



North American Energy Standards Board

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TO: NAESB Wholesale Electric Quadrant Market Operations Subcommittee, Posting for Interested Industry Participants

FROM: Todd Oncken, NAESB Deputy Director

RE: Draft Minutes from the NAESB Wholesale Electric Quadrant Market Operations Subcommittee Meeting - July 9, 2003

DATE: July 16, 2003

**Wholesale Electric Quadrant
Market Operations Subcommittee
July 9, 2003 (9:00 a.m. - 10:00 a.m. Mountain)
Draft Minutes**

1. Welcome

Mr. Oberski opened the meeting. Mr. Oncken gave the antitrust advice. Participants introduced themselves.

Mr. Oberski reviewed the draft agenda. Mr. Fidrych moved, seconded by Mr. Bissonnette, to adopt the draft agenda without modification. The motion passed unanimously.

Mr. Terelmes moved, seconded by Mr. Reed, to adopt the draft minutes from the May 7, 2003 WEQ Market Operations Subcommittee (MOS) meeting without modification. The motion passed unanimously.

2. Review of Progress Toward Annual Plan Deliverables

Mr. Oberski reviewed the 2003 WEQ Annual Plan Items assigned to the MOS for standards development.

Item 6, Develop business practices standards for Inadvertent Interchange Payback Practice: Mr. Oberski stated the Inadvertent Interchange Payback Task Force (IIPTF) was established in January and is working diligently on developing standards to address inadvertent interchange payback. He noted Mr. Goss and Mr. Terelmes co-chair the IIPTF. He stated the IIPTF has scheduled meetings and conference calls through the end of August. They have developed a standards template and are working towards preparing draft standards.

Item 4a, Establish a standardized electric trading day: Mr. Oberski stated work by the Electric Trading Task Force (ETTF) on item 4a has been suspending pending Executive Committee guidance on scope and other key issues. He noted the Executive Committee has begun discussions to provide the requested guidance.

Item 4b, Identify and develop business practices on the public dissemination of market information: Participants discussed the meaning of item 4b. Discussion revealed a lack of clarity within the MOS on the meaning of the annual plan item. Ms. Rehman said she understood the item to relate to OASIS and other areas with respect to posting of information on generation run status, and noted FERC currently does not require the posting of that information. Mr. Bissonnette stated some reporting issues were discussed in NERC meetings, where it was decided they were business practices. Information on those items can be found in the minutes of the NERC Market Committee meetings. Mr. Oberski stated he would review the meeting transcript from the October 2002 WEQ Executive Committee meeting where the annual plan was developed for discussion surrounding the inclusion of Annual Plan Item 4b. Further, he stated he would report to the Executive Committee at the August meeting that no action has been taken on 2003 WEQ Annual Plan Item 4b.



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Item 4c, Establish standard business practices relating to: i) definition and treatment of firm/nonfirm power; ii) definition and treatment of firm/nonfirm transmission; and, iii) provision of reserves for transactions across multiple control areas: Mr. Oberski stated this annual plan item was assigned to the ETTF as a secondary item. He noted the ETTF has suspended work on this item as well. However, he said Ms. Perlman suggested, at the May 7 MOS meeting, that item 4c was really a seams issue. Accordingly, it was decided the item should be monitored for its possible inclusion in the Seams Matrix being completed by the Seams Task Force.

Item 4d, Develop business standards as necessary to resolve seams issues between ISOs and RTOs: Mr. Oberski stated the MOS formed the Seams Task Force in April to address this item. However, he stated at the June Executive Committee meeting it was decided to reorganize the task force so that it reported directly to the Executive Committee instead of the MOS.

Item 4e, Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets, and Item 4h, Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications: Mr. Oberski stated items 4e and 4h will likely be affected by the ESC/OSC transition plan that is currently being discussed. Mr. Oberski said work on these items is suspended pending the ultimate transition plan and any participation from the ESC/OSC members in the NAESB process for transition items that are worked on by NAESB.

Ms. McQuade reported on a recent workshop given by NERC on PKI. She stated the presentation was very informative and very well received by all attendees. It was noted that NERC intends to propose PKI through other SARs. Possible areas PKI could appear include the permanent SAR being developed to follow up the Urgent Action Cybersecurity Standard, or in a SAR addressing e-tagging.

Item 4f, Examine business practices and definitions currently in use to determine applicability on a North American basis, and Item 4g, Catalogue, assess and prioritize existing "standards" that have significant business practice implications: Mr. Oberski stated the MOS decided in January that these items should be addressed in conjunction with work done on each of the other annual plan items assigned to the MOS. He noted item 4f and 4g are currently underway within each of the MOS task forces.

3. Actions Needed as a Result of the Annual Plan Review

Please see discussion above.

4. Other Business

Participants generally discussed the Annual Plan process and the implications of changes to the existing annual plan. It was noted no changes to the 2003 WEQ Annual Plan were made during this meeting. Regarding development of the 2004 Annual Plan, Mr. Oberski stated those discussions would probably occur at the Executive Committee meetings for the rest of the year.

5. Future Meetings

The MOS will hold its next meeting via conference call in conjunction with the September IIPTF meeting.



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6. Adjourn

Mr. Oberski adjourned the meeting at 9:40 a.m. Mountain.

7. Attendees

Name	Company	In Person/Phone
Victor Bissonnette	Hydro-Quebec Transenergie	In Person
Robert Blohm	Economist	In Person
Regina Carrado	Exelon	Phone
Phil Cox	American Electric Power	In Person
Ed Davis	Entergy	Phone
Mark Fidrych	WAPA	In Person
Larry Goins	Tennessee Valley Authority	In Person
Bob Goss	SEPA	Phone
Howard Illian	Energy Mark	In Person
Alan Johnson	Mirant	In Person
Bill Lohrman	NERC	In Person
Rae McQuade	NAESB Executive Director	In Person/Admin
Sherri Monteith	American Electric Power	In Person
Lou Oberski	Dominion	In Person/Chair
Todd Oncken	NAESB Deputy Director	In Person/Admin
Tony Reed	Southern Company	In Person
Barbara Rehman	Bonneville Power Admin.	Phone
Lisa Robert	Defense Energy Support Center	Phone
Joe Rossignoli	National Grid	In Person
William Smith	Allegheny Power	Phone
Steve Terelmes	Ameren	In Person