

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials**  
**February 21-23, 2006**

---

***Wholesale Electric Quadrant***

***TAB 6***

***2006 Annual Plan for WEQ***

- The 2006 plan as approved by the Board of Directors at its December 2005 meeting is included. Should the WEQ EC determine that changes are to be made to the plan as a result of the subcommittee updates; a motion to approve the changes for forwarding to the Board for approval would be required. The motion would require a simple majority to pass.
- The materials in Tab 6 correspond to agenda item 4 for the WEQ EC agenda.



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

## NORTH AMERICAN ENERGY STANDARDS BOARD

### 2006 WEQ Annual Plan

Approved by the Board of Directors – 12-13-05

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<b>1 Develop business practices standards as needed to complement reliability standards</b>		
Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		
a) Make version 1 changes to business practices as requested. i) Make changes to business practices as related to inclusion of functional model entities as NERC undertakes the same efforts	Ongoing As requested	BPS BPS
ii) Review the NAESB WEQ “Version 0” business practice standards and remove any references to ERCOT (R05007)	1 <sup>st</sup> Q, 2006	BPS
b) Develop business practices to support Coordinate Interchange – update already adopted version 1 to reflect version 1 NERC CI (R03013, R05001, R05020)	3rd Q, 2006	BPS
c) Develop business practice standards to support Operate Within Limits (R03017)	2006	BPS
d) Develop business practices to support the reliability components of TLR		
i) Version 0 Split of TLR business practices from reliability components	1 <sup>st</sup> Q, 2006	BPS
ii) Continuous support of TLR Procedure in alignment with NERC efforts including version 1 development	Ongoing	BPS
f) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC).	2006	BPS
g) Develop jointly with NERC a Joint NERC/NAESB Operating training manual.	2006	BPS

### 2 Develop business practice standards for Version 1 to support ATC calculations

Develop version 1 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols for coordination between neighboring transmission providers and/or amendments to existing TLR procedures.

Pending BPS

*Note: Awaiting revised clarified Request R05004 from NERC – to develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM.*

### 3 Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling

a) Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

## NORTH AMERICAN ENERGY STANDARDS BOARD

### 2006 WEQ Annual Plan

Approved by the Board of Directors – 12-13-05

	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
	address include:		
i)	Business Practices for the resale or reassignment of transmission service (R04006D)	1 <sup>st</sup> Q, 2006	ESS/ITS
ii)	Implementation of "release" mechanism in the OASIS S&CP to complement non-firm redirects (R04006C1)	1 <sup>st</sup> Q, 2006	ESS/ITS
iii)	Network Services: determine if business practice standards or other support is needed to support use of OASIS for Network Service transactions (R04006E).	3 <sup>rd</sup> Q, 2006	JISWG
iv)	Registry: determine if business practice standards are needed to support the registry functions currently supported by NERC (R04037).	2 <sup>nd</sup> Q, 2006	JISWG
v)	Adoption/maintenance of ESC use cases (R04007)	1 <sup>st</sup> Q, 2006	ESS/ITS
vi)	Adoption/maintenance of Functional Requirements Document (R04007)	1 <sup>st</sup> Q, 2006	ESS/ITS
vii)	e-Tag enhancements (including e-Tag specification changes) (R05018)	2 <sup>nd</sup> Q, 2006	ESS/ITS
viii)	Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff (R05019)	3 <sup>rd</sup> Q, 2006	ESS/ITS
ix)	Incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026)	TBD	Not Assigned
b)	Develop and/or maintain standard communication protocols and cyber-security business practices as needed		
i)	Develop companion business practices to NERC's Cyber Standard (CIP002-009), and specifically review section 1303-Personnel & Training to determine if business practices are needed.	3 <sup>rd</sup> Q, 2006	ESS/ITS
ii)	Partner with the Department of Energy to perform a surety assessment on NAESB technical standards and respond to the surety assessment findings and recommendations.	4 <sup>th</sup> Q, 2006	EC Officers
iii)	PKI Initiative (e-MARC) (R03007)	1 <sup>st</sup> Q, 2006	JISWG
c)	Develop business practices as needed for clarification of definitions and terminology in the Standards of Conduct <sup>3</sup>	1 <sup>st</sup> Q, 2006	BPS
d)	Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.	4 <sup>th</sup> Q, 2006	Not Assigned

### PROVISIONAL ITEMS

- 1 Develop business practice standards as requested by the regional and state advisory groups.
- 2 Using the NERC Interconnected Operations Services reference document ([March 2002, version 1.1](#)) as a guide and starting



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

### NORTH AMERICAN ENERGY STANDARDS BOARD

#### 2006 WEQ Annual Plan

Approved by the Board of Directors – 12-13-05

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
point, develop business practices as necessary for ancillary services and/or interconnected operating services transactions.		
3 Develop and or modify business practices related to OATT reform resulting from the <u>Notice of Inquiry, Docket No. RM05-25-000</u> , FERC Notice Requesting Comments, "Preventing Undue Discrimination and Preference in Transmission Services", issued September 16, 2005.		
4 Evaluate the entries on the <u>seams catalog</u> , determine the need for business practice standards and draft the standards requests to develop business practice standards to complement or assist specific seams mitigation efforts as noted in the seams catalog.		
5 Develop business practice standards according to approved and assigned standards requests that complement or assist specific seams mitigation efforts as noted in the <u>seams catalog</u> .		
6 Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. <u>AD05-17-000</u> , issued by the FERC on October 13, 2005.		
7 Upon the issuance of the final order by FERC, develop and or modify business practices as requested by FERC related to OASIS or Version 0 business practices as <u>filed by NAESB with the FERC on January 18, 2005</u> , in Docket No. RM05-5-000. The FERC Notice of Proposed Rulemaking, <u>RM05-5-000</u> , "Standards for Business Practices and Communication Protocols for Public Utilities," was issued May 9, 2005.		
8 Develop and/or maintain business practice standards to support gas-electric interdependencies		
<ul style="list-style-type: none"> <li>• Respond to requests as received that are related to Docket No. RM05-28-000.</li> <li>• Respond directives related to the conclusions of the NAESB reports submitted in Docket No. RM05-28-000.</li> <li>• Evaluate and develop business practice standards for Energy Day (R04016).</li> <li>• Evaluate and develop business practice standards for electric scheduling timelines (R04020).</li> </ul>		

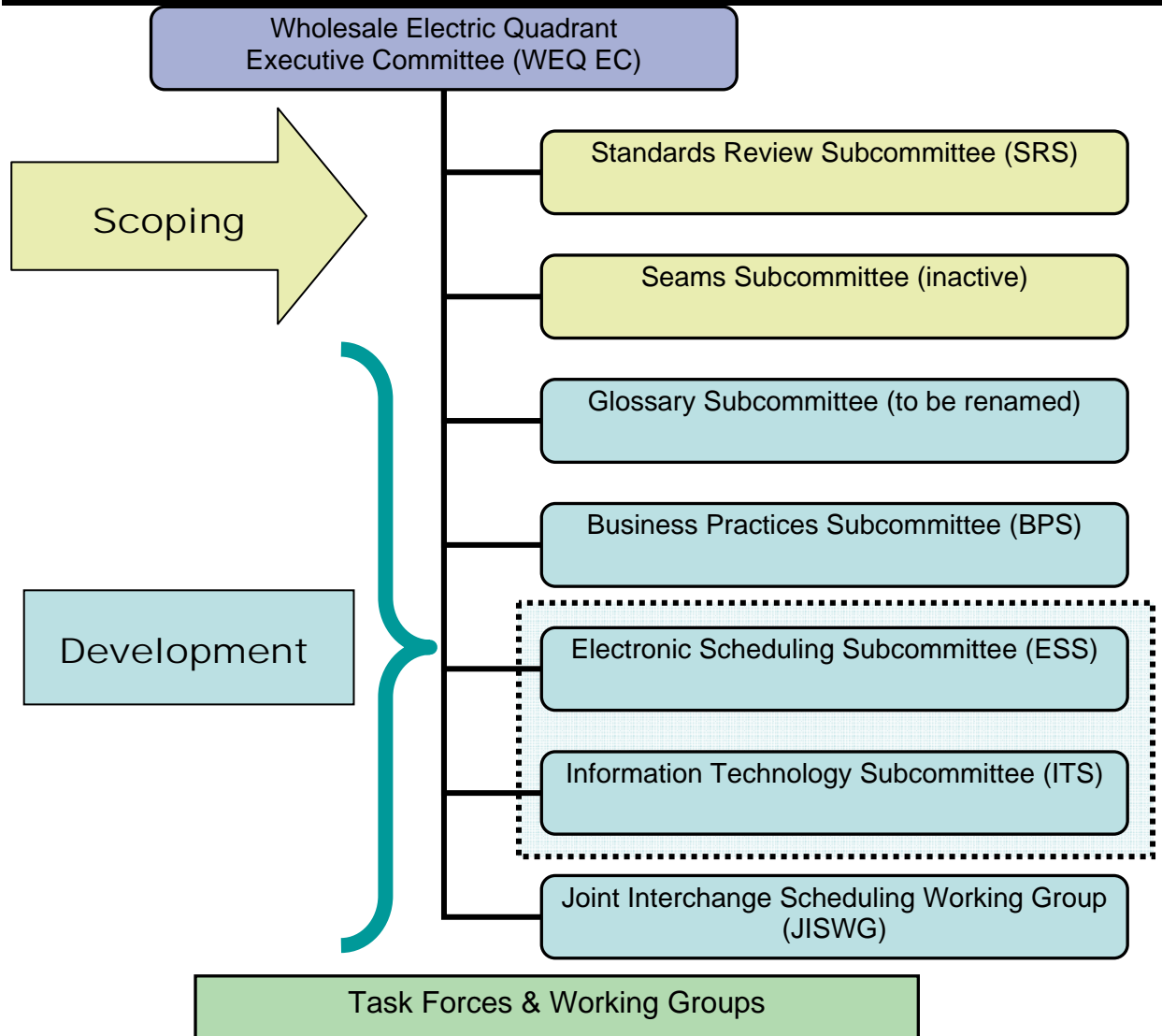


# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)



**NAESB WEQ EC and Subcommittee Leadership:**

Executive Committee: Lou Oberski (WEQ EC Chair) and Tony Reed (WEQ EC Vice Chair)

Standards Review Subcommittee: Raj Rana, Narinder Saini, Ollie Frazier

Seams Subcommittee: Inactive

Business Practices Subcommittee & Task Forces: Kathy York & Joel Dison

Electronic Scheduling Subcommittee/Information Technology Subcommittee & Task Forces: Paul Sorenson, J.T. Wood and Sherri Monteith

- Coordinate Interchange: Roman Carter
- OASIS: J.T. Wood and Wendy Weathers

Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger

Glossary Subcommittee (to be renamed): Sherri Monteith



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

### End Notes:

<sup>1</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>2</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

<sup>3</sup> The changes to the Standards of Conduct requested by the Commission in NOPR Docket No. RM05-5-000 will be made as soon as possible.

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials**  
**February 21-23, 2006**

---

***Wholesale Electric Quadrant***

***TAB 7***

***Subcommittee Updates***

- This material is for review only. No action is needed. .
- The material in tab 7 corresponds to agenda item 3 of the WEQ agenda.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

**TO:** NAESB Wholesale Electric Quadrant Business Practices Subcommittee (BPS) and Interested Industry Participants

**FROM:** DeDe Kirby, Meeting/Project Manager, NAESB

**RE:** Draft Minutes from the NAESB WEQ BPS Meeting with Web Conferencing – February 7-8, 2006

**DATE:** February 15, 2006

**WHOLESALE ELECTRIC QUADRANT  
 BUSINESS PRACTICES SUBCOMMITTEE MEETING WITH WEB CONFERENCING  
 FEBRUARY 7-8, 2006; HOUSTON, TX  
 DRAFT MINUTES**

### 1. Welcome and Administration

Ms. York welcomed the participants to the meeting and Ms. Kirby gave the anti-trust advice. Participants introduced themselves. Ms. York stated that work on the WEQ standards of conduct would begin on the morning of February 8<sup>th</sup>. She added that time permitting, the BPS would conference into the NERC Operating Reliability Subcommittee (ORS) meeting on the afternoon of February 8<sup>th</sup> and on February 9<sup>th</sup>. The update on the November 2005 WEQ Executive Committee (EC) meeting and TLR standards was moved under agenda item #3. Mr. Smith moved to adopt the agenda as revised and Mr. Langthorn seconded the motion. The revised agenda was adopted by consensus. Mr. Smith moved to adopt the 11/22/05 minutes and Mr. Davis seconded the motion. The minutes were adopted by consensus.

### 2. Request R05007 (Review the NAESB WEQ "Version 0" business practice standards and remove any references to ERCOT)

Ms. York stated that R05007 had been submitted by ERCOT to remove ERCOT references from the "Version 0" business practice standards. She added that the BPS would review the standards and decide which references were appropriate to remain and which could be deleted. The group agreed that each ERCOT reference should be reviewed, and then a decision should be made on whether removal of the term changes the intent of the standard. Mr. Davis stated that the subcommittee should not delete references to ERCOT in which an ERCOT transaction crosses a DC tie. When such a transmission occurs, it is subject to the jurisdiction of the Federal Regulatory Energy Commission (FERC). The rest of the group agreed that "ERCOT" should remain when referencing the interface of transmissions that affect areas outside the ERCOT footprint. However, before the review began, the group asked that an ERCOT representative be present. The subcommittee went on break to allow time for the NAESB office to contact ERCOT. Previous attempts had been made to contact the submitter, but none had been successful.

Ms. Heino from ERCOT joined the meeting. The group reviewed the references to ERCOT in the WEQ business practices standards filed on January 18, 2005: Manual Time Error Correction ([http://www.naesb.org/pdf2/weq\\_bklet\\_011505\\_tec\\_numbering.pdf](http://www.naesb.org/pdf2/weq_bklet_011505_tec_numbering.pdf)); ACE Equation Special Cases ([http://www.naesb.org/pdf2/weq\\_bklet\\_011505\\_ace\\_numbering.pdf](http://www.naesb.org/pdf2/weq_bklet_011505_ace_numbering.pdf)); Inadvertent Interchange Payback ([http://www.naesb.org/pdf2/weq\\_bklet\\_011505\\_iip\\_numbering.pdf](http://www.naesb.org/pdf2/weq_bklet_011505_iip_numbering.pdf)); and Coordinate Interchange ([http://www.naesb.org/pdf2/weq\\_bklet\\_011505\\_ci\\_numbering.pdf](http://www.naesb.org/pdf2/weq_bklet_011505_ci_numbering.pdf)). The group did not make it all the way through Coordinate Interchange and did not begin the review of Transmission Loading Relief (not filed with the FERC). Ms. Heino agreed that the references to ERCOT in the definition of "Interconnection" in all of the standards, in the timing table of Manual Time Error



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

Correction, and in the table for peak hours in Inadvertent Interchange Payback were relevant to the standard and did not create jurisdictional issues for ERCOT. However, she asked for time to more closely review the standards with ERCOT staff, especially ERCOT references in Coordinate Interchange. Ms. Heino stated that references to ERCOT as pertaining to transactions that sink or source in the east or west (outside of the ERCOT footprint) were most likely properly stated in the NAESB standards, but that she would review the standards and assist NAESB in completing the recommendation for R05007. Ms. Kirby took the action item to assist Ms. Heino in obtaining the standards and in answering any questions pertaining to the NAESB process. Ms. Kirby also stated that waivers are not included in the NAESB standards, but that regional differences can be written in. Ms. York reminded the group the Coordinate Interchange Business Practice task force was currently addressing comments and revisions to Coordinate Interchange via the Request R05001. Ms. Kirby explained that ERCOT had already submitted comments to the CIBP task force on R05001, but any additional comments would be reviewed during their next conference call meeting, February 17, 2006.

The group will continue this discussion at their February 22<sup>nd</sup> meeting.

### 3. TLR

Ms. York stated that the post split TLR standards were being held for ratification until the NAESB WEQ Board members and NERC had negotiated a plan for coordination issues. The plan is for the Board to review the coordination document at the March NAESB Board meeting. Then, pending the results of this meeting the post-split TLR standards will be sent out for ratification.

She added that NERC was currently reviewing additional Standard Authorization Requests (SARs) that would affect TLR standards. One SAR at NERC has already been submitted as a standards request at NAESB - Request R06002 (Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows)). Ms. York stated that R06002 had been triaged to the BPS and work would begin on it at the next meeting. She added that she would ask the NERC ORS to keep the BPS updated on the progress of their corresponding changes to TLR.

### 4. WEQ Standards of Conduct

Ms. Van Pelt joined the group to assist in the drafting of the WEQ standards of conduct affiliate reporting standards. Ms. York stated that paragraph 47 of the FERC Notice of Proposed Rulemaking Order RM-05-5-000 states the following: "it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side." She added that further clarification suggested that the BPS should work to include a link on OASIS cites to direct users to a companies affiliate information.

Ms. Van Pelt stated that the WGQ had addressed standards of conduct through WGQ Final Action on Affiliate Reporting (WGQ 2005 Annual Plan item #8). She added that the WGQ BPS March 11, 2004 minutes (Final Minutes) contained a cross reference chart to FERC Order 2004 to clarify what action was taken for each point. Ms. Van Pelt reviewed the chart in detail to explain the drafting behind each requirement of the WGQ standards of conduct. She explained that the posting requirements were listed by alphabetical order of name. She explained that the standards of conduct requirements provided for a place for posting of the information.

Ms. Van Pelt stated that the WGQ had separated all items fell into three different categories: affiliate reporting, nondiscrimination, and work charts. Ms. York stated that in addition to the items referenced in the chart, voluntary consent referenced 358(a)(b)(4) and chief officer compliance referenced 358.4(e)(6). Mr. Smith noted that the ESS/ITS and BPS should review the names "Tariff Discretionary Actions" and "Informational Disclosures" to determine if the terms were appropriate.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

Mr. Saini took the action item to review Entergy's website for standards of conduct at the next meeting addressing this subject.

The BPS drafted the categories and subcategories for the WEQ standards of conduct recommendation. Ms. McQuade clarified paragraph 47 requested a location on OASIS cites to link the user to affiliate reports and that the WEQ BPS should concentrate on access to those reports in this recommendation. *Please see Draft Recommendation on WEQ Standards of Conduct 2/8/06.*

The BPS also drafted a memo to the ESS/ITS requesting they review the draft recommendation because of possible OASIS Standards and Communication Protocol (S&CP) implications. The memo states that the completion date for the recommendation is first quarter 2006. *Please see Instructional Memo to ESS/ITS on Draft Recommendation for Standards of Conduct.*

### 5. Next Steps/Other Business

The group reviewed the [Current 2006 WEQ Annual Plan](#). Ms. York said that WEQ 2006 Annual Plan item #2 R05004 (Amended) (Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM) had been triaged to the Electronic Scheduling Subcommittee/Information Technology Subcommittee (ESS/ITS). The group discussed whether the request was properly assigned. Mr. Davis stated that the request would involve tariff issues, and therefore the BPS should be involved. Ms. Kirby stated that more than one group could work on the request. Ms. York said that she would work with the NAESB office to coordinate joint meetings of the ESS/ITS, BPS, and NERC ATC/AFC task force to begin addressing R05004 (Amended).

The BPS will continue discussions on R05007 at its February 22<sup>nd</sup> meeting. The BPS will discuss the WEQ standards of conduct draft recommendation during its March 10<sup>th</sup> conference call, after the ESS/ITS has reviewed the document. Ms. York stated that the goal was to complete the recommendation and have it voted out of subcommittee in time for the May WEQ EC meeting.

### 6. Adjourn

Mr. Smith moved to adjourn and Mr. Langthorn seconded the motion. The meeting as adjourned at 1:30 p.m. Central time on February 8, 2006.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

### 7. Attendance

<b>Last Name</b>	<b>First Name</b>	<b>Organization</b>	<b>In Person/Phone</b>	<b>Days Attended</b>
Bishop	Richard	Pacificorp	Phone	Feb 7 & 8
Bissonnette	Victor	HydroQuebec Transenergie	Phone	Feb 7
Davis	Ed	Entergy	Phone	Feb 7 & 8
Fowler	Mark	Ameren	Phone	Feb 7
Gonzales	Angela	NAESB	In Person	Feb 7 & 8
Heino	Shari	ERCOT	Phone	Feb 7
Kedrowski	Barb	We Energy	Phone	Feb 7
Kirby	DeDe	NAESB	In Person	Feb 7 & 8
Langthorn	Jake	TAPS	Phone	Feb 7 & 8
McQuade	Rae	NAESB	In Person	Feb 8
Saini	Narinder	Entergy	Phone	Feb 7 & 8
Smith	Jerry	Arizona Public Services	In Person	Feb 7 & 8
York	Kathy	Tennessee Valley Authority	In Person	Feb 7 & 8



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

**TO:** NAESB Wholesale Electric Quadrant (WEQ) Electronic Scheduling Subcommittee and Information Technology Subcommittee Meeting Participants and Posting for Interested Parties

**FROM:** Laura B. Kennedy, Meeting/Project Manager

**RE:** Draft Minutes from Joint WEQ Electronic Scheduling Subcommittee and Information Technology Subcommittee Conference Call January 30, 2006

**DATE:** February 15, 2006

**Wholesale Electric Quadrant  
 Joint Electronic Scheduling Subcommittee and Information Technology Subcommittee  
 Conference Call  
 January 30, 2006 10:00 a.m. – 12:00 p.m. Central  
 Draft Minutes**

### 1. Welcome

Mr. Sorenson welcomed the meeting participants. Ms. Kennedy read the antitrust guidelines. Mr. Wood moved, seconded by Mr. Saini, to adopt the agenda. The agenda was adopted without objection. Mr. Pritchard moved, seconded by Mr. Wood, to adopt the minutes from the October 20-21, 2005 meeting and the conference call on October 27, 2005. The motion passed unanimously. The October 20-21, 2005 final minutes are posted on the NAESB website at: [http://www.naesb.org/pdf2/weq\\_ess\\_its102005fm.doc](http://www.naesb.org/pdf2/weq_ess_its102005fm.doc). The October 27, 2005 final minutes are posted on the NAESB website at: [http://www.naesb.org/pdf2/weq\\_ess\\_its102705fm.doc](http://www.naesb.org/pdf2/weq_ess_its102705fm.doc).

### 2. Review Recommendation for R04006D – Resales and Transfers Recommendation and Comments

Mr. Sorenson stated that the ESS/ITS forwarded the recommendation for Request No. R04006D (OASIS 1A Enhancements - Sale or Assignment of Transmission Service) to the Executive Committee for adoption at the November 29, 2005 meeting. The Executive Committee remanded the recommendation back to the ESS/ITS with specific direction to further review the proposed modification of Redirect Standard 9.8.1. The recommendation is posted as a work paper for this meeting: [http://www.naesb.org/pdf2/weq\\_ess\\_its013006w1.doc](http://www.naesb.org/pdf2/weq_ess_its013006w1.doc).

Mr. Sorenson stated that the Executive Committee did not agree on the pricing mechanism suggested in the proposed modification to the Redirect Standard. He stated that representatives of Transmission Customers did not support the pricing proposal due to a small amount of uplift that would be charged because of differences in the way rates are computed. Mr. Sorenson noted that the existing language of Redirect Standard 9.8.1 would cause a charge to be levied on a daily/weekly/monthly basis because of differences in incremental rates. He stated that during the development of the new Resales and Transfers business practices, the ESS/ITS determined to modify Standard 9.8.1 to coincide with the proposal to allow for a redirect of a resale.

Mr. Sorenson stated that the ESS/ITS has several options to consider in moving forward with this recommendation. The ESS/ITS could propose that Redirect Standard 9.8.1 be stricken from the Redirect standards and any charges or credits for redirects would be handled by declaration in the tariff. Another option would be to create an alternative pricing proposal, such as the proposal submitted by Mr. Dison of Southern Company submitted in the form of comments on the recommendation. These comments are posted on the NAESB Request and Standards Development page at: [http://www.naesb.org/pdf2/weq\\_112805southernco\\_generation.doc](http://www.naesb.org/pdf2/weq_112805southernco_generation.doc). Mr. Dison proposed modifying Redirect Standard 9.8.1 so that “any difference in charges associated with the Redirect



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

on a Firm basis will be the responsibility of the Transmission Customer submitting the Redirect. The difference shall be calculated as the difference in the posted rate at the time of the Redirect on the Redirected path and the posted rate at the time of the Redirect for original path for the term of the Redirect.”

Mr. Harshbarger noted that Mr. Dison’s proposal would result in a discount. Mr. Sorenson stated that issue was discussed at the Executive Committee. Mr. Sorenson noted that a Redirect on a Firm basis is treated as a new request, but the issue has not been resolved whether the Redirect is treated as a new request when it comes to rates. Mr. Pritchard supported Mr. Dison’s proposal.

Mr. Sorenson stated that a third option for the ESS/ITS would be to support the original recommendation to modify Redirect Standard 9.8.1 and to provide a detailed rationale for the modification.

The subcommittee reviewed Mr. Dison’s proposal. Mr. Wood supported the language proposed by Mr. Dison and stated that the calculation is simple. Ms. Weathers stated that problems could arise if the customer does not pay the posted price. Mr. Sorenson stated that Mr. Dison’s proposal is the process widely used in the industry today. The customer is paying the original service price and in turn Redirects are basically free. Ms. Weathers noted that if Mr. Dison’s proposal were adopted, there would be a question whether the discounting rules would apply to the transactions.

Mr. Wood suggested tabling this discussion until the next ESS/ITS meeting. This will provide participants time to fully consider the issues and possibly draft alternative proposals. The subcommittee supported Mr. Wood’s suggestion.

### **3. Request No. R05020 – Include a guideline for rounding schedules with partial mWh’s in the coordinate interchange business practice WEQ BPS-002-000**

Ms. Kennedy noted that Request No. R05020 has been assigned to the ESS/ITS by the Triage Subcommittee, but has not been presented to the Joint Interface Committee (JIC). Mr. Saini moved, seconded by Mr. Pritchard, to forward this request to the Coordinate Interchange Business Practices Task Force once it is presented to the JIC. The motion passed unanimously.

### **4. Request No. R05026 – Thirteen proposed enhancements to incrementally improve OASIS**

Ms. Kennedy noted that Request No. R05026 has been assigned to the ESS/ITS by the Triage Subcommittee, but has not been presented to the Joint Interface Committee (JIC). Ms. Kennedy also noted that this request had been assigned for review by the WEQ Standards Review Subcommittee (SRS) to determine if a scoping document should be drafted before it is presented to the JIC. The SRS is scheduled to meet via conference call on February 9 to determine if a scoping document is needed. Mr. Sorenson stated that the ESS/ITS would hold any action on this request until the SRS makes its determination. The ESS/ITS will stand ready to provide assistance to the SRS in drafting the scoping document.

### **5. Next Meetings**

The next meeting was scheduled on March 6-7, 2006 at NAESB’s offices in Houston, Texas. The subcommittee will meet from 1:00 pm Central to 5:00 pm Central on March 6 and from 9:00 am Central to 4:00 pm Central on March 7. The subcommittee will review the recommendation for R04006D in addition to prioritizing and starting the work on its other assigned Requests.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

The ESS/ITS also scheduled a meeting on April 4-5, 2006 at NAESB's offices in Houston, Texas. The subcommittee will meet from 1:00 pm Central to 5:00 pm Central on April 4 and from 9:00 am central to 4:00 pm Central on April 5.

### 6. Other Business/Next Steps

Mr. Sorenson encouraged the participants to consider alternatives to the pricing mechanism for Redirects and how the subcommittee should move forward on the modification to Standard 9.8.1.

### 7. Adjourn

Ms. Rehman moved, seconded by Mr. Saini, to adjourn. The meeting adjourned at 11:25 AM Central.

### 8. Attendees

Name	Organization
Matt Ansley	Southern Company Generation
Dan Baisden	Southern Company
Marilyn Franz	Sierra Pacific Resources
Bob Harshbarger	Puget Sound Energy
Laura Kennedy	NAESB
Aleks Mitreski	ISO New England
Alan Pritchard	Duke Energy
Barbara Rehman	Bonneville Power Administration
Narinder Saini	Entergy
Paul Sorenson	OATI
Angela Thomason	NAESB
Wendy Weathers	Salt River Project
JT Wood	Southern Company



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

**TO:** NAESB Wholesale Electric Quadrant Coordinate Interchange Business Practice Task Force (CIBP) and Interested Industry Participants

**FROM:** DeDe Kirby, Meeting/Project Manager, NAESB

**RE:** Draft Minutes from the NAESB WEQ CIBP Conference Call Meeting with Web Conferencing – January 31, 2006

**DATE:** February 3, 2006

**WHOLESALE ELECTRIC QUADRANT  
 COORDINATE INTERCHANGE BUSINESS PRACTICE TASK FORCE  
 CONFERENCE CALL MEETING WITH WEB CONFERENCING  
 JANUARY 31, 2006; 10:00 p.m. – 12:00 p.m.  
 DRAFT MINUTES**

## 1. Welcome and Administration

Mr. Carter welcomed the participants to the meeting. Ms. Kirby gave the anti-trust advice. The participants introduced themselves. Mr. Carter stated that there were three sets of comments to review during the meeting: ISO/RTO (IRC) Council comments, Southwest Power Pool (SPP) comments, and Electric Reliability Council of Texas (ERCOT) comments. Mr. Davis moved to adopt the agenda and Mr. Schwermann seconded the motion. The agenda was adopted by consensus. Mr. Schwermann moved to adopt the 10/31/05 minutes and Ms. Kedrowski seconded the motion. The minutes were adopted by consensus.

## 2. Review informal comments submitted on Draft R05001 CIBP

*For revisions made to the standard during this meeting, please see [Attachment - CIBP with Comments Incorporated as Revised on 1/31/06](#).*

Mr. Carter stated that he had incorporated several of the posted comments into a revised draft standard posted as a work paper ([CIBP with Comments 1/31/06](#)) for this meeting. The task force responded to comments submitted on items in order, beginning with general comments.

The task force discussed [Comments Submitted by B. Balmat, ISO/RTO Council](#). To address general comments, Mr. Carter stated that all responses to comments would be found in the minutes of the meeting in which they were addressed. He added that the NAESB office would review fonts and formats before the document was submitted in its recommendation form to the WEQ Executive Committee (EC). Mr. Carter asked the NAESB office to take the action of researching how version histories are addressed at NAESB. NAESB does not include compliance in its business practice standards. Rather, NAESB files the standards with the FERC and the FERC decides whether to adopt the NAESB standards by reference. Mr. Carter asked for any compliance references in the draft standard to be specifically referenced during the next call of the CIBP task force.

Mr. Carter stated that timing requirements were still found in the NERC Coordinate Interchange standards. However, the NERC timing table was copied into the NAESB draft standards (appendix E) and modified to account for market entities. Mr. Carter added that ERCOT and SPP comments on appendix A would be addressed, but that if an ERCOT transaction crosses a DC tie, then it is under the jurisdiction of FERC. Therefore, such references would be left in the appendix. However, he added that appendix A would be updated and revised to reflect the correct operations of SPP and ERCOT. Mr. Carter added that reliability information contained in appendix C was there for



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

communicative processes to inform the marketer of information that they are guaranteed to receive from reliability entities.

Mr. Carter stated that it was an agreement between this group and the NERC Coordinate Interchange standards drafting team that there should only be one assessment period. If it were split into two different periods, changes to e-Tag would be necessary or new software would have to be developed. He added that as long as the validity of an agreement is maintained, the timing requirements follow and the approval process still takes place in a proper method. Mr. Carter stated that simply put, the market side assures reliability that it has what was submitted by reliability. Mr. Carter stated that it is in all entities best interest to cooperate to make the process work. He asked that participants keep in mind that NAESB standards are only voluntary until the FERC adopts them.

Sentences were added to the purpose statement of the draft standard to address the IRC comments that the purpose statement should provide a description of why the standard was written. Mr. Carter added that this standard captures the majority of transactions that take place – which are typically bilateral transactions located on different Balancing Authorities (BAs). Transactions where a point to point reservation is not employed are not covered by this standard.

Mr. Yeung asked if the WEQ EC could include waivers to this standard. Mr. Carter stated that NAESB did not do waivers, but that it did incorporate regional differences in its standards. Mr. Yeung questioned if the NERC standard included SPP waivers for tagging. Ms. Mendrala stated that it did not appear to. Mr. Carter stated that this standard would most likely require continuous updates and that this process would continue to be initiated by a request for standards development or modification.

Acronyms were added where appropriate in the definitions. Mr. Carter stated that the NAESB and NERC definitions matched where possible. The NERC definition was copied over for “Arranged Interchange.” The definition of “Curtailement” was added because it is used in the standard. It was copied from the NERC glossary. “Generator Purchase Selling Entity” was modified to reflect the definition as contained in e-Tag. “Interchange Authority” and “Load Serving Entity” were modified to copy the NERC definitions. Comments made by the IRC on the definition of “Reliability Coordinator” were incorporated.

“Scheduling entity” is explained in appendix D. After some discussion, the group agreed that the explanation and informal definition of the term should be left in appendix D because it is only applicable to this section. Mr. Carter added that the definition for “Request for Interchange” had been sent to the NERC Coordinate Interchange standards drafting teams. He explained that NAESB had requested NERC reference this definition because the term was commercial in nature.

Mr. Carter stated that this standard did not require emergency transaction tags. Mr. Schwermann stated that the West would soon require every transaction to be tagged, including emergency energy. Mr. Carter stated that unless there was significant justification to add in an exclusion statement, the draft standard would remain as it was on this point. He added that emergency should not be included in this standard because NERC already addressed it.

Mr. Carter explained, in reference to comments made to requirement 2, that NAESB references must be specific to version. Requirement 6.1 is covered in the definition of “Approval Entity.” In response to comments by the IRC, 6.2.2 was added to cover passive approval in the standard. Mr. Carter stated that appendix E inferred the timing requirements for submittal. He added that NAESB had copied the NERC timing table (with market revisions) into the NAESB standard because of previous agreements with NERC.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

Mr. Carter stated that in requirement 11, future hour is for the next hour and not the hour flowing. A statement was added to clarify that only future hours may be modified for Implemented Interchange. Requirement 11.3, as changed, stated that if a modification is denied, the correct version to then reference was the previously confirmed.

Mr. Carter stated that suggestions were made in Comments of a Group Representing the Southwest Power Pool's Operating Reliability Working Group (ORWG) to change requirement 12 to state "through the end of the market period." He explained that parties must be available for adjustments until the end of the energy flow.

Additional clarification was added to requirements 17.1 and 17.2 to accommodate the corresponding comments of the IRC. Mr. Mitreski stated that additional comments would be submitted for the next conference call.

### 3. Next Steps/Other Business

The group scheduled a conference call for February 17<sup>th</sup> to continue the review of comments. The group will begin with comments submitted on the appendices of the draft standard, including those submitted by SPP and ERCOT. In addition, it is anticipated that the CIBP task force will vote the draft standard out of subcommittee during this conference call.

### 4. Adjourn

Ms. Franz moved to adjourn and Mr. Saini seconded the motion. The meeting was adjourned at 11:25 a.m. Central time.

### 5. Attendance

Last Name	First Name	Organization
Carter	Roman	Southern Company
Brown	Sherry	
Davis	Ed	Entergy
Franz	Marilyn	Sierra Pacific/Nevada Power
Goins	Larry	Tennessee Valley Authority
Gonzales	Angela	NAESB
Kedrowski	Barb	We Energies
Kirby	DeDe	NAESB
Mendrala	Cheryl	ISO New England
Mitreski	Aleks	ISO New England
Rhodes	Robert	Southwest Power Pool
Saini	Narinder	Entergy
Schwermann	Bob	Sacramento Municipal Utility District
Sullivan	Bob	California ISO
Szot	Lisa	California ISO
Yeung	Charles	Southwest Power Pool



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

**TO:** NERC/NAESB Joint Interchange Scheduling Working Group (JISWG) and Interested Industry Parties

**FROM:** DeDe Kirby, Meeting/Project Manager, NAESB

**RE:** Draft Minutes from the NERC/NAESB Joint Interchange Scheduling Working Group (JISWG) Meeting – January 25-26, 2005

**DATE:** February 2, 2005

**WHOLESALE ELECTRIC QUADRANT  
 NERC/NAESB JOINT INTERCHANGE SCHEDULING WORKING GROUP  
 MEETING; JANUARY 25-26, 2005  
 DRAFT MINUTES**

## 1. Administrative

Mr. Harshbarger welcomed the participants to the meeting. The participants in the room and on the phone introduced themselves. Ms. Kirby gave the anti-trust advice. The agenda was adopted by consensus. Mr. Blevins moved to adopt the 12/13/05 minutes, and Mr. Sorenson seconded the motion. The minutes were adopted by consensus.

## 2. NERC and NAESB Updates

Mr. Blevins said the NERC Interchange Subcommittee (IS) discussed the issue of passive approval in the e-Tag Specification version 1.7095 at their November 2005 meeting. The allowance for passive approval on curtailments is not reflected in the NERC Coordinate Interchange Standard INT-004 timing tables. The IS is set to resolve whether the timing tables should be updated at their next meeting, and this could result in changes to the timing table and/or the e-Tag Spec. Mr. Blevins stated that the leader of the NERC Coordinate Interchange Standards Drafting Team would be notified if changes were recommended to the standard. Mr. Hansen said that the issue was very similar to uniform treatment of adjusts and that the JISWG could evaluate the Coordinate Interchange Standards and note where it was appropriate for tacit or passive approval. Mr. Blevins stated that the IS was going to try and determine why the e-Tag Spec and standard do not match and make the appropriate recommendations.

Ms. Kirby stated that R05026 (Thirteen proposed enhancements to OASIS) was currently out for triage ballot at NAESB. However, the triage designation (currently out for vote) was to move the request to the NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee (ESS/ITS). A scoping document will be developed for review by the Joint Interface Committee (JIC) to assist in their approval process. Mr. Harshbarger stated that the Recommendation for R05018 (Revise the e-Tag specification to allow PSEs associated with a transmission segment in the tag optional approval rights) would be done after the appropriate and corresponding changes to the e-Tag Spec were complete.

## 3. 90 day Comment period for SRD for Registry

The group reviewed the [SRD for Registry 1/23/06](#). Mr. Blevins stated that he had imbedded comments to the document that needed to be addressed before it was complete and posted for comment.

The group updated the name from “TSIN Registry” to “Electric Industry Registry”, and acknowledged that it would generally be referred to as “the Registry”. “SE” (Scheduling Entity) was retained in the document for backward compatibility and will be added to the Glossary of the



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

document. Mr. Sorenson clarified that “Entity-to-Entity Relationship” meant predecessor affiliate information. Language was modified to provide for the approval of entity codes by an authorized third party that could be the Registry Administrator. Mr. Hansen clarified that the Registry should be flexible and provide for permutations such as items and entity codes that do not require approval.

The group commented that the specific information to be retained in the Registry has not been fully addressed in response to Mr. Blevins comment to 1.1.3. Several responses to Mr. Blevins comments are imbedded in the revised document Attachment - SRD for Registry Revised 1/25/06.

The group discussed how to make sure certificates received are relevant to the electric industry. Mr. Sorenson stated that certificates applicable to the industry are identified by the OU code in e-MARC, but that e-MARC is not being used as the standard but rather as a guide. He questioned whether companies like VeriSign could provide for such a field. The group added a note in section 1.1.4 to state that PKI standards were under development at NAESB and that this would affect the outcome of this section. In addition, the group discussed the option of having public keys updated once a year if your company had new information or had changed. Otherwise, the same public keys may be used from one year to the next. All topics on PKI are under discussion at this time.

Changes suggested for sections 1.1.3 and 1.1.4 will be further completed offline. Mr. Blevins clarified that specifics were needed on the type of verification the group wanted the Registry to have, in order to give specifics to the team developing the hardware at NERC. Mr. Sorenson stated that the idea was for the system not to do a full root Certificate Authority chain every time a company makes a connection, but for the chain to happen only on the first connection. He added that from the point forward until it is time for renewal, that key gets you access to the system.

The group discussed backup urls under section 1.1.5.1. It was decided that the urls were not necessary because multiple ways to implement transparent failovers exist with alternative urls.

Mr. Sorenson stated that the idea behind the application references in section 1.1.6 was that OASIS has attributes to be registered. The reference to political topology was changed to reliability topology.

The group discussed what changes in topology would require rewrite in the system. Mr. Hansen noted that deletions would most likely not require rewrite but the addition of new relationships would. Under section 1.1.6.4 the group discussed Reliability Areas and market area registration. A sentence was added to clarify that market operator adjustments would depend on the market area was and its registration.

Mr. Blevins questioned how the Registry would recognize the different permutations noted under section 1.1.6.9. Mr. Harshbarger noted that in the WECC, providers must list their paths, which includes their Point of Receipt (POR) and Point of Delivery (POD). Mr. Blevins questioned if the East should develop such a list. Mr. Hansen stated that for now the SRD would remain the same on this item but noted that in time the Eastern Interconnection could adopt the West standard on mapping adjacencies.

The group noted that because the Book of Flowgates at NERC was not finalized and because the new Registry must maintain backward compatibility, the section on flowgates was retained.

It was noted that it was not necessary to state period of time under section 2.1. In addition, it was noted in section 2.2.1 that entity roles that require NERC approval should be listed. The group also noted in the document that this Registry may be updated more frequently than the TSIN Registry, depending how frequently Registry data is modified. The group also agreed that new entities and predecessors must agree to linkage. In response to Mr. Blevins comments to 2.4.3 and 2.5.3, Mr.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

Hansen clarified that the only time data would be completely deleted from the Registry is if it was never active. In response to comments to section 2.11, Mr. Hansen stated that information voluntarily included could be deactivated at will by the entity providing it. Designation of Control Zone is an IDC construct under section 2.12.6. Mr. Yeung asked that section 2.13.3 be left open for the addition of Functional Model terms and allow for flexibility so that a regional reliability plan can dictate. The group discussed the validity of notification of patches and updates under section 8.3 and 8.4.

Next, the group reviewed a sample questionnaire created by Mr. Blevins for the 90 day comment posting period at NERC. Revisions made to the questionnaire can be viewed in [Attachment - Questionnaire for SRD Revised 1/26/06](#). This document will be finalized on the February 13<sup>th</sup> JISWG conference call.

#### **4. Public Key Infrastructure (PKI)**

The group reviewed [PKI Strategy 1/26/06](#) PowerPoint presentation created by Mr. Sorenson to outline an approach to the development of PKI draft standards. After the presentation, Mr. Sorenson clarified that there would be no rewrite of the e-MARC policy. He added that a company, when completing the certification lists, is agreeing to be bound by the certificates issued by a person designated by them. Mr. Burden added that a company would have to communicate who the Certificate Authority is they are associated with. Mr. Perry stated that the standards should prescribe various levels of authentication and acceptable use based on the type of system in use. Mr. Sorenson agreed. Mr. Perry noted that this approach obviated many of the comments stated by the IRC in [IRC Comments and Proposed Edits to Draft PKI Certificate Standard](#). However, the group will address the remaining comments during the drafting of the PKI standards in one of the subsequent meetings listed below.

Mr. Sorenson moved that the strategy stated in "PKI Strategy 1/26/06" was the approach the JISWG would pursue in drafting NAESB PKI standards. Mr. Burden seconded the motion. The motion passed by consensus.

#### **5. Review any comments received on draft document e-Tag Specification version 1.7096**

Discussion on this item was delayed until a subsequent meeting.

#### **6. Review and draft SAR for updates to e-Tag for market adjustments**

The group reviewed [SAR Draft for MO Adjust](#). The group discussed whether or not market adjusts were changes needed solely in the current e-Tag Specification. It was noted that several of the items included in the e-Tag Spec did not have corresponding standards. Approval of revisions to the e-Tag Spec is given by the NERC IS. However, Mr. Sorenson noted that this change was more closely related to market revisions than reliability. He added that it should be a revision to the NAESB Coordinate Interchange Standards that is later updated in the technical specs. Mr. Blevins made the following motion:

Because it was identified in discussion that market adjusts are more market related than reliability, the JISWG should take an action item to draft a NAESB standards request to address the IDCWG's requests for enhancements to the Market Operator adjust features. Ms. Franz seconded the motion. The group identified that this is most likely a change or addition to the NAESB R05001 draft Coordinate Interchange Business Practice Standard. The motion passed by consensus.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

---

### **7. Review and discuss draft NAESB standards requests for Emergency and Capacity Tags**

Discussion on this item was delayed until a subsequent meeting.

### **8. Next Steps/Other Business**

A conference call meeting was scheduled for February 13<sup>th</sup> to review the SRD and prepare the document for a 90 day comment posting period at NERC. Also, the group will review a draft standards request for market adjusts, and an update will be given on the development of PKI draft standards. Time permitting, the group will address remaining comments made to the PKI documents by the ISO/RTO Council (posted at [http://www.naesb.org/pdf2/weq\\_jiswg012506w7.pdf](http://www.naesb.org/pdf2/weq_jiswg012506w7.pdf)).

Conference call meetings were also scheduled for February 27<sup>th</sup> & 28<sup>th</sup> to work on the development of PKI standards, review e-Tag Spec draft version 1.7096 comments, and review draft standards requests for emergency and capacity tags. A face to face meeting was scheduled for March 29<sup>th</sup> and 30<sup>th</sup> in Houston to continue work on PKI draft standards and certification lists.

### **9. Adjourn**

Ms. Franz moved to adjourn and Mr. Burden seconded the motion. The meeting was adjourned at 12:05 p.m. on January 26, 2006.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

### 10. Attendance

<b>Name:</b>	<b>Organization:</b>	<b>In Person/Phone</b>	<b>Days Attended</b>	
Aymond	Clint	Entergy	In Person	Jan 25 & 26
Baisden	Dan	Southern Co.	In Person	Jan 25 & 26
Blevins	Bill	NERC	In Person	Jan 25 & 26
Burden	Christopher	Williams Gas Pipeline	In Person	Jan 25 & 26
Carter	Roman	Southern Company	Phone	Jan 25 & 26
Eckelkamp	Jim	Progress Energy	In Person	Jan 25
Franz	Marilyn	SPPC/Nevada Power Trans.	In Person	Jan 25 & 26
Gonzales	Angela	NAESB	In Person	Jan 25 & 26
Hansen	Jim	Seattle City Light	In Person	Jan 25 & 26
Harshbarger	Bob	Puget Sound Energy	In Person	Jan 25 & 26
Kirby	DeDe	NAESB	In Person	Jan 25 & 26
Mitreski	Aleks	ISO New England	In Person	Jan 25 & 26
Sorenson	Paul	OATI	In Person	Jan 25 & 26
Sullivan	Bob	California ISO	In Person	Jan 25 & 26
Stone	Larry	Soft Smiths	In Person	Jan 25
Yeung	Charles	Southwest Power Pool	In Person/phone	Jan 25/Jan 26



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

January 23, 2006

**TO:** NAESB WEQ Standards Review Subcommittee (SRS) Participants and Interested Parties  
**FROM:** Laura B. Kennedy, Meeting/Project Manager  
**RE:** Standards Review Subcommittee Conference Call Revised Agenda – February 9, 2006

---

Dear SRS Participants and Interested Parties,

The WEQ Standards Review Subcommittee will hold a conference call on February 9, 2006 from 2:00 PM to 3:00 PM Central. During the conference call, the SRS will determine whether scoping documents are needed for NAESB WEQ Requests that have not been presented to the JIC; review and compare NERC Annual Plan and NAESB WEQ 2006 Annual Plan to determine if changes should be made to the NAESB WEQ 2006 Annual Plan to be supportive of NERC's efforts; and review outstanding SARs currently posted for comment, current NERC Ballots, and the latest NERC Bulletin for possible NAESB business standards development.

Please call the office (713-356-0060) for call-in instructions. As with all NAESB meetings, the meeting is open to any interested party.

Please feel free to call the NAESB office should you have any questions or comments.

Best Regards,

***Laura B. Kennedy***

cc: Rae McQuade, President



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

**NORTH AMERICAN ENERGY STANDARDS BOARD  
STANDARDS REVIEW SUBCOMMITTEE  
CONFERENCE CALL – FEBRUARY 9, 2006 - 2:00 pm to 3:00 pm Central**

**Revised DRAFT AGENDA**

1. Welcome
  - Antitrust Guidelines
  - Welcome to members and attendees
  - Introduction and Roll Call
  - Adoption of agenda
2. Review Scope of SRS
3. Determine whether scoping documents are needed for the following NAESB WEQ Requests that have not been presented to the JIC
  - Request No. R05004 (revised) (Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM)
  - Request No. R05019 (Modify OASIS standards and S&CP to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff)
  - Request No. R05020 (Include a guideline for rounding schedules with partial mWh's in the coordinate interchange business practice WEQBPS-002-000)
  - Request No. R05026 (Thirteen proposed enhancements to Incrementally improve OASIS)
  - Request No. R06002 (Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows))
4. Review and compare NERC Annual Plan and NAESB WEQ 2006 Annual Plan
  - Determine if changes should be made to the NAESB WEQ 2006 Annual Plan to be supportive of NERC's efforts
5. Review Outstanding SARs currently posted for comment
  - SPP Regional Difference for IRO-006-1
  - Revision to EOP-004-0-Disturbance Reporting
  - Relay Loadability
  - Fuel Supply or Delivery Disruption Reporting
  - Violation Risk Factor
6. Review NERC Ballots
  - Transmission Vegetation Management Recirculation Ballot
  - The items below are included on the NERC Board of Trustees Agenda for the February 7, 2006 meeting for vote
    - Transmission Vegetation Management Recirculation Ballot
    - Phase III-IV Under Voltage Load Shedding Program Recirculation Ballot
    - Phase III-IV Verification of Generator Capability Recirculation Ballot
    - Phase III-IV Transmission and Generation Protection Systems Recirculation Ballot
    - Facility Ratings
    - Transfer Capability
    - Coordination between Reliability Coordinators
  - The item below is currently posted for 30 day pre-ballot review



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

- Cyber Security (Ballot Period 2/17/2006-2/27/2006)
  - 7. Review January 2006 NERC Bulletin
  - 8. Other Business
  - 9. Future Meetings
    - March 9, 2006
    - April 13, 2006
    - May 18, 2006
    - June 8, 2006
    - July 13, 2006
    - August 10, 2006
    - September 14, 2006
    - October 12, 2006
    - November 9, 2006
    - December 21, 2006
- Dates above are scheduled as 1 hour Conference Calls at 2 PM Central*
10. Adjourn

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials**  
**February 21-23, 2006**

---

***Wholesale Electric Quadrant***

***TAB 8***

***FERC Filing RM05-5-000***

- This material is for review only. No action is needed. The document provided is a report, docketed in RM05-5-000, on February 17 regarding an update to the Commission on Version 0.
- The material in tab 8 corresponds to agenda item 6 of the WEQ agenda.



**NORTH AMERICAN ENERGY STANDARDS BOARD**

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067  
email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

---

February 17, 2006  
Filed Electronically

The Honorable Magalie Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E.  
Washington, D.C. 20585

RE: Progress Report on NAESB Activities impacting Docket No. RM05-5-000, “Standards for Business Practices and Communication Protocols for Public Utilities.’

Dear Ms Salas:

The North American Energy Standards Board (“NAESB”) provides these comments and progress report to the Federal Energy Regulatory Commission (“FERC” or “Commission”) Docket No. RM05-5-000, “Standards for Business Practices and Communication Protocols for Public Utilities.’ The comments and progress report address four areas:

- (1) the NAESB commercial business practices for manual time error correction, ACE equation special cases, and inadvertent interchange payback for which the North American Electric Reliability Council (“NERC”) prepared and submitted comments on June 24, 2005,
- (2) the efforts undertaken by NAESB to determine if additional commercial business practices were needed for inadvertent interchange payback,
- (3) the efforts undertaken by NAESB to separate commercial business practices from reliability standards for transmission loading relief, and
- (4) the efforts underway by NERC and NAESB to document a formal coordination process for joint standards development that complies with both organizations’ standards development processes.

Please note that we are filing this report electronically in Adobe Acrobat® Print Document Format (.pdf). All of the documents are also available on the NAESB web site ([www.naesb.org](http://www.naesb.org)). Please feel



**NORTH AMERICAN ENERGY STANDARDS BOARD**

1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067  
**email:** [naesb@naesb.org](mailto:naesb@naesb.org) • **Web Site Address:** [www.naesb.org](http://www.naesb.org)

---

February 17, 2006  
Page Two

free to call me at (713) 356-0060 or refer to the NAESB website should you have any questions or need additional information regarding this report.

Respectfully submitted,

Rae McQuade  
President and COO, North American Energy Standards Board

cc: Mr. M. Maassel, NAESB Chairman and CEO  
Mr. William P. Boswell, NAESB General Counsel  
Mr. M. Desselle, NAESB Vice Chairman (WEQ)  
Ms. Kathy York, NAESB Executive Committee Chairman for the Wholesale Electric Quadrant

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Standards for Business Practices and ) Docket No. RM05-5-000  
Communication Protocols for Public Utilities.’ )

Comments and Progress Report of the North American Energy Standards Board (NAESB)

Since the original submittal by NAESB on January 18, 2005, and the Federal Energy Regulatory Commission (FERC) issuance of the Notice of Proposed Rulemaking in Docket No. RM05-5-000 on May 9, 2005, several efforts have concluded or are nearing conclusion that may bear on this docket. Specifically, this progress report intends to address four areas: (1) the business practices for manual time error correction, ACE equation special cases, and inadvertent interchange payback for which the North American Electric Reliability Council (“NERC”) prepared and submitted comments on June 24, 2005; (2) the efforts undertaken by NAESB to determine if additional commercial business practices were needed for inadvertent interchange payback; (3) the efforts undertaken by NAESB to separate the commercial business practices from reliability standards for transmission loading relief; and (4) the efforts underway by NERC and NAESB to document a formal coordination process for joint standards development that complies with both organizations’ standards development processes. We hope that this progress report proves helpful as the Commission continues to address issues in Docket No. RM05-5-000, and we look forward to the issuance by the Commission of an order in this docket.

Following are status reports on the four activities that have recently concluded or been resolved, or are in the process of concluding:

- NAESB Commercial Business Practices – Manual Time Error Correction, Area Control Error (ACE) Equation Special Cases, and Inadvertent Interchange Payback

In recent discussions with NERC staff, we understand that they intend to withdraw their comments provided to the Commission on June 24, 2005<sup>1</sup>. In these comments, NERC requested that the Commission defer action on its proposal to amend its regulations to incorporate by reference the three NAESB Wholesale Electric Quadrant (“WEQ”) standards for time error correction, ACE special cases, and inadvertent interchange payback. NERC has not taken steps to incorporate the elements of NAESB’s commercial business practices for these three standards into its collection of Version 0 reliability standards. It is our understanding that they do not plan to do so, and the standards should remain within NAESB as commercial business practices that complement the reliability standards already in place. This does not preclude future standards development action that NERC or NAESB may take for subsequent versions.

- Additional NAESB WEQ Standards for Commercial Business Practices for Inadvertent Interchange Payback

At the NAESB WEQ Executive Committee meeting on November 29, 2005, the WEQ Executive Committee unanimously approved the report of the Inadvertent Interchange Payback Task Force (“IIPTF”). The report itself, the comments provided to the report, the minutes of the Executive Committee including the voting records and the availability of transcripts are included as Attachment A. The report noted that the IIPTF participants recognized that significant effort was expended by NAESB and its member organizations to develop an Inadvertent Interchange settlement standard that would mitigate the potential financial gain that misuse of the payback-in-kind methodology does not prevent. However, a majority of the task force members determined that, at this time, no consensus regarding any proposed solutions considered by the task force could gain approval. Each of the proposed solutions considered

---

<sup>1</sup> Comments of the North American Electric Reliability Council on Standards for Business Practices and Communication Protocols for Public Utilities, FERC Docket No. RM05-5:  
<http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=10632328:0>.

had one or more significant implementation hurdles to overcome, including but not limited to: data acquisition and integrity; pricing; credit; funding; and 100% participation of the affected interconnection. Two solutions were offered at the end of the task force's analysis, neither of which garnered sufficient support to indicate that a consensus of the industry was achievable. With the report adopted by the WEQ Executive Committee, NAESB does not recommend any additional changes to the commercial business practices for inadvertent interchange payback at this time.

- Additional NAESB WEQ Standards for Commercial Business Practices for Transmission Loading Relief ("TLR")

At the NAESB WEQ Executive Committee meeting on November 29, 2005, the WEQ Executive Committee approved the commercial business practices for transmission loading relief. They approved these standards with a proviso that they not be sent out for ratification by the membership until the members of the WEQ Board of Directors were assured that adequate coordination between NERC and NAESB was in place to ensure that the reliability standards and the complementary commercial business practices remained in lock step and the Board of Directors endorsed that action. NERC and NAESB are actively pursuing finalizing the procedures to be used to coordinate joint standards development, which will be provided to the WEQ Board members shortly. Assuming that the process outlined is satisfactory to the WEQ Board Members, the TLR commercial business practices will be released for member ratification. Assuming member ratification, NAESB would not immediately file these business practices with the Commission for consideration until NERC and NAESB have had an additional opportunity to determine if further changes are needed, and NERC has completed its process of developing the reliability standards. It is expected that NERC and NAESB will employ the joint development process to ensure that the coordination of the development of the two products is achieved. Both the Board of Directors minutes from December 13, 2005 and the WEQ Executive Committee meeting minutes from November 29, 2005 and availability of respective meeting transcripts where these discussions were held and decisions made are included in Attachment B. It is NAESB's intention that the TLR business practices not be filed with the Commission as part of Docket No. RM05-5-000 until the joint development process

has concluded and both NERC and NAESB have coordinated the reliability standards and business practices standards release.

- NERC – NAESB Coordination of Joint Standards Development

NERC and NAESB are in the process of documenting the procedure for joint standards development, the outcome of which would be NERC reliability standards and NAESB complementary commercial business practices. The procedure is fully compatible with the standards development procedures accredited by the American National Standards Institute for both organizations. The procedure provides for coordinated timing of the release of the standards so that no timing gap will exist between the two products. The procedure will be applied not only to TLR standards development as noted above, but also to the efforts soon to begin for Available Transfer Capability/Total Transfer Capability standards development<sup>2</sup>. Attachment C depicts the coordination process currently being used by NERC and NAESB, and in the process of final documentation.

In conclusion, NAESB now expects that it will not receive a request from NERC to remove the commercial business practices for manual time error correction, Area Control Error (ACE) equation special cases, and inadvertent interchange payback. We also are not at this time modifying the commercial business practices for inadvertent interchange payback. For TLR business practices, while we expect to begin the process to ratify the TLR standards, we do not expect to file them with the Commission as a part of this docket following the ratification -- rather, we will begin working collaboratively with NERC using the joint standards development process to determine if modifications are needed. We appreciate the support of the Commission as we develop the commercial business practices and look forward to Commission action on this docket.

---

<sup>2</sup> NAESB Request No. R05004 (Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM) posted on the NAESB website at: [http://www.naesb.org/pdf2/r05004\\_revised121205\\_clean.doc](http://www.naesb.org/pdf2/r05004_revised121205_clean.doc) and the attachment to the Request posted on the NAESB website at: <http://www.naesb.org/pdf2/r05004a1.pdf>. The Draft SAR Version 1: ATC/TTC/AFC Revision is posted on the NERC website at: [ftp://www.nerc.com/pub/sys/all\\_updl/standards/sar/MOD-001\\_Rev\\_SAR\\_V1.pdf](ftp://www.nerc.com/pub/sys/all_updl/standards/sar/MOD-001_Rev_SAR_V1.pdf) and the Draft SAR Version 1: CBM/TRM Revision is posted on the NERC website at: [ftp://www.nerc.com/pub/sys/all\\_updl/standards/sar/MOD\\_Rev\\_SAR\\_V1.pdf](ftp://www.nerc.com/pub/sys/all_updl/standards/sar/MOD_Rev_SAR_V1.pdf). See FERC Notice of Inquiry of Information Requirements for Available Transfer Capacity, Docket No. RM05-17, 05/27/2005: <http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=10582471:0>.