



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 Conference Call Minutes – October 21, 2003

DATE: October 22, 2003

**NORTH AMERICAN ENERGY STANDARDS BOARD
WEQ STANDARDS REVIEW SUBCOMMITTEE MEETING
October 21, 2003, 1:00 p.m. to 3:00 p.m. Central**

1. Welcome

Mr. Yeung welcomed participants and called the meeting to order. Mr. Oncken gave the antitrust advice. Mr. Yeung reviewed the agenda and the agenda was adopted by consent. The minutes from the September 29, 2003 conference call were adopted by consent without modification.

Mr. Yeung noted the Standards Review Subcommittee (SRS) web page has been reorganized to provide easier access to standards related documents.

2. Update of WEQ Subcommittee Restructuring

Mr. Yeung provided a brief update on the WEQ subcommittee structure as modified during the October Executive Committee meeting. A diagram depicting the new structure can be found on the NAESB web site as an attachment to the October Executive Committee minutes (http://www.naesb.org/pdf/weq_ec100703a2.pdf). He noted the Contracts Subcommittee, Market Standards Subcommittee, and Market Operations Subcommittee are now inactive. Mr. Yeung stated the subcommittee reorganization will not directly affect the SRS task force structure at this time. Further, he said he would review the SRS mission statement for changes needed due to the change in structure.

3. Review Comments submitted on Initial Review Document for NERC's Balance Resources and Demand Standard

No written comments were submitted on the Initial Review Document for NERC's Balance Resources and Demand Standard. Mr. Yeung opened general discussion of the initial review document. Mr. Dotterweich stated a companion NAESB standard was not needed, and if there were inconsequential business practices implications from the NERC standard, they could be handled through the NERC process. It was noted the most likely business practice concern related to this NERC standard was NAESB's work on inadvertent interchange payback through the Inadvertent Interchange Payback Task Force (IIPTF). Participants discussed the IIPTF's work and the link to the new NERC standard. Mr. Terelmes stated he has reviewed the NERC standard for that interconnect, keeping in mind the concerns raised during the last conference call regarding double penalty. At a minimum he suggested the IIPTF and NERC Standard 300 drafting team coordinate to assure a double penalty scenario is not created. No additional business implications were stated.



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4. Review Comments submitted on Initial Review Document for NERC's Facility Ratings and Operating Limits Standard

Comments were submitted by Conectiv and CenterPoint Energy. Mr. Yeung reviewed the Conectiv comments. Mr. Yeung stated the Conectiv comments question whether a NAESB standard should relate to the publication of the method of determining the ratings. Participants discussed the issue at length. It was suggested this approach would provide transparency for the determination methods. Questions were raised about the method and audience of the publication. There was not agreement that NAESB action on this standard would be appropriate. It was agreed that it would be appropriate for the SRS to ask the NERC Markets Committee for assistance in identifying areas where NAESB business practice development would be warranted regarding NERC's Facility Ratings and Operating Limits Standard. Particular areas of interest included: what data will be disclosed by the NERC standard, including format; and whether disclosure of assumptions and methods will be addressed in the NERC standard.

Mr. French reviewed the comments submitted by CenterPoint Energy. Mr. French clarified that they did not oppose making the criteria public in certain instances, but did oppose specific criteria for facilities rating.

Mr. Paul Johnson, chair of the NERC drafting team for this standard, will be invited to participate in the November 5 SRS meeting to discuss the NERC draft standard.

5. Vote on drafting a Request for NAESB Standard on Balance Resources and Demand Business Practice

Mr. Dotterweich moved, seconded by Ms. Rehman, that the Standards Review Subcommittee has reviewed NERC Standard 300, Balance Resources and Demand, and finds no NAESB companion standard is needed at this time. Participants discussed the motion and concern was expressed that the motion was premature. Mr. Dotterweich noted the motion would not preclude any party from bringing forth a request in the future. It was agreed that it would be appropriate for the SRS to ask the NERC Markets Committee for assistance in identifying areas where NAESB business practice development would be warranted regarding NERC Standard 300. The motion passed unanimously with Mr. Terelmes, Mr. Williams, Ms. Kedrowski and Ms. Barton abstaining.

6. Vote on drafting a Request for NAESB Standard on Determine Facility Ratings Business Practice

Mr. Dotterweich moved, seconded by Mr. Spurlock, to table the determination on whether a NAESB Standards Request as a companion for NERC's Determine Facility Ratings Standard should be drafted pending a report from Mr. Rana or Mr. Dayney regarding open issues at a future SRS meeting. This motion reflected the general understanding that the SRS does not have enough information on the NERC standard to make a determination on the need or content of a companion NAESB standard. The motion passed unanimously.

7. Report on Operate Within Limits Business Practices Task Force

Mr. Rana reported on the Operate Within Limits Business Practices (OWL-BP) Task Force. Mr. Rana stated he is currently assessing the status of the NERC's Operate Within Limits Standard. It was noted the NERC standard has gone through several rounds of comments, with the most recent comments, due August 29, being incorporated into the draft standard by the drafting team. A subsequent meeting of the NERC drafting team has not been scheduled. Mr. Rana proposed to present an action plan for the task force during the November 5, 2003



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SRS meeting. Mr. Rana invited increased participation in the in the task force, noting that himself, Mr. Carter and Ms. Rehman are the current task force members.

Discussion revealed some concern for the synchronization (timing) efforts between NERC and NAESB standards drafting efforts. This was noted as an open item for potential referral to the JIC or NERC Transition Team.

8. Adjourn

The SRS meeting adjourned at 2:45 p.m. Central.

9. Meeting Attendees:

Name	Company	Notes
Ken Bachor	Seminole Electric	
Lisa Barton	Northeast Utilities	
Matt Bordelon	Cleco Power	
Ken Brown	Public Service Enterprise Group	
Roman Carter	Southern Company	
Ed Davis	Entergy	
Steve Dayney	Xcel Energy	
Andrew Dotterweich	Consumers Energy	
Henry French	CenterPoint Energy	
Robert Harshbarger	Puget Sound Energy	
Barb Kedrowski	WE Energies	
Ira Kendrick	Consumers Energy	
Todd Oncken	NAESB Deputy Director	Admin
Marjorie Pearlman	Energy East Management Corp.	
Raj Rana	AEP	Co-chair
Barbara Rehman	Bonneville Power Admin.	
Glenn Spurlock	Seminole Electric	
Lisa Szot	CAISO	
Karl Tammar	NYISO	
Michael Tartibi	Exelon Energy	
Steve Terelmes	Ameren	
Paul Turner	GSOC	
Charles Yeung	Reliant	Co-chair