



# NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

February 13, 2004

TO: ELECTRONIC SCHEDULING SUBCOMMITTEE

Dear ESS Members:

## **Coordination of Revisions to Policy 3 for E-Tag Enhancements**

The NERC Interchange Subcommittee (IS) is aware that some potential enhancements to the E-Tag system have commercial impacts and as such are of critical interest to NAESB. The IS believes NAESB input on these issues is necessary; however, at this time, the development of separate business standards for E-Tagging would be counter productive as it would add additional time delays and compete for already stretched resources committed to future standards development.

The IS discussed the recent letter from the Electronic Scheduling Subcommittee (ESS), affixed as Attachment A, that seeks to clarify future E-Tag enhancement coordination in conjunction with NERC Policy 3, "Interchange." The IS expressed the following opinions:

- Policy 3 and the current E-Tag system are required until the industry transitions to NERC reliability standards and operation under the NERC Reliability Functional Model (estimated 4<sup>th</sup> quarter 2006).
- The IS will continue to be the responsible entity at NERC to revise Policy 3 and for enhancements to the E-Tag system.
- Changes to both Policy 3 and the E-Tag system shall be minimized to allow NERC and NAESB to concentrate their efforts on developing reliability and business standards in support of the transition and the Functional Model, e.g., the NERC Coordinate Interchange Standard and the NAESB Coordinate Interchange Business Practice Standards drafting teams.
- In the event critical changes or enhancements are identified prior to implementing the new standards, the IS will revise Policy 3 and the E-Tag specification (via the Transaction Information Systems Working Group) to effect the enhancements. These changes will follow the existing NERC due process.
- The IS will work with the NERC Market Committee to ensure coordination with NAESB on potential enhancements involving business practices.

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The IS recommends that where commercial-related issues arise in proposed changes or enhancements to the E-Tag system, and subsequent revisions to Policy 3, that NAESB's ESS provide an official recommendation to the Interchange Subcommittee. This process should adequately address the business needs of the industry, provide an efficient means to handle interim E-Tag enhancements, and not divert resources from developing business and reliability standards.

Sincerely,

*Doug Hils*

Douglas E. Hils  
Chairman, Interchange Subcommittee

/bsb

cc: Rae McQuade, NAESB  
Interchange Subcommittee  
Tagging Vendors  
Transaction Information Systems Working Group  
NAESB ITS  
NERC Directors



## **NORTH AMERICAN ENERGY STANDARDS BOARD**

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February 3, 2004

Via email

Dear NERC Interchange Subcommittee:

The NAESB WEQ Electronic Scheduling (ESS) and Information Technology (ITS) Subcommittees would like to respond to the January 19th letter from Gordon Scott regarding the coordination of ETAG efforts with the NAESB WEQ ESS and ITS. As has been demonstrated by efforts at the JIC as well as ongoing efforts at various subcommittee and drafting team levels, NAESB remains committed to working with both NERC and the ISO-RTO Council to ensure that the critical issues facing the industry are properly coordinated and addressed in a timely fashion. The ESS and the ITS were formed by the WEQ Executive Committee and were charged with developing both Business Practice Standards (ESS) and Communications Protocols (ITS), respectively. To the extent that the Interchange Subcommittee would like for NAESB to develop Business Practice Standards or Communications Protocols associated with Electronic Scheduling and/or Electronic Tagging (ETAG), such requests would certainly be considered within the scope of NAESB, consistent with the WEQ annual plan, and most likely assigned as necessary to the ESS and/or the ITS.

As NERC transitions to Reliability Standards from its current set of Policies, there are certainly many questions regarding the ongoing evolution of the existing Policies, tools, and practices. NAESB will continue to work with NERC to determine the best approach for answering these questions. Specifically, we would like to understand the process through which NERC, NAESB, and the IRC plan to coordinate and manage changes and enhancements to E-Tag, NERC Policy 3, and NERC Policy 9. We believe these to be the most critical overlapping areas of reliability and market influences, and encourage the swift resolution of the question of how to manage them as we move forward.

In the meantime, the ESS and the ITS encourage the Interchange Subcommittee to make a determination as to how it would like to initiate standards development on the issues mentioned in the January 19<sup>th</sup> letter. The Interchange Subcommittee or other group within NERC can either request the initiation formally (via the submission of a completed NAESB Request for Standard) or informally (via a letter that simply requests NAESB to begin working on those issues). If you decide to take the latter course, the ESS and/or the ITS will scope out the request and submit the appropriate NAESB Requests for Standard as required. Either way, NAESB will submit those requests to the JIC and, assuming they are assigned back to NAESB, will incorporate those requests into their annual work plan.



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If you have any additional questions, please feel free to contact either the NAESB Office or one of the chairs of the ESS and ITS.

Sincerely,

ESS/ITS Chairs

ESS Chairs:

John Simonelli

Andy Rodriquez

Joel Dison

ITS Chairs:

Monroe Landrum

Alan Johnson

cc: Michael Desselle, WEQ Board Vice Chair  
Lou Oberski, WEQ Executive Committee Vice Chair