



# North American Energy Standards Board

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**via email and posting**

**TO:** NAESB WEQ Standards Review Subcommittee Participants and Interested Parties  
**FROM:** Todd Oncken, Deputy Director  
**RE:** Wholesale Electric Quadrant Standards Review Subcommittee Final Meeting Minutes  
– February 25, 2004  
**DATE:** March 23, 2004

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**NORTH AMERICAN ENERGY STANDARDS BOARD  
WEQ STANDARDS REVIEW SUBCOMMITTEE MEETING  
February 25, 2004, 9:30 a.m. to 3:00 p.m. Central  
Houston, TX hosted by NAESB**

**1. Welcome**

Mr. Yeung called the meeting to order and welcomed meeting participants. Mr. Oncken gave the antitrust advice. The agenda was reviewed and adopted by consent. The minutes of the January 8, 2004 Standards Review Subcommittee (SRS) were reviewed and minor modifications were offered. The minutes were adopted by consent as modified.

**2. Report on the Joint Interface Committee Meeting and the Seams Catalog**

Mr. Yeung reviewed the February 18-19, 2004 Joint Interface Committee (JIC) meeting where the Seams Catalog was discussed. Mr. Yeung explained that each JIC counterparty prepared recommendations for the responsible organization for each of the seams issues. He stated the JIC adopted the responsible organization recommendation in cases where all three organizations agreed and reclassified the responsible organization as 'undetermined' for the 37 items where there was not agreement. Mr. Yeung stated it was decided at the February WEQ Executive Committee meeting that the Seams Subcommittee should work on evaluating the 37 undetermined issues and draft requests where appropriate. It was noted that each issue that NAESB or NERC addresses will be presented to the JIC again as an individual standards request or SAR. Mr. Yeung said references to the seams catalog should be included in individual standards requests and scoping documents where appropriate.

Mr. Yeung agreed to evaluate the Seams Catalog for current NAESB standards development efforts for presentation at the next SRS meeting.

**3. Report on Operate Within Limits Business Practices Task Force**

The SRS worked on a scoping document for the OWL BP. NERC Appendix 9(c)(1), which describes the TLR congestion management process, was reviewed and discussed. The group was undecided on whether a short term solution (adopting NERC Appendix 9(c)(1) as written) or long term solution (developing an alternative market-based solution) was appropriate. Mr. Yeung suggested the long term solution would be more appropriate, since the Business Practices Subcommittee was charged with transforming the business aspects of the current NERC Policies into NAESB standards.

During the discussion of Appendix 9(c)(1), it was noted that the TLR procedure only addresses the procedures for unloading a facility, not how the facility got overloaded or how to maintain the integrity of the facility. Additionally, whether the appendix was applicable to only the interconnection or could be used for local situations was discussed. Mr. Davis commented



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that facilities could be overloaded because of local load-serving transactions, interconnection transactions, or a combination of the two. It was noted that while a TLR could theoretically be used for local situations, it was designed for the interconnection relief. Further, participants highlighted that the Eastern and Western Interconnections use different congestion management procedures.

In a brainstorming session, the following aspects of a market-based solution were identified:

- Nodal pricing could provide a solution.
- The possibility of a participant paying a surcharge to ensure their power would flow.
- Congestion status should be available to market participants on a real-time basis. It was noted that EPRI and NERC have worked on a potential solution. A possible solution could be accommodated through OASIS Phase II.
- A table such as the one on page 17 of Appendix 9(c)(1) should be included.
- A summary of congestion management levels should be included. It would be a timeline from notification to market alleviation of the problem and restoration of the system.
- Any national standard would have to accommodate regional differences.

It was noted that a NERC SAR relating to System Operating Limits would soon be released. The SRS will monitor this issue because the details of the proposed new SAR could highlight a distinction that would impact the OWL BP scope.

#### **4. Update on Coordinate Operations Business Practices (COBP) Task Force**

Mr. Yeung reminded participants that the work of the Coordinate Operations Business Practices (COBP) Task Force was put on hold until version 1 of the NERC Coordinate Operations Standard was complete. Mr. McCoy reported on the NERC Coordinate Operations Standard, reviewing each section of the draft standard. Mr. McCoy explained the standard was written for Reliability Authority (RA) to RA communications. He noted the NERC SAC was informed about the obvious void regarding other forms of communication, particularly with data inputs from external entities.

The SRS discussed what, if any, business impacts were created by this standard for RA to RA communication. It was noted that since this was a new standard and not an existing operating policy, it is hard to assess the market impacts and whether a market solution could be interjected into the process. The findings of the SRS regarding the COBP will be reported to the Executive Committee. The report will include a summary of the NERC standard, the SRS's evaluation of the NERC standard, and a statement that it is difficult to assess the market impacts and if a complementary business practice standard is needed.

#### **5. Continued Monitoring of previously reviewed NERC SARs and/or standards under development**

This item was not discussed.

#### **6. New Business**

The next SRS meeting was scheduled for March 31, 2004 at the NAESB Offices in Houston, TX. Additionally, a conference call was scheduled for May 5, 2004 from 10:00 a.m. to 11:00 a.m. Central.



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A chief agenda item for the next meeting is preparing the OWL-BP scoping document for the May Executive Committee meeting.

### 7. Adjourn

The meeting adjourned at 2:35 p.m. Central.

### 8. Meeting Attendees

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<b>Name</b>	<b>Company</b>	<b>Notes</b>
Ed Davis	Entergy	Phone
Ollie Frazier	Duke Energy	Phone
Barry Green	OPG	Phone
Alan Johnson	Mirant	In Person
Bill Lohrman	NERC	Phone
Steve McCoy	CAISO	In Person
Todd Oncken	NAESB	In Person
Raj Rana	AEP	In Person
Barbara Rehman	BPA	Phone
Michael Tartibi	Exelon	Phone
Steve Terelmes	Ameren	In Person
Charles Yeung	Reliant Energy	In Person