and efficiency of this MOU in meeting the goal of coordinating the standards and policy development-related activities of the three organizations and to make any appropriate revisions.

In its discussion, the JIC considered the following questions:

1. Has the JIC been successful in achieving its mission of assigning standards "to avoid overlap and duplication of effort in the activities of the three organizations"? What can be done to improve that performance?
2. Are standards requests presented to the JIC with sufficient completeness and clarity to understand the scope of the proposed standard and where it should be assigned? If not, what can be done to improve the completeness and clarity of requests?
3. Has the JIC been able to establish a basis, through experiential precedence, for determining which proposed standards should be reliability standards, business practice standards, and ISO/RTO market protocols? Is the distinction between reliability, business practice, and ISO/RTO protocol sufficiently clear for the JIC to be effective?

4. Has the JIC been successful in not overstepping its authority by basing its decisions on the technical merits or need for a proposed standard, which are issues to be addressed within the respective standards processes?
5. Is there an issue if the scope of a proposed standard changes in development after the request has been assigned by the JIC ('standard scope creep')? Has this been the case? Should changes in scope be subject to review by the JIC?
6. Has the assignment of standards requests allowed NERC to retain a 'complete set' of reliability standards to be used in its compliance program? Is achieving the 'complete set' necessary for reliability an issue?
7. Has the JIC been effective in coordinating annual work plans of the three parties?
8. Are there any revisions to the MOU that would be necessary and appropriate based on JIC performance and results over the past two years?

Following the discussion, the JIC formulated the following statement summarizing the results:

*The JIC conducted a review of its performance in achieving its mission of assigning standards for development "to avoid overlap and duplication of effort in the activities of the three organizations". Overall, the JIC believes that the Memorandum of Understanding (MOU) and the JIC process have been effective in coordinating the assignment of standards for development among the parties to the MOU.*

*The following areas for improvement were identified:*

- *The need to improve the completeness and clarity of standards requests to enable the JIC to make informed assignments to the appropriate standards organizations.*
- *A perception that some standards are developed that exceed the scope of the request assigned by JIC to a standards organization.*

*The JIC agreed on the following measures to improve the JIC process, as related to the development of standards for the wholesale electric industry:*

- *Each organization is requested to ensure that standards requests are of sufficient completeness and quality to allow the JIC to make an informed decision.*
- *The JIC will communicate, along with its assignments of standards requests, the rationale and considerations of the JIC in making those decisions. The JIC member organizations will remind stakeholders that once an assignment is made, it is incumbent upon the stakeholders to work on that standard within the process of the assigned organization.*
- *The JIC will review instances in which there are significant concerns regarding the possibility that a standard in development has exceeded the scope of a request assigned by the JIC. The JIC will consider its rationale for the initial assignment when reviewing such a case and communicate the results of that review to the organizations.*
- *The JIC will be receptive to concerns about the coordination of standards development among the organizations and help to facilitate resolution of those concerns.*

*On motion by Mark Fidrych, the JIC approved the above statement without objection.*

## **Future Meetings**

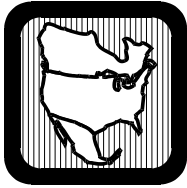
*The JIC set its next meeting for October 5, 2005, from 8 a.m. to 3 p.m. in the Dominion offices at 120 Tredegar Street in Richmond, Virginia.*

Suggested agenda items include:

- NERC TLR SAR (with the status of the NAESB related standard for information)
- TTC/ATC/ATF/CBM/TRM SARs from NERC and business practice requests from NAESB
- Rounding request

## **Adjourn**

*There being no further business, the meeting was adjourned by unanimous consent.*



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## NERC-NAESB-ISO/RTO Council Joint Interface Committee

**July 21, 2005 (1–p.m. EDT)**  
**July 22, 2005 (8 a.m.–noon EDT)**

Meeting Location	Dial-In Information
NPCC Offices 1515 Broadway (43rd Floor) (between 44th and 45th streets) New York, New York Telephone: 212-840-1070	Telephone: 732-694-2061 Pass Code July 21: 11300721 Pass Code July 22: 11300722 Facilitator: Gerry Cauley

### Meeting Agenda

#### 1. Administrative Items

- a. Introductions
- b. Roster and Membership Changes
- c. Establish Quorum
- d. Antitrust Guidelines
- e. Prior Meeting Minutes
- f. Agenda

#### 2. Proposed Business Practice Standards

- a. R05004 TTC/ATC/AFC and CBM/TRM in Requesting and Scheduling Transmission Service
- b. R05007 Remove References to ERCOT from Version 0 Business Practice Standards
- c. R05018 PSE Optional Approval Rights for E-Tag Transmission Segment

#### 3. Proposed Reliability Standards

- a. Nuclear Plant Offsite Power Reliability

#### 4. Other Business

- a. Status of Functional Model and Regional Reliability Plans
- b. Future Meetings and Conference Calls
- c. Other Business

#### 5. Special Agenda Item: Review of JIC Process

Adjourn

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