



Functional Model Working Group

September 7–8, 2006
Chicago, Illinois

Meeting Notes

Bill Blevins reviewed the NERC antitrust guidelines and covered the meeting arrangements. The Function Model Working Group (FMWG) reviewed and approved the agenda with the following items added:

- Roles of the transmission operator and reliability coordinator,
- Roles of Planning Coordinator and Transmission Planner in calculation of SOL and IROL,
- OC-PC charters, and
- Standards development write-up to be included in the Technical Discussion document.

The FMWG reviewed and edited the draft responses to industry comments from the posted Version 3 Functional Model. The FMWG finalized the responses for NERC staff to post. The group will post the responses as part of a set of documents that will include the Version 3 Functional Model, the Technical Discussion document, the Regional Reliability Plan Guidelines FINAL VERSION, and the industry comments with FMWG responses to the Regional Reliability Plan Guidelines. The FMWG will attempt to finalize these documents by October 1 so that the Operating Committee (OC) and Planning Committee (PC) have adequate time to review the changes to the model.

Mike Raezer noted the missing relationships in the planning functions and that NERC staff will add the missing reciprocal relationships to the model.

The FMWG reviewed the Market Operator and determined this entity and function should be kept in the model but that the chair of the FMWG should provide a report to the OC and PC to explain that this entity is not a reliability entity. This entity interfaces with reliability entities only and is included to illustrate this relationship. Ben Li and Al DiCaprio will provide clarification in the Technical Discussion document to describe the relationship with reliability entities.

The FMWG reviewed the OC and PC charters and supported the proposed requirements for the standing committees to approve the Functional Model.

The FMWG reviewed a proposal by Ben Li to modify the requirements to calculate transfer limits. Mr. Li proposed the following be inserted into the Technical Discussion document, P. 59.

“Calculates operating and transfer limits, Calculates transfer capabilities:

The Planning Coordinator reviews the transmission transfer capability determined by Transmission Planners and also determines future (generally one year and beyond) transfer capabilities between and among the Transmission Planners and other Planning Coordinators based on the transmission and resource plans. These longer-term transfer

capabilities are provided to the Transmission Service Providers for their use in determining long-term ATCs and assessing requests for long-term transmission service. These values are also provided to the Reliability Coordinator and Transmission Operator(s) for their use as a reference in developing operating limits.”

Mike Raezer moved that the reference to the Transmission Service Provider be struck so the long-term transfer capability is used to determine long-term ATC, but that the entity calculating the long-term ATC is not referenced. The FMWG accepted Mr. Li’s proposal with Mr. Raezer’s modification. Jim Hartwell led a discussion on both the regional registration of the functional entities and on the current draft of the Functional Model Version 3 regarding the Reliability Coordinator (RC) and the Transmission Operator (TOP) functional entities.

He pointed out that in the current draft of the Functional Model Version 3, the introductions for the RC and TOP were confusing and didn’t align at all with the supporting draft of the Technical Discussion document.

Mr. Hartwell stated that in the initial registration for the RC, TOP, and BA, NERC permitted more than one entity to register as a TOP in the same geographical area. This resulted in the overlapping of responsibilities within the region and introduced difficulties in ensuring that all of the requirements of the Version 0 standards were met. More specifically, NERC had indicated through their ERO application and the Functional Model that only one TOP should exist for a transmission element. The ERO application states in Appendix 1, 1.4.3 the following:

“Ensure that all transmission elements of the bulk power system are the responsibility and under the control of one, and only one, transmission planner, planning authority, and transmission operator.”

Mr. Hartwell reported that there has been, and still is, confusion for registering the transmission operator in respect to whether there should be one, and only one, entity responsible for a given transmission asset. It currently appears in the Version 3 draft that there are different areas of responsibilities between operations and planning and between the different entities in the operating and planning horizons. The working group agreed and recommended that this inconsistency be pointed out in the transmittal letter to the OC upon the completion of Version 3. The working group also agreed that Version 3 of the Functional Model should clearly point out that, while the ERO application is correct in regards to operating entities, it may not be applicable to the planning entities. The appropriate language was inserted into the current draft of Version 3.

Mr. Hartwell also pointed out that there is confusion in the registration process as to who should register as a Transmission Operator. Based upon his experience in the NERC readiness audits, this has been because some entities have had tasks delegated to them from another registered TOP and were of the opinion that they were required to register as a TOP. The FMWG agreed that entities performing the delegated tasks would not require such entities to register as TOPs and, hence, that additional language would need to be added in the Introduction to further clarify this issue. (See proposed additional language in Attachment 2 for clarification in the Introduction, pages 6 & 7, of the revised Version 3 draft from the September 6, 2006 meeting in Chicago.)

The FMWG chairman will provide an update to the Standards Authorization Committee and a presentation at the December OC and PC meetings. The update will be a brief summary of what has been changed in the model so that the standards committee can provide an endorsement of the model.

The presentation to the OC and PC will review the process for the Version 3 changes and will include recommendations regarding the role of the FMWG and the process for development of future versions.

Action Items

- Bob Millard to edit the reliability standards section and insert into the Technical Discussion document Section 1 Standards Development section. To be sent to the FMWG next week. Will incorporate changes before September 15.
- Ben Li and Al DiCaprio will produce two versions for Market Operations into Technical Discussion document Sections 2 and 3. To be sent to the FMWG next week. Will incorporate changes before September 15.
- Jim Cyrulewski will review the operations entities in model for reciprocal relationships. This will be sent to the NERC staff to incorporate changes before September 15.
- Mike Yealland will send a revised introduction dealing with the concept of one entity responsible for a given asset. The main issue is that the planning area has overlap for assets in order to plan properly and this is inconsistent with the ERO application in Appendix A. Mr. Yealland's revision will not address individual assets. These changes will be incorporated before September 15.
- NERC staff will send the revised Functional Model Version 3, Regional Reliability Plan Guidelines, both sets of comments and responses and the Technical Discussion document to the FMWG by September 22.
- NERC staff will schedule a call for October 4, 2006 from 1–5 p.m. The FMWG will prepare a letter to industry for the October 2006 posting thanking them for comments. This draft will be reviewed and agreed upon on the October 4 call.
- The FMWG will post the Functional Model Version 3, RRP, both sets of comments and responses, and the Technical Discussion document to the FMWG by October 10.
- NERC staff will notify the Standards Authorization Committee that the FMWG chairman will review the Functional Model Version 3 during its October 16 conference call. The discussion with the Standards Committee will include a high-level recommendation of changes; specifically the Transmission Operator-Reliability Coordinator and Planning Authority-Planning Coordinator changes
- The FMWG will prepare a second letter to the OC and PC to inform them that the revisions to the functional model are complete. This letter will review the discrepancy between the ERO application and overlap in planning for assets. NERC staff will work with the FMWG chair to produce this letter. The primary concern is that planning is, in some cases, under the purview of more than one responsible entity. Also, some planned assets and some real assets must be included because planners need information on both to perform their planning studies. Finally, planners need to plan for assets outside of their footprint. The FMWG letter to the OC and PC will capture issues and suggestions the FMWG discussed. NERC staff will schedule a call for October 23 from 1–5 p.m. to review the letter.
- The working group expects this letter will be sent to the standing committees by mid November.