



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 Meeting Minutes – July 10, 2003
DATE: July 17, 2003

**NORTH AMERICAN ENERGY STANDARDS BOARD
WEQ STANDARDS REVIEW SUBCOMMITTEE MEETING
July 10, 2003, 8:00 a.m. to 2:00 p.m. Mountain**

1. Welcome

Mr. Yeung called the meeting to order and welcomed meeting participants. Mr. Oncken gave the antitrust advice. Participants introduced themselves. Mr. Yeung reviewed the agenda. He noted a key goal of the meeting was to define the process to begin development of standards. The agenda was adopted by consent.

Mr. Johnson moved, seconded by Mr. Fidrych, to adopt the minutes of the May 8, 2003 WEQ Standards Review Subcommittee (SRS) as drafted. The motion passed unanimously.

2. Segment Representatives for Core Membership Roster for the SRS

Mr. Yeung stated he would like to see representation from each of the segments on the SRS. To that end, he suggested participants volunteer to be 'core' members of the SRS. A 'core' member would be defined as an individual willing to attend most of the SRS meetings, either by phone or in person, and supply comments and work papers, as applicable. Mr. Yeung stated core membership would evidence a segment's commitment to participate in the SRS process. Participants discussed the concept of 'core' SRS membership. It was noted core members would not vote on behalf of the other members in their segment, but instead would offer that segment's opinions and positions on the issues. It was emphasized that while core members are defined, it would in no way preclude any interested party for attending any meeting and fully participating. Mr. Johnson added that as the work of the SRS develops, interest and participation in the subcommittee should increase. It was also noted the SRS reports to the Executive Committee, and the Executive Committee's membership is balanced across the segments and sub-segments.

Mr. Griffith noted that standards setting subcommittees of the Wholesale Gas Quadrant have never had core members. Instead, he said a roster of participants was based on the usual attendees of the meetings. Mr. Yeung agreed that was an historical approach, but said he was trying to ascertain those individuals who would actually participate on a regular basis in the work of the subcommittee. It was agreed meeting attendees would specify on the sign-in sheet if they wanted to be considered 'core' members. The following 'core' members were identified on the sign in sheet:



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Name	Organization	Segment	Sub-segment
Alan Johnson	Mirant	Marketer/Broker	Non-IOU
Barry Green	Ontario Power Generation	Generator	Merchant
Roman Carter	Southern Company	Generator	IOU
Mark Fidrych	WAPA	Transmission	Not Provided
Jeff Mueller	PSEG	Transmission	IOU

3. Coordination with NERC

Mr. Yeung stated the role of the SRS has been mentioned in connection with NERC's standards development activities that have market implications. He said since the SRS has been tasked by the Executive Committee with reviewing the NERC SARs for business implications, the SRS is a natural coordination point for work with the NERC standards drafting teams. He noted representatives from NERC, NAESB and the ISO/RTO Council (IRC) are meeting to develop mechanisms for coordination of efforts beyond the JIC, including coordination of the organizations' annual plans.

Mr. Tammar, the IRC's representative on the coordination team, provided a synopsis of coordination efforts. He stated the group has discussed coordination on a high level, with discussion focusing on the mechanics and administration of the daily process of each organization. Mr. Tammar said a core issue is how NERC and NAESB move forward to develop complementary standards and remain aware of each other's activities. He stated the Joint Interface Committee (JIC) process is beginning to work, as evidenced by the recognition of the need for the development of complementary business standards to the Coordinate Interchange SAR and Coordinate Operations SAR.

Mr. Benjamin, NERC's representative on the coordination team, stated the coordination group is also looking at ways NERC and NAESB can coordinate at the conceptual level before NERC SARs are developed. He suggested the need for complementary business standards should be identified and pursued prior to the SAR's presentation at the JIC, perhaps even before the public comment period. Mr. Benjamin noted the NERC Market Committee is being discussed as a possible vehicle for that coordination. Mr. Lohrman added the topic of coordination among the organizations will be discussed at the July NERC Market Committee.

Mr. Green noted the lack of discussion regarding the coordination, if any, which would occur after the JIC meeting. He found coordination at that stage significant. Mr. Benjamin agreed that coordination should occur during standards development, and the NERC standards drafting teams and NAESB task groups should be working in concert. Mr. Yeung suggested the JIC should play a role in that coordination. Additionally, Mr. Yeung stated complementary standards would ideally be developed on the same timeline.

Mr. Fidrych stated it is important to remember NERC, NAESB, and the IRC are in a transition phase and trying to develop appropriate roles. He noted the JIC has not had the opportunity to evaluate the organizations' annual plans, one of its mandates. He suggested completion of that review would shed light on the coordination process. He also noted the JIC decided each of the counterparties would have certain administrative responsibilities. For example, NERC hosts the JIC's web page and provides the group's secretary, while NAESB provides the transcriptionist and conference calling capability for each of the JIC meetings.

Mr. Fidrych stated the coordination group might develop procedures and practices for coordination between NERC, NAESB and the IRC. However, he said the real coordination will occur when participants from the organizations begin to work within the process of the other



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organizations. It was noted this coordination would highlight process and deadline issues for the complementary standards. Ms. McQuade noted cross-participation was a cornerstone of the NERC/NAESB/IRC Memorandum of Understanding (MOU).

Mr. Benjamin stated it is critical for NAESB to establish the task groups to develop the complementary standards for the Coordinate Operations SAR and Coordinate Interchange SAR. He noted the interplay between the operations and business side as the NERC standards drafting team begins its work. He suggested the NAESB and NERC task groups meet together, or hold joint conference calls, to resolve common issues. He noted the NERC standards drafting teams have named members and suggested the NAESB task groups have identified members as well. He suggested this parity would provide both groups with the assurance that issues are being worked on and forums for discussion exist.

Mr. DiCaprio stated concern that small groups of individuals will be making decisions in the standards development process. Specifically, he expressed concern about the coordination prior to the JIC meetings by groups not necessarily representative of the JIC membership. He suggested business concerns on NERC SARs could be raised during the NERC comment period. Mr. Yeung noted this viewpoint is shared by several JIC members.

The finding of the coordination group will be reported to the JIC at its next meeting. However, Mr. Benjamin encouraged joint work between NERC standards drafting teams and NAESB task groups prior resolution of the coordination issue. He stated coordination, such as standing agenda items and reports on the other organization's activities, would not be in conflict with the final report.

4. Discussion of Initial Review Documents

Coordinate Operations SAR: Mr. Yeung reviewed the SRS initial review document for the Coordinate Operations SAR. He noted the purpose of the initial review document was to analyze a SAR's potential commercial impacts. He stated the JIC recognized the need for complementary business standards to the Coordinate Operations SAR at its June 2 meeting. He noted the review document does not reflect the JIC's determination. No other concerns or comments were offered.

Mr. Yeung solicited a NAESB member who also sits on the NERC Coordinate Operations standards drafting team to update the initial review document, make the NERC drafting team aware of the commercial concerns embodied in the document, and present the updated document at future SRS meetings, as appropriate. Mr. Saini volunteered to maintain the document.

Coordinate Interchange SAR: Mr. Yeung reviewed the SRS initial review document for the Coordinate Interchange SAR. He noted it functions as a reference document as NERC and NAESB standards development progresses. Mr. Yeung is currently maintaining the document, but he would be interested in assigning maintenance of the document to another SRS participant. Mr. Oatts, chair of the NERC Coordinate Interchange drafting team, suggested the SRS initial review document could be used in the coordination effort.

5. Formation of Task Groups for development of NAESB Standards Requests

At the June 2, 2003 JIC meeting, a resolution was passed directing NAESB to explore the need for and develop complementary business standards for the Coordinate Interchange SAR and Coordinate Operations SAR. It was noted the NERC SARs were written focused on reliability needs, but the predecessor NERC Policies have imbedded business implications. Mr. Yeung stated discussions at the JIC meeting made it clear those business implications would not be addressed by the new reliability standards.



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To that end, Mr. Yeung stated NAESB has developed two draft standards requests, R03013 and R03014, which were provided as work papers for this meeting. Ms. McQuade reviewed the NAESB process for standards development. She noted WEQ standards requests will be sent to the JIC after they have been through the NAESB Triage process and then further developed within the quadrant. Additionally, it was noted the process for a request assigned to both the WEQ and another NAESB quadrant has not been finalized. Mr. Yeung summarized the initial charge of the task groups would be to develop a more complete standards requests which could be submitted to the JIC for ultimate assignment to NAESB for standards development, if appropriate.

Coordinate Interchange Business Practices (CIBP) Task Force: Mr. Yeung reviewed NAESB Standards Request R03013, the draft standards request for Coordinate Interchange Business Practices. Mr. Yeung asked if the document should be posted for a comment period prior to its submission to the JIC. It was agreed that since no comments have been filed on the request, an additional comment period would not be necessary. Minor modifications were made to Request R03013, including grammatical changes, the addition of a title, and the inclusion of the SRS discussion paper as an additional resource.

Mr. Yeung stated the next step would be to establish a task force to begin the standards development process. He noted it would be permissible for the task force to begin work prior to JIC approval and Executive Committee assignment. Ms. McQuade concurred and noted that if the Executive Committee determined the task should be addressed outside of the SRS, the task force could be reassigned. It was noted the MOS Seams Task Force was reassigned at the last Executive Committee meeting.

For a discussion of the commercial needs of the NAESB Coordinate Interchange Business Standard(s), concerns to be addressed by the NAESB CIBP Task Force, and suggested direction from the SRS to the CIBP Task Force, please see Attachment 1. Mr. Yeung suggested the attached document would provide a starting point for CIBP Task Force work.

Initial members of the CIBP Task Force included:

Name	Organization	Segment	Sub-segment
Alan Johnson	Mirant	Marketer/Broker	Non-IOU
Barry Green	Ontario Power Generation	Generator	Merchant
Roman Carter	Southern Company	Generator	IOU
Victor Bissonnette	Hydro-Quebec Transenergie	Transmission	Fed/State/Prov
Narinder Saini	Entergy	Not Provided	Not Provided

Coordinate Operations Business Practices (COBP) Task Force: Mr. Yeung reviewed NAESB Standards Request R03014, the draft standards request for Coordinate Operations Business Practices. Participants extensively discussed whether curtailment procedures should be included in the NAESB complementary standard. Draft Request R03014 was revised to add a title and remove references to curtailment procedures.

Discussion revealed that timing issues are a large concern. It was noted NERC appears to be deferring standardization of timing to NAESB for standardization. Mr. Cox expressed concern that commercial timing requirements might be different than reliability timing requirements. Mr. Fidrych stated NERC has faced timing issues for many years. It was suggested NAESB and NERC work closely together on timing to figure out the minimum timing requirements. It was also noted the timing requirements developed in the CIBP Task Force should also be coordinated.



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For a discussion of the commercial needs of the NAESB Coordinate Operations Business Standard(s), please see Attachment 2. Mr. Yeung suggested the attached document would provide a starting point for COBP Task Force work.

Initial members of the COBP Task Force included:

Name	Organization	Segment	Sub-segment
Victor Bissonnette	Hydro-Quebec Transenergie	Transmission	Fed/State/Prov
Narinder Saini	Entergy	Not Provided	Not Provided

Mr. Johnson moved, seconded by Mr. Bissonnette, to draft a new NAESB Standards Request to address curtailment procedures as a complement to NERC's Operate Within Limits Standard (NERC Standard 200, Section 204, Actions). The motion passed unanimously.

6. Review of ESC/OSC Transition Plan

Participants discussed the ESC/OSC Transition document. Mr. Hartwell explained the end determination on the transition from ESC/OSC to other organization's standards development organizations is undecided. Mr. Yeung stated NAESB leadership will evaluate ESC/OSC issues referred to NAESB, and likely assign them to the Executive Committee for standards development, where appropriate. Ms. McQuade agreed ESC/OSC task assignment is an open issue, but said it would likely tie closely with the NERC/NAESB/IRC Memorandum of Understanding counterparty coordination. She noted the NAESB and NERC response to the transition plan have many similarities.

7. New standards for review

Mr. Yeung encouraged meeting participants to submit a whitepaper or request to initiate discussion on any of the NERC SARs. He noted the subcommittee has not received any requests, but requests should be forwarded to the NAESB Office (naesb@aol.com).

8. Future Meetings

The next SRS meeting is scheduled for September 10 in Montreal.

9. Adjourn

The SRS meeting adjourned at 1:30 p.m. Mountain.

10. Meeting Attendees:

Name	Company	Notes
Don Benjamin	NERC	Phone
Victor Bissonnette	Hydro-Quebec Transenergie	In Person
Shannon Black	SMUD	Phone
Robert Blohm	Economist	In Person
Roman Carter	Southern Company	In Person
Phil Cox	American Electric Power	In Person
Ed Davis	Entergy	Phone
Al DiCaprio	PJM	Phone
Mark Fidrych	WAPA	In Person
Brett Fisher	WAPA	In Person
Ollie Frazier	Duke Energy	Phone
Terri Grabiak	Allegheny Power	Phone
Barry Green	Ontario Power Generation	In Person



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Bill Griffith	El Paso Western Pipelines	In Person
Jim Hartwell	NPCC	In Person
Ryan Hoshier	El Paso Natural Gas	In Person
Howard Illian	Energy Mark	In Person
Alan Johnson	Mirant	In Person
Barb Kedrowski	WE Energies	Phone
Monroe Landrum	Southern Company	Phone
Bill Lohrman	NERC	In Person
Rae McQuade	NAESB Executive Director	In Person/Admin
Sharon Miller	Xcel Energy	Phone
Sherri Monteith	American Electric Power	In Person
Jeff Mueller	PSEG	In Person
Michael Oatts	Southern Company	Phone
Todd Oncken	NAESB Deputy Director	In Person/Admin
Raj Rana	American Electric Power	In Person/Co-chair
Barbara Rehman	Bonneville Power Administration	Phone
Lisa Robert	Defense Energy Support Center	Phone
Narinder Saini	Entergy	Phone
John Simonelli	ISO New England	Phone
Glenn Spurlock	Seminole Electric Coop.	Phone
William Smith	Allegheny Power	Phone
Karl Tammar	NYISO	In Person
Charles Yeung	Reliant Energy	In Person/Co-chair