

**Initial Standard Review and Analysis Report**  
**For**  
**NERC Operate Within Interconnection Reliability Operating Limits**

**NAESB WEQ Executive Committee**  
**Standards Review Subcommittee**  
**September 9, 2003**

The initial Standard Review and Analysis Report provides information for the NAESB Wholesale Electric Quadrant (WEQ) to make informed decisions on the disposition of a proposed standard that impacts the wholesale electric industry. The Standards Review Subcommittee provides this Report as an initial review of a proposed Standard that may impact current or future NAESB Wholesale Electric Quadrant standards. This Report contains no recommendations to develop or propose a NAESB Standard. A White Paper may be developed to propose a NAESB standard if the WEQ finds it necessary.

This **Initial Standard Review and Analysis Report** reviews the following standards:

Proposing Organization(s): North American Electric Reliability Council

Proposed Standard(s) and date:

- 200 – Operate Within Interconnection Reliability Operating Limits, July 1, 2003
- 201 - Interconnection Reliability Operating Limit Identification, July 1, 2003
- 202 – Monitoring, July 1, 2003
- 203 – Analyses and Assessments, July 1, 2003
- 204 –Actions, July 1, 2003
- 205 – Data Specification & Collection, July 1, 2003
- 206 – Data Provision, July 1, 2003
- 207 – Action Plan, July 1, 2003
- 208 – Reliability Authority Directives, July 1, 2003

*Description and Background*

NERC Reliability standards will prevent instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the bulk transmission system.

This standard will address the following areas:

- Identification of system operating limits.
- Monitoring of the system for operating limits.
- Analyze and assess system conditions based on monitored system limits.
- Specify data and collection needed for monitoring system limits.
- Action plan utilized by operators to maintain operations within system limits.
- Requirements apply to entities performing various electric system functions, as defined in the NERC Functional Model.

*Potential business practice standards and related impacts*

- Practices for management of transaction curtailment including:
  - Timing
  - Priority
  - Magnitude
  - Duration
- Practices for management of reloading resulting from curtailments including:
  - Timing
  - Priority
  - Magnitude
- Practices for reloading processes including:
  - Types of methodologies used
  - Informing parties of the reloads and the methodologies used
  - Affected Parties communicating their agreement on the reloads.
  - Reloading
- Others????

The proposed standard impacts the following NAESB activities/standards:

- Coordinate Interchange Business Practices
- Coordinate Operations Business Practices

The proposed standard raises the following possible business practice concerns:

NERC requires that the operators of the bulk transmission system have in place procedures to effectively manage transactions in the event of overload on the system. These procedures may impact tariff service priorities and affect commercial market transactions that transpire both within and between markets.

Terminology will be developed by the NAESB and NERC drafting teams. Within the Wholesale Electric Quadrant of NAESB, the NAESB drafting teams will use similar definitions where the definitions are applicable. Where NERC definitions are applicable, NAESB will use them.

Developing business practices for curtailment processes may entail that all transactions are tagged.

QUESTIONS FOR NERC DRAFTING TEAMS:

1. Will the NERC OWL drafting team prepare standards for the development and communication of the list of facilities that are subject to the interconnection reliability operational limits?
2. Will the NERC OWL team develop standards for the notification of curtailments?
3. Similarly, will the NERC OWL drafting team develop standards for the notification of reloading?