



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

TO: NAESB Wholesale Electric Quadrant Executive Committee, Posting for Interested Industry Participants
FROM: Todd Oncken, NAESB Deputy Director
RE: NAESB Wholesale Electric Quadrant Executive Committee Meeting Final Minutes – October 7, 2003
DATE: October 8, 2003

**Wholesale Electric Quadrant Executive Committee
Tuesday, October 7, 2003
9:00 a.m. to 3:00 p.m. MST
Tempe, AZ**

1. Welcome

Mr. Cobb called the meeting to order and thanked Systrends for hosting. Mr. Oncken gave the antitrust advice. The roll of Executive Committee members was taken and quorum established.

2. Wholesale Electric Quadrant Draft Agenda & Draft Minutes

Mr. Cobb reviewed the agenda and no modifications were made. Mr. Goss moved, seconded by Mr. Jackson, to adopt the agenda as drafted. The motion passed absent objection.

Mr. Oberski moved, seconded by Mr. Berwager, to adopt the minutes of the August 5, 2003 and September 11, 2003 Wholesale Electric Quadrant (WEQ) Executive Committee meetings as drafted. The motion passed absent objection.

3. Review of New Requests and Assignments

The Triage Recommendations from October 1, 2003 were reviewed. It was noted that none of the recommendations for Requests R03019 – R03027 were assigned to the WEQ. Standards Requests R03020 and R03023 were discussed as they might have WEQ implications in the future. Ms. McQuade stated the WEQ might look at Request R03020, which proposes a definition for Applicable Regulatory Authority, when the term needs to be defined for WEQ standards. Likewise, she stated the WEQ might want to review Request R03023, which proposes a different technology (XML format) for presenting information, when it begins to draft information standards. Mr. Johnson noted there was debate in the Triage Subcommittee about whether Request R03023 should be assigned to the WEQ in addition to the assignment to the Wholesale Gas Quadrant (WGQ) and Retail Gas Quadrant (RGQ). The Triage Recommendations were submitted to all Executive Committee members for notational vote, with the recommendations for scope and quadrant being accepted by a majority of Executive Committee members.

4. Discussion and Approval of draft 2004 Annual Plan

Participants discussed the draft 2004 Annual Plan. Each annual plan item was reviewed and discussed.

Item 1: Develop business practice standards as needed to complement reliability standards. It was noted item 1 addresses the current initiatives of the Standards Review Subcommittee (SRS) to produce complementary business standards for NERC reliability standards. Participants briefly discussed the NERC Transition team, as noted on the annual plan strawman. It was explained that NERC has created and staffed a transition team to evaluate the current NERC Policies and determine which aspects of the NERC Policies are reliability standards and which are business standards. Ms. McQuade stated she, Mr. Desselle and Mr. Yeung have been named to the



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Transition team, and it is expected the team will begin its work in November 2003. It was noted that this exercise could produce potential business standards where NAESB would have to work on an expedited manner, much like a NERC Urgent Action SAR, but those procedures are currently in place through the prioritization of subcommittee work items.

Participants discussed whether item 1 was sufficient to address any impending standards which will be proposed by NERC due to the August 14 blackout. There was general consensus that item 1 was sufficient for that purpose. Mr. Fidrych, chair of the NERC Operating Committee, stated that he would anticipate a joint meeting between NERC and NAESB (probably through the SRS) after the preliminary report on the blackout is published to determine which standards development should be done by the organizations in lockstep.

Item 2: Develop and Maintain Business Practice and Communication Standards for OASIS and Electronic Scheduling. Mr. Cobb stated the Executive Committee established the Information Technology (IT) Subcommittee and Electronic Scheduling Subcommittee at the August Executive Committee meeting held in Philadelphia. It was noted that the first IT meeting is scheduled for October 8 and the ESS is currently dormant. Concern was expressed that item 2 was not sufficiently specific to give proper guidance to a subcommittee. Mr. Dison suggested item 2 be modified so that the current OASIS standards (FERC Order 638 and Standards & Communications Protocol) be adopted as NAESB standards and then make modifications to the standards as requested by the OSC Deliverables letter regarding OASIS 1A enhancements. Mr. Johnson concurred. Ms. McQuade stated that the NAESB Office has already begun preparing the referenced documents for adoption through the NAESB process.

Mr. Johnson proposed alternate language for item 2 which would separate the tasks by business practices and communication protocols, and then further according to timeline. Mr. Dayney questioned the necessity of continuing to work on OASIS 1A given the limited resources of the industry. Mr. Rodriguez noted that most organizations will continue to work under OASIS 1A for the near term since there has been discussion that OASIS 2 would be implemented on a regional basis. Mr. Johnson also stated there are some outstanding elements of FERC Order 638 that need to be addressed. It was not determined whether work on OASIS 1A and OASIS 2 would be done concurrently. Mr. Dison noted there is a pending standard request to complete the outstanding OASIS 1A work. It was suggested that a specific timing directive from the FERC would foster the development of OASIS 2. Mr. Harshbarger stated that originally the policy was OASIS 2 that would function under the concept of a single market design, but in 2002 the ESC decided to develop use cases to recognize the multiple markets in existence.

Mr. Dison moved, seconded by Ms. Robertson, to adopt the alternate language for item 2, as shown in the attachment to these minutes. Participants discussed the motion. The FERC ANOPR language was clarified and references to SMD were replaced with 'subsequent orders.' Additionally, (a)(ii)(c), *Develop and maintain business practices to support & implement the ESC use cases*, was added. Mr. Dison and Ms. Robertson accepted the modifications. It was noted that subcommittee assignments have not been made. The motion passed absent objection.

Item 3: Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market. Mr. Cobb reviewed item 3 and stated that the Seams Subcommittee is currently developing a catalog of seams issues. It was noted the catalog results would be presented to the Executive Committee for further action and any standards development based on the catalog would stem from a decision of the Executive Committee to move forward.

Item 4: Investigate the need for electric or gas standards required to provide additional flexibility in generation scheduling (including gas nominations) through a specifically assigned task force. Mr. Jackson presented item 4. He stated he proposed item 4 as an opportunity for the WEQ to work



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

proactively with the WGQ. Mr. Johnson noted there have been concerns stated as to whether the WEQ was the proper forum for this item instead of the WGQ. Mr. Oberski expressed concern about the specificity and measurability of the item as drafted. Mr. Jackson stated the end result of item 4 would likely be the presentation of a list of issues identified based on a joint review of wholesale gas and wholesale electric issues, not a specific standard. It was noted that the WEQ could request a change to WGQ standards, but could not direct or propose such a modification.

Mr. Jackson proposed alternate language for item 4, as follows: Determine the need for and develop, if necessary, standard(s) requests for electric or gas standards required to provide additional flexibility in generation scheduling (including gas nominations) through a specially designed task force. During discussion it was decided to remove the task force language. Mr. Yeung moved, seconded by Mr. Oberski, to approve the revised alternate language for item 4. The motion passed without objection.

Provisional Items. Each of the provisional items was presented and discussed. Mr. Small opposed the inclusion of the electric purchase and sales contract, stating that he thought the scope of the comment was misleading. Mr. Small has submitted written comments in opposition to the item previously. Mr. Dison stated that the interest referred to in the comment was evidenced through the submission of a standards request which was withdrawn due to resource concerns.

Participants discussed the adoption of the draft 2004 Annual Plan. It was noted that the comments present on the draft would be removed and replaced by completion dates and quadrant assignments. Mr. Johnson expressed concern that the information contained in the comments of the strawman would be maintained for future reference. It was noted that the strawman would be posted in connection with this meeting. Mr. Johnson preferred that it be captured as an appendix to the 2004 Annual Plan. Mr. Berwager opposed including the comments as they reference the contracts item as an appendix to the annual plan. Participants extensively discussed this issue.

Mr. Oberski moved, seconded by Mr. Dison, to approve the draft 2004 Annual Plan as amended today and with the inclusion of the comments as an appendix to that plan. Mr. Berwager moved, seconded by Ms. Westerfield, to add the following comment on the contracts provisional item: There is industry interest in developing a contract but there is neither consensus support nor resources to move forward in the 2004 Annual Plan. The amendment passed without opposition. Mr. Oberski's motion, as amended, passed without opposition.

5. Discussion of Subcommittee Organization

Participants discussed the WEQ subcommittee structure. Mr. Oberski proposed the formation of a Business Practices Subcommittee that would be a large subcommittee with technical expertise responsible for drafting the business practice standards through various task forces. It was proposed that the SRS and Seams Subcommittee would remain separate from the Business Practices Subcommittee and would work to scope issues and develop standards requests to be worked on by the Business Practices Subcommittee. It was also proposed that the Information Technology Subcommittee and Electronic Scheduling Subcommittee remain independent of the Business Practices Subcommittee as they are primarily technical groups. Current tasks forces would be reassigned within the new structure as appropriate. Under the proposed subcommittee scheme, the Contracts Subcommittee, Market Operations Subcommittee and Market Standards Subcommittee would become inactive.

After a brief discussion of the glossary efforts in the other quadrants, Mr. Dison proposed the addition of a Glossary Subcommittee. Discussion revealed that the task of the Glossary Subcommittee would be involved since there are current definitions from the other NAESB quadrants, definitions from the ISOs and IRC, and definitions from NERC that should be considered. Ms. Kiselewich stated that the WEQ Glossary Subcommittee could work with the other



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Glossary Subcommittees, as appropriate, in an effort to produce definitions for each quadrant that would be consistent with the other NAESB quadrants. Ms. McQuade stated that the proposed structure was similar to the structure used by the WGQ, with the exception of the SRS and Seams Subcommittee since the WGQ does not have similar coordination requirements with external agencies.

Mr. Yeung highlighted the primary issue for the for the proposed committee structure – subcommittee participation. Participants discussed the scope of the new subcommittees. It was suggested that although it was the purview of the Executive Committee to provide high-level guidance to the subcommittees, the development of subcommittee mission statements for presentation to and approval by the Executive Committee was the responsibility of each subcommittee. Nevertheless, Mr. Johnson expressed concern that the roles and scopes of each subcommittee be clearly defined.

Mr. Cobb and Mr. Harshbarger developed a graphical depiction of the new subcommittee structure. Both proposals were presented to the Executive Committee. Both diagrams were posted on the NAESB web site as work papers for this meeting.

Mr. Dison moved, seconded by Mr. Oberski, to revise the WEQ Executive Committee subcommittee structure by making the Market Operations Subcommittee, Contracts Subcommittee, and Market Standards Subcommittee inactive and establishing a Business Practices Subcommittee and Glossary Subcommittee. The effect of the motion is that the WEQ EC will now be composed of the following subcommittees: Business Practices, Information Technology, Standards Review, Seams, Electronic Scheduling, and Glossary. As a friendly amendment, references to the Market Operations Subcommittee, Contracts Subcommittee, and Market Standards Subcommittee were removed from the motion. The motion passed unanimously.

Participants agreed it would be appropriate to communicate the new subcommittee structure to the industry. Accordingly, it was agreed that the NAESB Office would draft a notice to that effect along with an invitation to participate in the new subcommittees. The notice will contain information on the new structure, including the tasks each subcommittee will perform. It was noted that assignment of the draft 2004 Annual Plan items to the new subcommittee structure was outstanding. Mr. Yeung suggested the initial assignment of annual plan items would provide a starting point for the new subcommittees to draft their mission statements. The leadership of the new subcommittees was identified as follows: Glossary – Mr. Reed; Business Practices – Mr. Oberski; ESS – Mr. Dison and Mr. Rodriguez. Ms. McQuade noted Mr. Simonelli, chair of the ESC, is a potential co-chair for the ESS. It was agreed that the NAESB Office would draft high level mission statements for each of the subcommittees, which would then be reviewed by the subcommittee leadership and Executive Committee members and used for the above-noted industry communication.

6. Subcommittee Updates and 2003 Annual Plan

Contracts Subcommittee: Mr. Dison reported there was a standards request for the development of an electric purchase and sales contract which was subsequently withdrawn. He noted it was discussed at length during the September 11, 2003 Executive Committee meeting in light of the history of the issue within NAESB.

Market Operations Subcommittee – Inadvertent Interchange Payback Task Force: Mr. Oberski reported on the efforts of the Inadvertent Interchange Payback Task Force (IIPTF). He stated the minutes from the August and September meetings were approved at the October 6 meeting and noted those minutes are a good recollection of those meetings. During the October 6 meeting, Mr. Oberski stated the IIPTF considered and took action on several motions. He stated the motions that



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

were successful would form the basis of the task force's work moving forward. The next IIPTF meeting will be held on November 3, 2003 in Houston, TX.

Standards Review Subcommittee: Mr. Yeung reported on the work of the Standards Review Subcommittee (SRS), noting that the SRS has developed three standards requests that have proceeded through the JIC process and is evaluating two additional NERC Standards – Balance Resources and Demand and Facility Ratings - for needed complementary business standards. Mr. Yeung stated the following task forces have been established: Coordinate Interchange Business Practices (CIBP), Coordinate Operations Business Practice (COBP), and Operate Within Limits Business Practices (OWL-BP). Mr. Yeung stated a joint meeting has been scheduled between the CIBP and its NERC counterparties to further evaluate the need for complementary business standards. Mr. Yeung stated the COBP has completed a scoping document for the NERC Coordinate Operations SAR and determined no complementary business practices are needed at this time. He noted that decision was based partly on a lack of the implications of the NERC Standard and that the task force realized that this NERC Standard was not based on a corresponding NERC Policy. For the OWL-BP task force, Mr. Yeung stated that Mr. Rana will lead the task force which will potentially draft business standards that would assist an operator in achieving system management. As an example, Mr. Yeung said a business standard could relate to the transmission relief required by Order No. 888, but noted the task force is cautious to develop a standard that is a market business approach instead of a restatement of NERC Policy 9. The OWL-BP is in the scoping phase. Mr. Yeung stated an SRS conference call will be held on October 21 to continue its work on the initial review documents for the Balance Resources and Demand and Facility Ratings NERC standards.

Seams Subcommittee: Mr. Cobb reported on the progress of the Seams Subcommittee. He noted subcommittee leadership has made some preliminary decisions on moving forward with the subcommittee's work, including a timeline for the presentation and evaluation of the draft Seams Matrix. Mr. Cobb stated the Seams Matrix has 42 entries and additional entries are expected before the October 10 deadline. The Seams Subcommittee has scheduled its next meeting for November 4, 2003. Mr. Cobb stated the completed, categorized, and prioritized matrix will be presented to the Executive Committee at its December meeting.

Information Technology Subcommittee: Mr. Johnson provided the update on the Information Technology (IT) Subcommittee, noting its first meeting is scheduled for October 8, 2003 in Tempe, AZ. Mr. Johnson reviewed the agenda items for the IT meeting. He encouraged the Executive Committee to provide additional guidance on the scope of the IT's duties. For reference, Mr. Johnson provided a number of documents describing the history of OASIS.

7. Liaison Efforts

Electronic Scheduling Collaborative: Ms. McQuade reported on the liaison efforts with the Electronic Scheduling Collaborative (ESC). She stated the ESC has sent recent communications indicating that they are concluding their efforts on the use cases and should make them available shortly. Ms. McQuade noted that NAESB contacted the ESC in August to explain the transition from the OSC into the IT Subcommittee and to offer the ESC a similar transition plan through the formation of the Electronic Scheduling Subcommittee (ESS). Mr. Landrum suggested a scope document for the ESS be published and made available to current ESC members with a letter encouraging their participation in the ESS. Mr. Landrum stated an issue he has heard regarding participation in the ESS is NAESB membership. It was clarified that NAESB membership is not required for participation in NAESB subcommittees.

North American Electric Reliability Council (NERC): Ms. McQuade reported that she and Mr. Desselle met with NERC leadership during the month of September to discuss coordination between



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

the organizations. The communication and coordination between NAESB and NERC for standards development is endorsed by leadership and is working well with the existing subcommittees and drafting teams. Further, she said NERC leadership strongly supports formalizing coordination through NAESB Executive Committee and SRS and NERC Markets Committee. It was noted this meeting addressed high-level coordination issues rather than specific points of coordination.

ISO-RTO Council (IRC): Ms. McQuade stated that she and Mr. Desselle attended the IRC meeting last month to present the draft 2004 Annual Plan and a report on the coordination efforts between NERC and NAESB. She stated Mr. Tammar has been identified as the point of contact for NAESB's work with the IRC. She noted the IRC committed to participating in the Seams Matrix effort.

Joint Interface Committee: Mr. Yeung gave the report of the September 18 JIC meeting. He stated all standards requests presented by NAESB were assigned to NAESB for further development, and all standards requests presented by NERC were assigned to NERC for further development.

8. New Business

No new business was discussed.

9. Adjourn

Mr. Cobb adjourned the meeting at 2:53 p.m. Mountain Standard Time.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

10. Executive Committee Attendance and Voting Record¹

End User Segment	Title, Organization	Attendance
John Hughes	Director Technical Affairs, Electricity Consumers Resource Council (ELCON)	Phone
V A C A N C Y	To be filled by the Large Industrials sub-segment	
Steve Sayuk	Manager Americas Supply, Power & Gas Services Group, ExxonMobil Power & Gas Services, Inc.	In Person
Randy Corbin	Assistant Director Analytical Services, Ohio Consumers' Counsel	Absent
Paul Jett	Manager of Electric System Operation Customer Choice Transition, Cinergy Services Inc.	Absent
LouAnn Westerfield	Policy Strategist, Idaho Public Utilities Commission, rep. National Association of Regulatory Utility Commissioners	Phone
Distribution/LSE Segment		
Thomas Ringenbach	Manager Business Standards, American Electric Power Service Corporation	Phone
Jack Leonard	Director, Transmission Management, Exelon PECO Energy	Phone
Patrick W. Frazier	Vice President of Energy Operations, American Municipal Power Ohio Inc.	Absent
Daniel E. Cooper	Engineering Manager, Michigan Public Power Agency	Absent
Syd Berwager	Industry Restructuring Project Manager, Bonneville Power Administration/Power Business Line	In Person
V A C A N C Y	To be filled by the Competitive Retailer sub-segment	
Generation Segment		
Bob Goss	Deputy Assistant Administrator of Power Resources, Southeastern Power Administration	In Person
Louis Oberski	Transmission Manager, Dominion Energy Marketing Inc.	In Person
Tony Reed	Project Manager, Southern Company Generation and Energy Marketing	In Person
Barb Robertson, alt. for B. Green	Ontario Power Generation	In Person
Steven B. Corneli	Director of Regulatory Affairs, NRG Power Marketing Inc.	Absent
William J. Gallagher	General Manager of Vermont Public Power Supply Authority	Absent
Marketers/Brokers Segment		
Gary L. Jackson	Senior Manager External Markets and Policy, Tennessee Valley Authority Bulk Power Trading	In Person
Joel Dison	Project Manager, Southern Company Generation and Energy Marketing	In Person
Greg Locke, alt. for C. Norris	Manager Strategic Analysis, North Carolina Municipal Power Agency #1	Phone
Charles Yeung	Director of Business Standards, Reliant Resources	In Person
Alan Johnson	Senior Policy Analyst, Mirant	In Person
Michael F. Gildea	Director of Regulatory Policy, Duke Energy North America	Phone

¹ All motions during the meeting passed by consensus of all Executive Committee members in attendance.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

Transmission Segment

Steven C. Cobb	Manager Grid Access and Scheduling Services, Salt River Project	In Person
Darrell Gerrard	Vice President Transmission Systems, PacifiCorp	Absent
John Lucas	Manager, Transmission Services, Southern Company	Phone
Mary Ellen Paravalos	Manager ITC Development, National Grid USA	Phone
Dan Klempel	Director Transmission Regulatory Compliance, Basin Electric Power Cooperative	Absent
Julie Voeck	Manager Strategic Policy and Planning, American Transmission Company	Phone

11. Other Participation

Administrative:

Rae McQuade	-Executive Director
Veronica Thomason	-NAESB Staff
Todd Oncken	-Deputy Director
Meghan McMillan	-NAESB Staff

Observers to the Meeting:

Name	Company	In person/Phone
Brenda Anderson	Bonneville Power Admin.	Phone
Robert Blohm	Economist	In Person
Scott Brown	Exelon Corporation	In Person
Kevin Burns	OATI	In Person
John Conlon	Midwest ISO	In Person
Phil Cox	AEP	In Person
Jack Crowley	Exelon Corporation	In Person
Ed Davis	Entergy	Phone
Duane Farmer	Public Service Company of New Mexico	In Person
Mark Fidrych	WAPA	In Person
Ken Gates	Conectiv	Phone
Peter Harris	ISO New England	In Person
Jim Hartwell	NPCC	In Person
William Heinrich	New York Public Service	Phone
Ruth Kiselewich	Baltimore Gas & Electric	In Person
Todd Kochheiser	Bonneville Power Admin.	In Person
Barry Lawson	NRECA	Phone
Steve McCoy	CAISO	In Person
Shirley McKean	Salt River Project	In Person
Denyse Marcil	Hydro-Quebec Transenergie	In Person
Marjorie Pearlman	Energy East Management Corp.	Phone
Sharon Miller	Excel Energy	Phone
Talal Murib	Southern Company	In Person
Barbara Rehman	Bonneville Power Admin.	In Person
Lisa Robert	Defense Energy Support	Phone
Andrew Rodriguez	PJM	In Person
Peter Rogan	ISO New England	In Person
Marv Rosenberg	FERC	In Person



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Mike Small
William Smith
Lisa Szot
Steve Terelmes
Steve Zavodnick

Wright & Talisman
Allegheny Power
CAISO
Ameren
Baltimore Gas & Electric

Phone
Phone
In Person
Phone
In Person