



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD Draft 2004 WEQ Annual Plan - ~~August 5~~September 11, 2003

Item Description	Comment
1 Develop business practices standards as needed to complement reliability standards.	
<p>(a) Develop business practice standards to support and complement existing NERC reliability standards, NERC policies and NERC standards action-authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:</p> <ul style="list-style-type: none">• Develop Inadvertent Interchange Payback Business Practices (Market Operations Subcommittee)• R03013 - Coordinate Interchange (Standards Review Subcommittee)• R03014 - Coordinate Operations (Standards Review Subcommittee)• R03017 -- Operate Within Limits (Standards Review Subcommittee)• <u>Balance Resources and Demand</u>• <u>Facility Ratings</u>	<p>The original 1(a) from the 2003 plan is implied and 1(b) and 1(c) have been rewritten as a part of this plan: 1(a) Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications, 1(b) Review existing NERC reliability policies and standards for their business practice implications, 1(c) Review each of the SARs in light of the NERC/NAESB MOU.</p>
<p>(b) Work with the NERC Transition team to Develop business practices standards that support applicable to the transition period from NERC policies to NERC reliability standards.</p>	<p>This is a new item that reflects the recent NERC decision to create Transition team. NAESB has been asked to join the Transition Team which is led by Gerry Cauley. NAESB members on the team are Charles Yeung, Rae McQuade and Michael Desselle.</p>
<p>(c) Develop business practices standards as requested by NERC to support NERC's activities.</p>	<p>This is a new item to address requests from NERC that may not be directly related to existing reliability standards, policies or SARs.</p>
2 Develop business practices standards for OASIS and Electronic Scheduling	



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(a) Develop business practice standards as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry groups' business practices and standards should be developed into NAESB standards.	Conversations have begun with the OASIS to determine if the group would be willing to become the Technical Subcommittee for the WEQ, with the same leadership and transfer those standards development efforts that are applicable to NAESB to itself as a NAESB-WEQ Technical Subcommittee. The Information Technology Subcommittee has been formed and is currently reviewing existing lists of enhancements for OASIS 1A and OASIS 2. A NAESB Electronic Scheduling Subcommittee was created but is inactive awaiting input from the existing ESC industry group.
(b) Develop standard communication protocols and cybersecurity requirements as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry standard communication protocols and cybersecurity requirements should be developed into NAESB standards.	The PKI request R03007 has been assigned to the NAESB WEQ to be addressed which is a portion of this annual plan item. This item also corresponds to the 2003 WEQ Annual Plan item 4(h) Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications.
3 Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market	
(a) Develop business practice standards needed to complement or assist specific seams mitigation efforts initiated by <u>or coordinated with the NERC</u> , the IRC, several RTOs or ISOs, or other regional entities. <u>Items may include:</u> <ul style="list-style-type: none">• Establish standard business practices relating to: i) Definition and treatment of firm/nonfirm power; ii) Definition and treatment of firm/nonfirm transmission; iii) Provision of reserves for transactions across multiple control areas.• Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets	A seams catalog is under development now and will identify many of the items to be included under this action item. This item was originally numbered item 4 in the 2003 WEQ Annual Plan. Several items were deleted, and will be added back to the plan if they are requested through the comments or meetings on the plan and the requesters indicate a willingness to participate in the standards development effort or in the drafting effort. The items removed from the 2003 plan are: 4(a) Establish a standardized electric trading day; 4(b). Identify and develop business practices on the public dissemination of market information. Other items from the 2003 WEQ Annual Plan were reordered and renamed such as: 4(d) Develop business standards as necessary to



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<p>4 <u>Investigate the need for electric or gas standards required to provide additional flexibility in generation scheduling (including gas nominations) through a specially assigned task force.</u></p> <p>Work with the Wholesale Gas Quadrant to investigate a more flexible intraday gas nomination process to support electric generation without degrading gas service to existing customers.</p>	<p>resolve seams issues between ISOs and RTOs; 4(c) Establish standard business practices relating to: i) Definition and treatment of firm/nonfirm power; ii) Definition and treatment of firm/nonfirm transmission; iii) Provision of reserves for transactions across multiple control areas, 4(e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets; and 4(h) Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications.</p> <p>Some items on the 2003 WEQ Annual Plan were considered assumed in each of the action items, so they were not specifically highlighted as a separate action item, such as : 4(f) Examine business practices and definitions currently in use to determine applicability on a North American basis and 4(g) Catalogue, assess and prioritize existing “standards” that have significant business practice implications.</p> <p>This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.</p>

PROVISIONAL ANNUAL PLAN ITEMS¹

~~Develop business practices standards in Support of a Standard Market~~

Develop standards and model business practices in accordance with FERC orders and rules issued in the SMD docket (RM01-12-

These items (originally items 3 and 7 of the 2003 Annual Plan) were reclassified as provisional and will be acted upon as such FERC

¹ Provisional Items are essentially place holders. They are not active annual plan items, but have some likelihood of being added to the plan should an entity request them.



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000), or pursuant to Order Nos. 888 or 2000, or otherwise directed by the FERC.	actions are taken.
Respond to FERC inquiries pertaining to business practice standard development and keep FERC informed on the nature and effectiveness of coordination activities with other standards setting organizations.	
Develop business practice standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.	The NAESB Market Services Subcommittee will review the recently issued Large Generation Interconnection Order to determine if any NAESB business practices are needed.
FERC Reporting of Electricity Prices	This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.
Develop business Practice-practice Standards-standards as requested by the regional and state advisory groups.	This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.
<u>Develop electric purchase and sales contract.</u>	<u>There is industry interest, but resources may not be available.</u> <u>On August 5, several of the WEQ EC members discussed possibly preparing a request that would add an item to the 2004 annual plan to develop a master service agreement. The request was prepared but subsequently withdrawn by the submitter due to an expected lack of resources.</u>
ITEMS DELETED FROM THE 2003 ANNUAL PLAN	
Develop standardized contracts	
A review of both the Western Systems Power Pool and the Edison Electric Institute (EEI) Master Service agreements and other related agreements would be in order with the objective of	Item 5 from the 2003 WEQ Annual Plan was removed in its entirety. The Funds Transfer Agent Agreement was developed and adopted as a NAESB standard in 2003. Contract development items can be added



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<p>developing standard short term and long term master service agreements.</p> <p>A review of the EEI Master netting agreement with the objective of developing standard terms and conditions for netting settlements (perhaps this is a subset discussion of the master service agreements above)</p> <p>A review of the terms and conditions of the standard liquidated damages contracts ("into Entergy, Into Cinergy, etc.) with the objective of developing standard LD contract terms</p> <p>A review of the International Swaps and Derivatives Association (ISDA) cross commodity netting agreement.</p> <p>Identify and develop business practices that would facilitate transactions between 2 parties when creditworthiness is an issue.</p>	<p>back into the 2004 annual plan if they are requested through the comments or meetings on the plan and the requesters indicate a willingness to participate in the standards development effort or in the drafting effort.</p> <p>The contracts items were deleted as the EEI Contracts Task Force determined to continue development of the EEI contract through EEI, including any modifications to it including language changes or addenda.</p> <p>On August 5, several of the WEQ EC members discussed possibly preparing a request that would add an item to the 2004 annual plan to develop a master service agreement.</p>