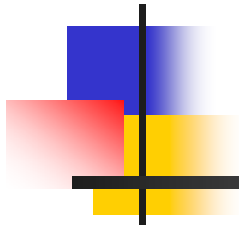


Seams Subcommittee Report



NAESB WEQ
JIC Guidance Meeting
February 3, 2004



Topics

- Overview of Current Seams Catalog
- Categories and Subcategories
- Responsible Entity Assignments
- Recommendations to WEQ JIC Representatives



Seams Catalog Overview

- 134 Issues Currently
- 19 Submitters
- Excellent Industry Representation
 - Merchants
 - ISO-RTO
 - Transmission Providers
 - Jurisdictional & Non-Jurisdictional



Seams Catalog Information

- Original Number
- Category
- 1ST Subcategory
- 2ND Subcategory
- Description
- Comments
- Association
- Issue Type
- Resp Org
- Region 1



Catalog Columns continued

- Region 2
- Priority
- Seam
- Impediment Type
- Currently Addressed
- Submitter
- Reference Papers



Categories & Subcategories

- Created to Link and Compress Issues
- 8 Categories
- 38 1ST Subcategories
- 57 2ND Subcategories



Categories

- Congestion Management (7, 13)
- Market Design (6, 8)
- Market Monitoring/ Compliance (3, 1)
- Market Standards (5, 4)
- Planning (1, 4)
- System Reliability (9, 12)
- Transaction Scheduling (2, 4)
- Transmission Service (5, 11)



Responsible Entities

- Initially, Three Assignment Perspectives Were Submitted
- Perspectives Were Diverse
 - 40+ Common Assignments Out of 134
- New Approach Required



Current Approach

- Concepts Document
- New Columns
 - “Issue Type”
 - National/Regional
 - “Resp Org”
 - Responsible Organization



Current Approach

- Concepts Document
- National
 - NAESB/NERC
- Regional
 - Identified Regional Markets



Responsible Organization Selection Concepts

1. FERC Will Not Be Designated As a 'Responsible Organization'
 - FERC Is the Default Regulatory Policy Making Organization
 - It Acts As a Backstop for Evaluating And/or Requiring Industry Developed Standards



Responsible Organization Selection Concepts

2. If the 'Region 1' and 'Region 2' Fields for a Specific Issue State "All," That Issue Is Deemed to Be a 'National' Issue.



Responsible Organization Selection Concepts

3. NERC and NAESB Will Develop Standards for Resolving All National Issues
4. If the 'Region 1' and 'Region 2' Fields for a Specific Issue List Specific Markets (E.G. PJM & MISO) That Issue Is Deemed to Be a 'Local' Issue.



Responsible Organization Selection Concepts

5. The 'Resp Org' for Resolving a Regional 'Issue Type' Will Be the Identified 'Regions' or an Organization That Represents Those 'Regions.'
 - Regional Seams Solutions Will Only Apply to the Impacted Regions.
 - Regional reliability issues are governed by NERC and/or a NERC Regional Council.



Responsible Organization Selection Concepts

6. Entities Involved in a Regional Issue May Elect to Submit a Standard Request to NAESB to Develop a Standard to Resolve the Issue Nationally or Regionally.
 - NAESB Can, and Will, Develop Standards With Regional Deference.



Comments from NERC

- Responsible Organizations Develop Work Plan
 - Eliminate Redundancy
 - Bring Back Plan to JIC for Reassessment
 - Organizations will Prioritize Issues



Comments from NERC

- Available Transfer Capability



Issues Assessment

- Category/Subcategory Sort
- Focus on Commercial Issues
 - What Does the WEQ Care About?
 - Why Do We Care?
 - How Much Do We Care?

NAESB JIC Recommendations

