



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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

Home Page: www.naesb.org

via email and posting

TO: NAESB WEQ Market Operations Subcommittee¹ Potential Participants
FROM: Rae McQuade, Executive Director
RE: Wholesale Electric Quadrant Market Operations Subcommittee Kick -Off Meeting Announcement – January 24, 2003
DATE: January 2, 2002

Dear WEQ Interested Parties,

A kick-off meeting for the Market Operations Subcommittee (MOS) has been scheduled for January 24 in Washington D.C., from 10:00 a.m. to 3:00 p.m. eastern, including a working lunch. The meeting will be hosted by Edison Electric Institute at its offices, 701 Pennsylvania Avenue NW, 4th floor, Edison C room. A draft agenda is shown below. Please call the office (713-356-0060) for call-in instructions if you would like to participate but are unable to travel to the meeting. Suggested hotels for those attending the meeting from out of town are posted on the NAESB web site on the page reserved for MOS activities (www.naesb.org/weq_market_operations.html).

Mary Ellen Paravalos of National Grid USA and Lou Oberski of Dominion Energy Marketing, Inc. will preside over the meeting.¹ They will brief those in attendance and on the call on the subcommittee's preliminary work plans, provide for an election of co-chairs, and solicit volunteers and industry interest in the subcommittee's future work. This, as with all NAESB meetings, is an open meeting. Please notify the NAESB Office (naesb@aol.com) by January 12 if you will be attending in person or by phone to ensure adequate meeting planning.

We look forward to your attendance.

DRAFT AGENDA

- 10:00 am E
1. Welcome
 - Antitrust Guidelines
 - Welcome to attendees
 - Review of NAESB Subcommittee structure and Voting
 2. Review of Annual Plan Items Assigned to Market Operations Subcommittee (MOS) (see attached)
 3. Identification of work plan steps for the MOS Annual Plan Items
 4. Set Up of Task Forces to address plan items
 5. Elect Co-Chairs
 6. Calendar of Meetings
 7. Other Business
- 3:00 pm E
8. Adjourn

¹ Mary Ellen Paravalos and Lou Oberski are the point persons responsible for this subcommittee.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 WEQ Annual Plan Modified by the Executive Committee - December 12, 2002

	Item Description	Completion ¹	Assignment
1	Develop business practices standards as needed to complement reliability standards.		
	a) Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications.	2 nd Qtr 2003	Joint Interface Committee (JIC)
	b) Review existing NERC reliability policies and standards for their business practice implications.	2 nd Qtr 2003 Low priority	JIC
	c) Review each of the SARs in light of the NERC/NAESB MOU.	Ongoing High priority	JIC
2	Develop business practices standards for OASIS and Electronic Scheduling		
	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.	4 th Qtr 2003 Medium/High priority ²	Market Standard Subcommittee (MSS)
	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.	4 th Qtr 2003 Ongoing High priority	MSS
3	Develop business practices standards in Support of a Standard Market		
	a) Develop standards and model business practices in accordance with FERC orders and rules issued in the SMD docket (RM01-12-000), or pursuant to Order Nos. 888 or 2000, or otherwise directed by the FERC.	Per FERC Order High priority	MSS
	b) 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.	Ongoing High priority	MSS
4	Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market		
	a) Establish a standardized electric trading day.	See Note 1.	Market Operations

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² The EC determined that this item should carry a medium priority in terms of substance and a high priority in terms of organizational relations.



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		Subcommittee (MOS)
b) Identify and develop business practices on the public dissemination of market information.	See Note 1.	MOS
c) Establish standard business practices relating to:		
i) Definition and treatment of firm/nonfirm power;	See Note 1.	MOS
ii) Definition and treatment of firm/nonfirm transmission;	See Note 1.	MOS
iii) Provision of reserves for transactions across multiple control areas.	See Note 1.	MOS
d) Develop business standards as necessary to resolve seams issues between ISOs and RTOs.	See Note 1.	MOS
e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets.	See Note 1.	MOS
f) Examine business practices and definitions currently in use to determine applicability on a North American basis.	See Note 1.	MOS
g) Catalogue, assess and prioritize existing "standards" that have significant business practice implications.	See Note 1.	MOS
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.	See Note 1.	MOS

5 Develop standardized contracts

a) 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 developing standard short term and long term master-service agreements.	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
b) 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)	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
c) 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	4 th Qtr 2003 High priority for outreach	Contracts Subcommittee
d) A review of the International Swaps and Derivatives Association (ISDA) cross commodity netting agreement	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
e) Identify and develop business practices that would facilitate	3 rd Qtr 2003	Contracts Subcommittee



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	Item Description	Completion¹	Assignment
	transactions between 2 parties when creditworthiness is an issue.	High priority for outreach	
f)	Develop the Funds Transfer Agency Agreement.	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
6	Develop business practices standards for Inadvertent Interchange Payback Practice.	2 nd Qtr 2003 High/Medium priority	MOS
7	Develop business practices standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.	4 th Qtr 2003 ³ High priority	MSS

Notes:

1. The WEQ EC Subcommittee will prioritize these items as appropriate and update the Board.

³ The completion date is dependent upon the issuance date of the generation interconnection orders.