

Ed Skiba

From: Pritchard, Alan C
Sent: Tuesday, November 30, 2010 6:44 PM
To: Jim Busbin; Ed Skiba
Subject: Option Tag All Non-Firm Generator Prioritization Detail - Pritchard comments
Attachments: Option Tag All Non-Firm Generator Prioritization Detail - Pritchard comments.doc

Ed and Jim,

I didn't have a chance to completely review the merged document nor did I have a chance to fully review the document with my counterparts here at Duke but I thought I'd send along my markup for your information. I don't expect you to merge these comments with others that you may have received. This is very important work and we should make sure that we get it right.

Here are some high-level comments:

1. The document may be of some use to the BPS but it is not written clearly enough for others who are not involved in these meetings to review.
2. The following items appear to be policy items and, according to the NAESB by-laws, should not be should not to be addressed by the subcommittee. See Article 2, Section 2.2(b) lines 120-123 (***Develop Practices, Not Policy – The committees, subcommittees and task forces***

of NAESB should endeavor not to create policy in their Standards or Model Business Practices development activities absent being requested to do so by the Board.)

- a. Two-tiered firm curtailment. The pro-forma tariff clearly identifies tiers of reservation priority and there is only one level of firm service.
- b. Requirement of coordination agreements in order to have elevated firm curtailment status. The only agreements referenced in NAESB standards (which I am aware of) were established by FERC (e.g., resale agreement).
- c. There is quite a bit of language in the proposed standard that defines how the generator prioritization option assigns firm transmission service. These rules appear to be either in lieu of or in addition to many of the requirements laid out by FERC in Order 890. If the committee wishes to proceed, it should take time to review the ordering language.
- d. Also, many of these rules on how the generator prioritization option assigns firm transmission service appear to be directed to the initial assignment of firm network service associated with Designated Network Resource status. It would seem that some of these rules may either conflict with or augment the MOD standards requirements.

Addition of requirements here will likely prove to be confusing to the industry at best and, at worst, create conflicting standards which introduce compliance issues.

3. The document appears to merge NERC entity names into this NAESB document. Assuming the entity names are truly NERC names, the entities are being asked to perform functions for which they do not have responsibility. For instance, I don't believe the TSP has access to the SDX, so it will be difficult for the TSP to enter data. Another example is that the TPL standards do not apply to the generation owners. A thorough review is in order.
4. It is difficult to understand which parts of the document are effectively NAESB requirements, which are IDC requirements and which are other NERC requirements.
5. There is quite a bit of NERC work that isn't done and, perhaps isn't even started. I am very uncomfortable voting on a direction which incorporates vapor-standards. For instance:
 - a. I haven't seen or reviewed the draft INT-012-1 standard. What bearing will it have on these standards? Does it make provisions for not tagging in the markets?
 - b. NERC has not yet committed to implement Change Order 310, secured funding or established an implementation timeline.
 - c. There's reference to a future NERC defined Coordinated Flowgate identification process.
6. There is reference to Phase 1 and Phase 2 in the generator prioritization option. I don't recall this breakdown in past discussions.

In short, the current version of the document is not written nearly well enough for me to circulate for an internal review prior voting on the option. Please do not push for this to be voted out at the meeting this week.

Respectfully,
Alan Pritchard

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