



North American Energy Standards Board

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TO: Rae McQuade, President, NAESB
FROM: DeDe Kirby, NAESB Meeting and Project Manager
RE: **Update on development of the split Transmission Loading Relief (TLR) NAESB Business Practice Standards and the status of the standards**
DATE: January 29, 2007

August 2-3, 2004: On August 2-3, 2004, team leaders from the NERC Version 0 Standards Drafting Team and the NAESB Business Practices Subcommittee (BPS) met in Chicago, IL to develop a joint recommendation on the division of the NERC Operating Policies into NAESB Business Practice Standards and NERC Reliability Standards. The unanimously endorsed recommendation of the task force for TLR was for NERC and NAESB to adopt a TLR procedure document with the same language and format in their respective Version 0 standards and immediately begin a joint project to develop replacement Version 1 standards distinguishing reliability requirements and business practices by the end of 2005.

August 16, 2004: The final recommendation of the joint task force that meant in Chicago was presented to the Joint Interface Committee on August 16, 2004. The recommendation above for the separation of business practices and reliability standards from the Version 0 TLR standard with commitment to file the Version 1 standards with the FERC by end of year 2005 was unanimously approved by the members of the JIC.

December 31, 2004: NAESB WEQ membership ratified the Version 0 TLR (pre-split) standards.

December 8, 2004: The joint TLR Task Force met 8 times from December of 2004 until June of 2005 to complete the designated split of the business practices from the reliability standards of TLR Version 0. On **June 1-2, 2005** the NAESB members of the task force unanimously supported the division completed by the task force and the NERC members took a straw man vote to show their unanimous support. At this point, the standards moved to their assigned drafting teams at NERC and NAESB for completion.

June 14-15, 2005: The NAESB WEQ BPS met 7 times, from June 14-15, 2005 to October 12, 2005, to complete the NAESB post-split TLR standard. It was voted out of subcommittee on October 12th. Please note the standard was posted for informal comments prior to being voted out of subcommittee.

(NERC) July 14, 2005: NERC Operating Reliability Subcommittee (ORS) submitted a Standards Authorization Request (SAR) for the post-split NERC TLR Standards. Twelve sets of comments were submitted on the SAR: six sets supported the division and six did not.

October 10, 2005: R05009 Recommendation (Modify the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards [dynamic flows]) was ratified by NAESB WEQ membership.¹

(NERC) November 18, 2005: NERC ORS sent a letter to NAESB requesting that NAESB cease development of Recommendation R04013A (NAESB post-split TLR standards) based upon the comments received at NERC. This letter was received as comments on Recommendation R04013A. All comments received on the recommendation were reviewed by the NAESB BPS on **November 22nd** in preparation of the NAESB November 29th WEQ Executive Committee (EC) meeting. Although these comments were officially considered by the WEQ EC, the BPS members noted the following reasons that NAESB should move forward with Recommendation R04013A: a separate standard should exist at NAESB to adequately address the commercial needs of the industry; division and maintenance of standards had been addressed previously by NERC and NAESB during other standards drafting activities (Coordinate Interchange); the JIC had previously unanimously supported the assignment of this project and; not moving forward with the standard could effect the standards drafting process at both NERC and NAESB.

¹ Please note that this change to the NAESB pre-split Version 0 standard was completed to correspond with NERC changes to their Version 0 TLR standards to account for dynamic schedules. This change followed up on the commitment of NERC and NAESB to keep the standards in line with the "same language and format." The Urgent Action SAR was approved by the NERC Board of Trustees in June 2005.



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November 29, 2005: Recommendation R04013A (post-split TLR standards) was reviewed by the WEQ Executive Committee. The WEQ EC recommended the adoption of the TLR Business Practices with ratification held in abeyance until TLR implementation issues between NERC and NAESB were clearly defined. The WEQ EC recommended the WEQ Board members make this determination.

December 19, 2005: The WEQ EC approved the Recommendation by notational ballot on December 19, 2005.

February 17, 2006: NAESB filed a progress report with the FERC updating them on the state of the NERC-NAESB joint standards development process.² The following statement, found in the progress report, reaffirms NAESB's commitment to complete the joint development of the TLR standards and to work with NERC to provide for standards that complement each other:

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.

February 22, 2006: Joint development template for NERC and NAESB efforts was presented to the Board of Directors via email. The Board unanimously adopted the template and authorized the NAESB office to move forward with ratification of the post-split TLR standards.

(NERC) February 24, 2006: NERC filed a statement with the FERC in support of the progress report on joint standards development filed by NAESB on February 17, 2006.³

April 10, 2006: The post-split standard was ratified by 80% of the NAESB WEQ Membership that voted.

(NERC) May 3, 2006: NERC ORS discussed SAR for post-split standards and future action plan.

(NERC) June 22-23, 2006: NERC Standards Authorization Committee (SAC) approved the formation of a TLR SAR Drafting Team and asked for nominations for this team.

(NERC) August 2, 2006: URGENT ACTION: SPP Regional Difference - IRO-006-3 posted for NERC Board of Trustees adoption.

(NERC) August 17, 2006: The NERC TLR SAR Drafting Team began meeting. Its first priority is to answer the comments submitted on the previous NERC TLR SAR.

September 1, 2006: R06002 Recommendation - 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). – was ratified by 100% OF THE NAESB WEQ Membership that voted.⁴

(NERC) September 11, 2006⁵: The NERC TLR SAR Drafting Team held its second meeting.

² [Progress Report on NAESB Activities impacting Docket No. RM05-5-000, "Standards for Business Practices and Communication Protocols for Public Utilities"](#), filed with the Commission on February 17, 2006, Accession Number 20060217-5041.

³ [Statement of North American Electric Reliability Council In Support of Comments and Report by North American Energy Standards Board, under RM05-5](#) filed with the Commission on February 21, 2006, Accession Number 20060217-5082.

⁴ Please note that Recommendation R06002 also follows up on NERC and NAESB's commitment to keep the Version 0 standards in line with the "same language and format." However, this commitment was made in reference to the standards held in NERC Operating Policy IRO-006-Attachment 1. NERC waivers in the version 0 standards were not contained in Attachment 1. It would not have been appropriate to contain these waivers in the NAESB Version 0 standard, since these originally not part of Attachment 1. However, during the Version 1 effort it was determined that these waivers were commercial in nature (please reference the addition to the NAESB standard of the PJM/MISO regional difference). Therefore, NERC has made the SPP change to IRO-006 (NERC's version 0 standard) and NAESB has made the corresponding change to its version 1 standard (more specifically, regional differences are included in Appendix D of the NAESB post-split standard). When NERC completes its version 1 standard, the SPP waiver should not be included.

⁵ Please note that more information is not available for this meeting (or the following meeting) on the NERC website at this time.



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(NERC) October 2, 2006: The NERC TLR SAR Drafting Team held its third meeting in Carmel, Indiana.

(NERC) October 13, 2006: The NERC TLR SAR Drafting Team held its fourth meeting.

(NERC) November 6, 2006: The NERC TLR SAR Drafting Team held its fifth meeting.

(NERC) December 5, 2006: The NERC TLR SAR Drafting Team held its sixth meeting. NERC SC (Executive Committee) held a conference call the same day and approved the TLR SAR that includes the General Update with NAESB. The SC E,C authorized the team to keep moving forward with drafting, even though the SAR is posted for comment, and the SAC asked to repopulate the drafting team. They issued a notice for nominations along with the SAR posting for comment asking for nominations to be submitted by January 12, 2007.. The SAC encouraged all current drafting team members to re-nominate themselves for the team. The SAR Drafting Team sent a memo to Gerry Cauley and Rae McQuade notifying them that their intent to move forward was under the NERC/NAESB joint development process. The NERC Standards Drafting Team and WEQ BPS will now meet jointly to continue development of TLR NERC Reliability Standards and to make modifications to the ratified post-split TLR business practices as needed. The NAESB team is proceeding with any changes necessary under the WEQ 2007 Annual Plan Item 1 (d) (ii) and (iii).

January 10-11, 2007: The NERC TLR Drafting Team and the NAESB WEQ BPS met jointly in Houston, TX to continue work on the development of the NERC TLR post-split reliability standards and any modifications to the NAESB ratified post-split standards. The group discussed how best to develop a joint operator's manual for the two sets of standards, once the NERC standards are complete. It is anticipated that in order to have a manual that makes sense, transition language must be added to the NAESB standards and may also be needed in the NERC standards. In addition, NERC staff informed the teams that when balloted, it would be necessary to include the NAESB standards in order to show industry how the split would work and that no integral parts of the original IRO-006 were left out. The balloting body will be informed that the NAESB standards are not to be considered in the vote on the NERC ballot. However, the standard showing the removal of those portions from the NERC TLR standards must be voted on according to NERC process. Therefore, the group continued with delineating the standards and identifying which were included in the NAESB business practices, and which are to be included in the NERC reliability standards. The group also discussed the implication and effect of the PJM/MISO curtailment threshold field test (included in the SAR as phase 2) on the development of the TLR standards and the incorporation of the regional differences for PJM and SPP in the NAESB ratified standards (Appendix D).⁶

February 27-28, 2007: The teams will meet in Birmingham, AL to continue work on the draft standards.

March 28-29, 2007: The teams will meet in Houston, TX to continue work on the draft standards.

April 18-19, 2007: The teams will meet in Houston, TX to continue work on the draft standards.

(NERC) 2nd Quarter, 2008: NERC's expected date of completion of TLR Split

⁶ Please note that these are notes kept by Ms. Kirby, as minutes are not available for this meeting from the NERC TLR drafting team at this time. When available, these notes will be updated.