



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

NERC-NAESB-ISO/RTO Council Joint Interface Committee

**July 16, 2004
FRCC Offices
Tampa, Florida**

MINUTES (Draft)

Attendance

NERC Members/Alternates

Linda Campbell, FRCC (Co-Chair)
Mark Fidrych, WAPA
Sam Jones, ERCOT
Glenn Ross, Dominion
Ed Schwerdt, NPCC
Ed Tymofichuk, Manitoba Hydro (by phone)
Gerry Cauley, NERC (Secretary)

IRC Members/Alternates

Karl Tammar, NYISO (Co-Chair)
Bill Limbrick, IMO (by phone)
Ed Riley, CAISO (by phone)
Kent Saatoff, ERCOT (by phone)
John Simonelli, ISO-NE (by phone)
Charles Yeung, SPP
Audrey Zibelmin, PJM

NAESB Members/Alternates

Michael Desselle, AEP (Co-Chair)
John Anderson, ELCON (by phone)
Sydney Berwager, BPA (by phone)
Ed Davis, Entergy (by phone)
Andy Dotterweich, Consumers Energy (by phone)
Alan Johnson, Mirant (by phone)
Mary Ellen Paravalos, National Grid
Tony Reed, OPG (for Barry Green)

Observers/Guests/Staff

Ken Brown, PSE&G (by phone)
James Cargas, NAESB (by phone)
Phil Cox, AEP (by phone)
Joel Dison, Southern Company
Ollie Frazier, Duke Power (by phone)
Khaqan Kahn, IMO (by phone)
Rae McQuade, NAESB
Ed Thompson, Consolidated Edison (by phone)
Bob Williams, FMPA

Membership

Charles Yeung, SPP, moves from NAESB Member to IRC Alternate, replacing Carl Monroe. Ed Riley, California ISO, replaces Ed Detmers as IRC Member.

Quorum

Secretary Cauley determined that a quorum of the JIC was present.

Antitrust

James Cargas of NAESB reviewed the antitrust guidelines.

Minutes

The JIC approved the February 18–19, 2004, meeting minutes and the June 24, 2004, conference call minutes as presented.

Agenda and Meeting Objectives

Michael Desselle reviewed the meeting agenda (**Exhibit A**) and the JIC adopted the agenda as submitted.

NERC Version 0 Standards Report

Gerry Cauley presented an overview of Draft 1 of the NERC Version 0 Reliability Standards. NERC posted 62 proposed reliability standards on July 9, 40 operating standards and 22 planning standards. These draft standards adopt the functional model and reword the requirements into active “shall” statements.

The drafting team assumed that reliability coordinator requirements could be assigned to reliability authorities, as an interim step for Version 0. The drafting team determined it would not be possible to implement the interchange authority function in Version 0 standards, because major changes to the standards would be required. The group struggled somewhat interpreting the term “operating authority” as currently used in the operating policies, but made best judgments assigning appropriate functions and is seeking feedback from industry.

The drafting team also identified some Phase III and Phase IV planning measures that were approved by the Board, but never demonstrated to be practical through field-testing. The drafting team is seeking industry feedback whether those measures should be part of Version 0.

The NERC Drafting Team recommended assignment of business practices in the following areas of the operating policies:

- Policy 1D and Appendix 1D — Time error correction procedures.
- Policy 1F — Inadvertent payback procedures.
- Policy 3 — Parts of Policy 3 addressing tagging procedures and E-Tag specifications.

NAESB Version 0 Standards Report

Joel Dison presented an overview of Draft 1 of the NAESB Version 0 Business Practice Standards. The NAESB Business Practices Subcommittee (BPS) agreed with the NERC Version 0 Drafting Team (DT) in some areas, but identified additional business practices in the operating policies beyond those identified by the DT. In those areas, the BPS is recommending the development of “shadow” business practices, which are identical to the reliability requirements. The purpose of the “shadow” standards is to provide a foundation for development of business practice standards in areas thought to contain significant commercial implications. In some cases, the proposed business practice is a requirement within a standard. In other cases the proposed business practice is an attachment (former appendix or table, etc.) that both teams plan to reference as part of the standard.

In addition to the business practices identified above by the DT, the BPS identified business practice standards in the following areas:

- Policy 1 — ACE equation special cases.
- Policy 5 — Energy emergencies.
- Policy 9 — Portions of TLR procedure for the Eastern Interconnection (9C1, 9C1B, and 9C1C).

Some JIC members expressed concerns with the concept of NAESB developing “shadow” standards:

- Operating personnel having multiple sets of standards on the same topic.
- Difficulty in keeping duplicate standards in sync with future, diverging revisions.
- Difficulty of modifying reliability standards if NAESB files duplicate standards with FERC as business practices.

Assignment of Version 0 Standards Requests

The Version 0 standards project is unusual because it is so broad. Typically, the JIC would review a request for a standard on a more narrowly defined topic and assign development to NERC or NAESB. The Version 0 requests were necessarily broad for both organizations. It was not until standard development began that the specific reliability standards and business practice standards could be identified. Thus the JIC finds itself reviewing a first draft of the standards to make judgments regarding appropriate assignments. It is important, however, that the JIC not evaluate or endorse any particular standard, but focus simply on assigning development.

The group noted that both sets of standards were just posted on July 9 and that the respective postings represented the best effort of the DT and the BPS. Public inputs have not been received on the recommended division of reliability and business practice standards, and neither the NERC nor NAESB committees have had an opportunity to formally consider the recommendations.

John Anderson noted that the JIC was established to minimize duplication, but in the case of Version 0 standards, duplication may be necessary to moving the project forward on schedule. If there is duplication of standards, they should be identical between NERC and NAESB. John recommended the JIC approve the assignment of standards development, including the identified areas of duplication, as posted by NERC and NAESB on July 9.

John Anderson moved to approve the assignment of standards to NERC and NAESB as presented by the respective drafting teams and posted on July 9, 2004, by NERC and NAESB. The motion did not pass.

Recognizing that there was agreement between the DT and BPS on most of the standards, the JIC felt it would be productive to focus attention on the smaller set of proposed standards where more work is needed to reach agreement on how to assign the standards development. The JIC agreed to divide the NERC and NAESB draft Version 0 standards into three groups:

1. Requirements which the NERC DT and the NAESB BPS agree should be reliability standards.
2. Requirements which the NERC DT and the NAESB BPS agree should be business practice standards.
3. Requirements which the NAESB BPS proposes to develop as “shadow” business practice standards.

Michael Desselle moved that the JIC divide the standards requests into the three groups listed above. The JIC assigns the development of requirements in Group 1 above to NERC. The JIC requests that NERC and NAESB bring more specific recommendations for the assignment of proposed standards in Groups 2 and 3 for consideration by the JIC. Gerry Cauley, Phil Cox, and Joel Dison are requested to identify specific items listed in Groups 2 and 3. The JIC requests that NERC and NAESB designate a joint team to collaboratively resolve potential Group 2 and 3 conflicts no later than August 16. The motion was passed without objection.

Group 2 was included in this review, because both NERC and NAESB are seeking public inputs through August 9 on the proposed business practice standards agreed upon by the DT and BPS.

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It was noted that both the NERC and NAESB work plans should continue as scheduled. The approach above does not require or anticipate any project delays. The JIC expects a collaborative effort in bringing back the recommendations on Groups 2 and 3. The principle groups and interests of NERC and NAESB should be represented on the group.

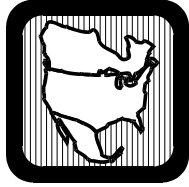
Future Meetings

The JIC agreed to meet on August 16, 2004, at 1 p.m. CDT in Houston to review the proposed recommendations in the Group 2 and Group 3 standards.

The JIC agreed to retain a tentative meeting date of September 21, 2004, to be confirmed at a later date.

Adjourn

There being no further business, the meeting was adjourned.



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NERC-NAESB-ISO/RTO Council Joint Interface Committee Meeting Agenda July 16, 2004 (11 a.m. to 3 p.m. EDT)

Meeting Location

FRCC Offices
1408 N. Westshore Blvd., Suite 1002
Tampa, FL 33607-4512
Phone (813) 289-5644

Conference Line Information

Dial In Number: 888-810-3142
Pass Code: JIC
Conference Leader: Rae McQuade

Agenda

1. Administrative Items

- a. Introductions
- b. Roster and Quorum
- c. Antitrust Guidelines
- d. February 18-19, 2004 Meeting Minutes (**Approve**)
- e. June 24, 2004 Conference Call Minutes (**Approve**)
- f. Meeting Agenda and Objectives

2. Version 0 Standards Proposals

- a. NERC Version 0 Standards
- b. NAESB Version 0 Standards
- c. JIC Consideration of Proposed NERC and NAESB Version 0 Standards

3. Review Other Proposed Standards Actions

- a. Vegetation Management SAR

4. Other Business

- a. Other Business
- b. Future Meetings and Conference Calls

Adjourn