EDISON ELECTRIC INSTITUTE

Standardization in Wholesale Electricity

EEI Draft Discussion Framework

Version 2.0

U.S. Department of Energy

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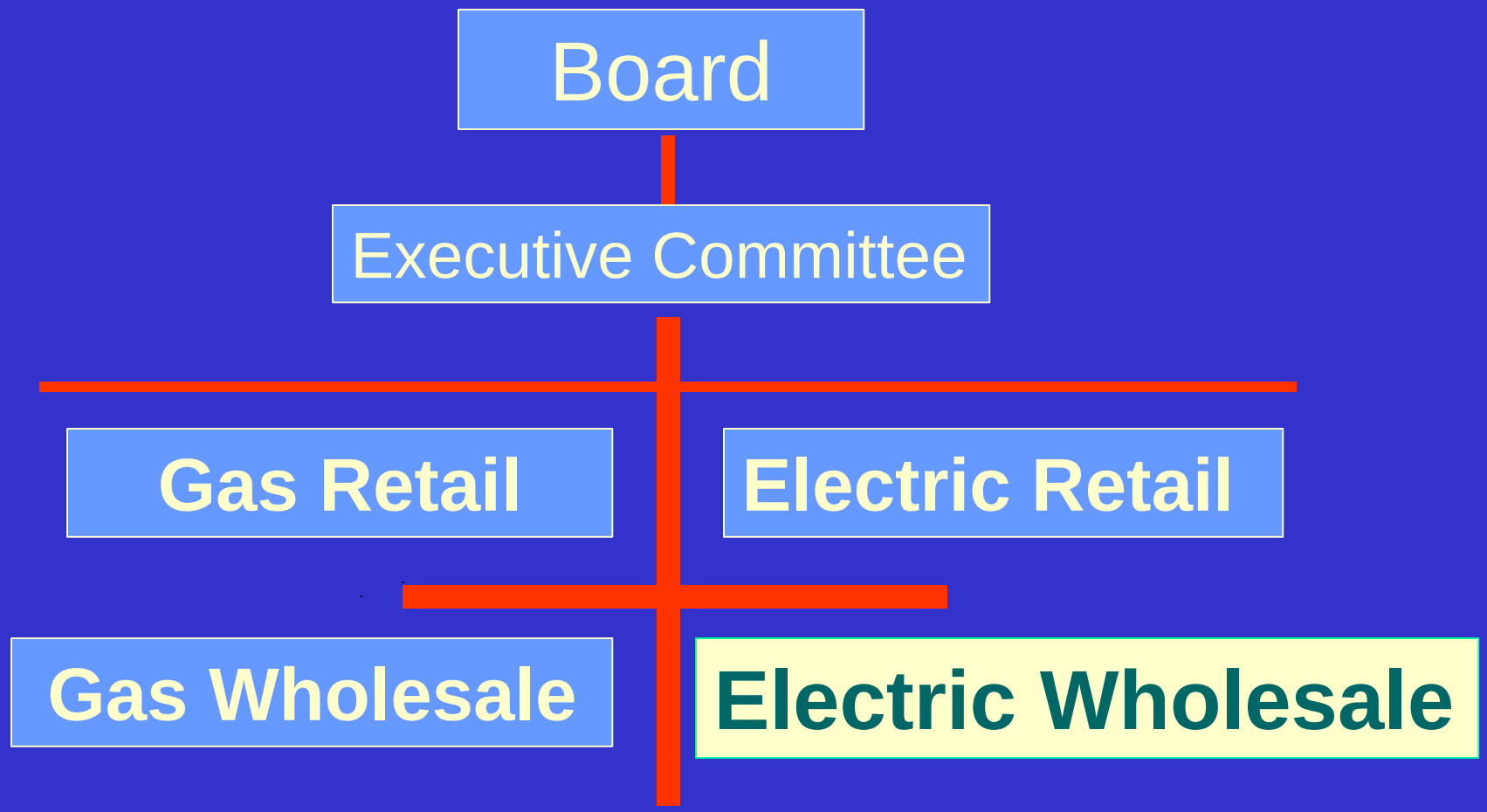
Goal: NAESB Electric Wholesale Scope and Governance Proposal



Scope and Governance: Goals and Criteria

- Fully satisfy all FERC criteria of December 19 order
- Establish "one stop shop" for all standards by implementing NAESB electric wholesale quadrant
- Establish equal and coordinated treatment of business and grid integrity, recognizing inseparability of both
- Conduct layered, sector voting under process model viewed by market participants as broadly acceptable through openness and transparency, balanced representation, fairness, and due process
- Require records, minutes, and meeting transcriptions to provide detailed process audit trail for market and FERC

Goals and Criteria (2)

- Accommodate activities taking place through NERC Organization Standards Manual
- Invite NERC Operating Committee and Planning Committee to populate NAESB Subcommittees on Operations, Planning, and System Security
- Consider Electronic Scheduling Collaborative (ESC) to initiate NAESB Market Subcommittee
- Ensure process for expedited approval for emergency standards
- Ensure process for detailed triage for standards development

Goals and Criteria (3)

- Ensure process includes explicit provisions for regional standards, including local variations
- Establish appeals process on both triage (front-end) and approval (back-end)
- Establish special expedited reconsideration provisions in appeal process for NERC of <u>all</u> approved electric standards
- Ensure States identical role as with historical GISB
- Coordinate carefully NERC non-standards projects and initiatives with standards development and approvals

Electric Wholesale (EW) Quadrant

	GR	ER
GW		

- Five sectors -- generation, transmission, distribution, marketers, customers.
- Possible 6th sector --- RTOs.
- Each sector elects five members to quadrant Executive Committee (EC).
- Companies can subscribe to multiple sectors.
- For approval, standard requires 2/3 affirmative vote of full EC <u>and</u> two affirmative votes from each sector.

A Possible Subcommittee Framework for EW Quadrant

- Each quadrant establishes procedures -- process and structures for subcommittees, task forces, working groups, standards development, voting
- EW procedures could include five subcommittees
  - Market
  - Operations
  - Planning
  - System Security
  - Data and Communications

Markets Subcommittee

- Congestion management
- Energy imbalance
- Ancillary services
- Operating reserves
- ICAP
- Energy losses
- Transmission services
- Secondary transmission
- Day ahead
- Market monitoring
- Contracts

Operations / Planning / System Security Subcommittees

- Security coordination
- Dispatch models / rules
- Line / equipment ratings
- Balancing
- Interchange
- Emergency planning and response
- Planning
- Modeling
- Event analysis
- Technology assessments

Data and Communications Subcommittee

- Market information system
- Grid information system
- Communications protocols
- Databases

Unresolved Critical Issues

- Roles and functions for RTOs, transcos
- Enforcement and compliance
- Compliance and cost recovery
- “Timing and sequence”
- FERC nonjurisdictional entities