

All,

At the Market Committee's January 14, 2004 meeting, the committee agreed to the following:

E-Tag Enhancement Survey — *The MC reviewed the results of the E-Tag Enhancement Survey and recommended that the Interchange Subcommittee and Transaction Information Systems Working Group work with the NAESB Electronic Scheduling Subcommittee (ESS) to determine feasibility and cost of proceeding with proposed changes to the E-Tag system.*

The Interchange Subcommittee is scheduled to meet on February 2-4 and will continue to work on the survey at that time. Would the ESS provide comments on the coordination effort with the IS, and the most efficient way to continue addressing the survey, for this meeting?

The Market Committee requested that the ESS and IS work on "interchange tools" to address the Coordinate Interchange Standard and Coordinate Interchange business practices:

Reliability Standards — *The MC provided comments on the Coordinate Interchange Standard currently under development. The MC asked the NERC standard drafting team and the NAESB business practice drafting team to consider how NERC Interchange Authority certification would be reconciled with interchange tools that would be required by NAESB business practices and the NAESB Electronic Scheduling Subcommittee.*

Therefore, in conjunction with the item on the E-Tag Survey, will be an agenda item on "tools" as related to:

- Policy 3 - Tagging
- The Coordinate Interchange Standard (tools for reliability)
- Coordinate Interchange business practices Request for Standards (tools for the market)

This discussion should address tools for the interim or transition period (the period of operations under the current Control Area paradigm) and the period for operating under the new reliability standards, envisioned to begin at the end of 2006.

I have attached a letter from Don Benjamin to Rae McQuade that discusses the Registry – entitled "Maintaining the Transmission Service Information Network." This letter demonstrates the cooperation between NERC and NAESB on tools currently being used by the industry. The ESS and IS should discuss, and inform the industry, how E-Tagging will be coordinated and facilitated during the transition to OASIS II and electronic scheduling.

The Operating Committee, during the discussion of the CI Standard and CI business practices, asked, "How would the implementation of NERC and NAESB standards be coordinated?" "How will differences, such as ramping or timing requirements, between

reliability standards and business standards be reconciled?” The Market Committee also discussed items related to NERC – NAESB coordination, including:

NERC / NAESB Coordination — *As an ongoing part of the NERC effort to coordinate with NAESB, the MC dedicated part of its meeting to a review of NAESB activities. NAESB representatives provided the MC with an update of their seams catalog project, which is scheduled for presentation to the Joint Interface Committee (JIC) in February. The MC will be working with the Operating and Planning Committees to provide NERC JIC representatives with a reliability perspective of the 137 items contained in the seams catalog.*

The MC was also provided with a review of the NAESB ESS efforts related to OASIS, OASIS 1A, and OASIS II business practices and technical standards development.

The NAESB Leadership Group will be meeting jointly with the MC during part of the MC’s March 2004 meeting in Nashville.

The Interchange Subcommittee will review and provide input into those items in the NAESB Seams Catalog related to Policy 3, Tagging, and the coordination of interchange.

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