



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Interchange Subcommittee Meeting

February 8–10, 2005
Phoenix, Arizona

Minutes

A regular meeting of the Interchange Subcommittee was held on February 8–10, 2005 in Phoenix, Arizona. The meeting notice, agenda, and attendance list are affixed as **Exhibits A, B, and C**, respectively. Individual statements and minority opinions are affixed as **Exhibits D and E**. (There were none.)

Introductions

Doug Hils chaired the meeting on February 8 and the morning of February 9. Jim McIntosh chaired the meeting the afternoon of February 9 and February 10. Bill Blevins, the new NERC facilitator for the Interchange Subcommittee, was introduced. The subcommittee members and guests introduced themselves and described their job functions. The secretary reported that a quorum was present.

The chairman summarized the NERC Antitrust Compliance Guidelines, which were included in the agenda.

The minutes of the November 30, December 1–2, 2004 meeting were approved.

WECC and Unit Contingent Sales

Jim Hansen discussed the E-Tagging unit contingent power. Currently in WECC, and possibly other NERC regional reliability councils, there is a problem caused by source/sink misunderstanding of who has reserve carrying responsibilities on some interchange transactions. While most transactions result in the source and sink understanding and implementing appropriate reserves, there are some instances where both or neither are carrying reserves. WECC believes this is a reliability problem since the region is not assured to be carrying the minimum operating reserve levels necessary to assure reliability. This problem became more frequent as PSEs and LSEs started conducting unit contingent transactions.

- The WECC Contingency Reserve Identification Task Force has been asked to resolve the reserve issue by creating a new E-Tag that identifies reserve-carrying responsibility. The element would flag the source and sink obligation of the E-Tag reserve requirements and responsibility. Doug Hils noted that if the solution requires an E-Tag revision, a more universal change that applies to other Interconnections would be practical.

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Discussion:

- IS should discuss this item again to determine if this revision could apply to the other Interconnections.
- This item could be handled with the product fields.
- This item has commercial implications and should be discussed with NAESB.
- The WECC should ensure that the definitions for the products is understood in the WECC.

Action: Jim Hansen will bring this issue to the TISWG and ITS at their next meeting. The TISWG should report to the Interchange Subcommittee at the May 2005 meeting.

Timing for E-Tagging Emergency Transactions – Reliability Standard Interpretation

Doug Hils led the discussion on E-Tagging Dynamic Schedule and Reserve Schedules and the 60-minute tagging issue. Mr. Hils asked the committee if there was a need to have some form of accounting mechanism for post-disturbance analysis purposes. The subcommittee determined that an opinion letter was needed to explain the 60-minute requirement as stated in the interchange standard.

Action: Jim Hansen will draft an opinion letter that the IS will approve, and then send to the industry before April 1, 2005. The IS will draft and submit a SAR clarifying INT-001 R2.2.

Interchange Authority Function

Mike Oatts reported on the February 2005 Functional Model Reliability Standards Coordination Task Force (FMRSCF) meeting. The FMRSCF discussed:

- The effects of deferring the IA function.
- A wide area vs. a local Reliability Authority.
- Removing the interchange approval for RA and moving it to Transmission Operator.
- The fact that that the IA function does exist in the Version 0 Standards and is assigned to the sink BA.

The FMRSCF requests the subcommittee to provide recommendations on changes to the Functional Model for “IA-lite.”

Action:

Form a task force to list the IA tasks in the functional model and map those tasks to the current reliability standards. Members are: Alan Boesch; Melinda Montgomery; Roman Carter; Larry Goins; Pat Doran – chairman.

The task force should review the task and determine responsible parties prior to the FMRSCF meeting on February 23–24, 2005, and develop recommendations for the Interchange Authority.

Version 1 Standards

Mike Oatts provided an overview of the Coordinate Interchange Standard Drafting Team’s work. The Coordinate Interchange Version 1 timing requirement was changed to be more standard so similar timing between Interconnections would exist.

Alan Boesch reviewed comments from the Interchange Authority Report posting. The RTOs recommend an Interchange Authority cost-benefit analysis for the paper’s short-term and long-term recommendations.

Operating Manual

Don Benjamin reported that the current Operating Manual policies would be replaced with the recently approved reliability standards that will be implemented on April 1, 2005. Mr. Benjamin requested that the subcommittees update the reference documents and add those updates to the operating manual. NERC is working with NAESB to add business practices to the manual.

Dave Hilt informed the subcommittee that compliance measures and levels were transferred from the templates into the reliability standards. If additional measures are needed in the INT Standards the Certification Compliance Committee would look to the IS to assist in identifying those measures and compliance levels. A SAR would be required to add measures and levels of compliance.

The subcommittee formed the Interchange Reference Document Revisions Group (IRDRG) to review the reference documents. Members are: Melinda Montgomery — chairman; Don Lacen; John Simonelli; John Dadourian; Roman Carter.

The subcommittee formed the Interchange Standards Revision Group (ISRG) to draft SARs for the INT reliability standards. Members are: Alan Boesch — chairman; Fred Kunkel; Ron Donahey; Larry Goins. The group's scope includes revising the INT standards based on industry comments that the IS reviewed and drafting compliance measures and levels.

The subcommittee formed the Interchange Waiver Revisions Group (IWRG) to revise the waivers in accordance with the Version 0 Standards. Members are: Doug Hils — chairman; Don Lacen; Jim Hansen; Joe Gardner.

Dynamic Schedule Working Group Report

The Interchange Subcommittee met with the Operating Reliability Subcommittee to discuss this agenda topic. Doug Hils, chairman of the Dynamic Schedule Task Force, reviewed the two motions approved by the IS at its last meeting. At its recent meeting, the IS approved a letter to the industry regarding the implementation of IS motion one, which is:

Motion One — For a dynamic schedule, the entity creating the E-Tag for the schedule must indicate that the E-Tag is of the type “Dynamic” (<Transaction Type>Dynamic</Transaction Type>). The type “Dynamic” on the E-Tag must not be used when a schedule is not a dynamic schedule.

Mr. Hils noted that Motion Two (Part A) is addressed by implementation of IDC change order 179 (Firm Dynamic Transaction Handling in TLR Levels 1–4). Part A of Motion 2 is:

Motion Two (Part A) — Short Term — If the E-Tag is identified as the type “Dynamic,” and the transmission service is considered firm according to the constrained path method, then it will not be held by the IDC during TLR level 4 or lower.

The IS drafted a revision to reliability standard IRO-006-0, Requirement 1.6.6 of Attachment 1, which could be processed as an urgent action SAR. Mr. Hils stated that the ORS should decide if this is a standards change or a standards interpretation.

Lanny Nickell expressed concern related to the potential reliability impacts of changing dynamic schedules, especially those of significant magnitude. He suggested that the IDCWG consider the reliability impacts, and consider changing the IDC to provide as much information as possible to the reliability coordinator regarding changing dynamic schedules. IDCWG Chairman Julie Pierce noted that some dynamic schedules are tagged after-the-fact. ORS Chairman Roger Harszy requested the addition of alarming, reliability coordinator notification, and viewing capability be added to IDC CO-179.

Julie Pierce stated that a revised IDC CO-179 could probably be implemented by June 1, 2005. Garth Arnott suggested pursuing an interpretation of standard IRO-006-0 to quickly incorporate the changes the IS had made to IRO-006-0. Don Benjamin noted that there is a formal standards interpretation process that should be followed.

Lanny Nickell moved to accept the changes proposed to IRO-006-0, Attachment 1, as approved by the IS, and to request the Dynamic Schedules Task Force to develop an urgent action standards authorization request (SAR) to modify Attachment 1 to standard IRO-006-0 and to submit the SAR to the standards process manager. Anthony Jankowski seconded the motion. The ORS approved the motion.

The Dynamic Schedules Task Force will draft an urgent action SAR, and submit it to the IS and ORS for approval. The ORS requested that the IDCWG not begin implementation of IDC CO-179 until directed to do so by the ORS.

Dynamic Transfer Catalog

The subcommittee agreed to move forward on developing the Dynamic Transfer Catalog. The subcommittee requested that the Dynamic Transfer Working Group review the following issues:

- FRCC's Operating Reliability Subcommittee's difficulty in understanding the definition of a Pseudo-Tie as explained in the DTWG's paper.
- The need to define "contiguous" as it relates to Actual Ties and Pseudo-ties.

Action: The subcommittee will draft a letter requesting the regions ensure that dynamic transfers are properly identified and modeled. The subcommittee will draft a project plan to ensure data is submitted in a standard format.

TISWG Report

Gordon Scott provided an update on the proposed formation of a joint NERC and NAESB technical group to address business practices and reliability issues regarding interchange. The group would encompass the NERC TISWG and the NAESB ITS and ESS, and would take on a much larger role in determining the future of the TISN Registry and OASIS.

NERC and NAESB plan to conduct a "Future of OASIS Conference" on March 29, 2005. The conference will help determine the future of OASIS II.

Other Items

EPRI Transfer Analysis

Bob Cummings reviewed EPRI's current analysis of north-to-south transfers for the Eastern Interconnection from 2000 to 2004.

Standard Energy Day

The subcommittee reviewed the NERC/NAESB work on standardizing the energy day and determined the IS did not need to comment.

Bill Blevins

Secretary
Interchange Subcommittee

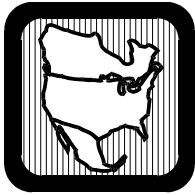


Exhibit A

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Interchange Subcommittee

Tuesday, February 8, 2005 — 1–5 p.m.
Wednesday, February 9, 2005 — 8 a.m.–5 p.m.
Thursday, February 10, 2005 — 8 a.m.–noon

Meeting Logistics and Registration Form

Hotel	Hilton Scottsdale Resort & Villas 6333 North Scottsdale Road Scottsdale, Arizona 85250-5428
Phone and fax	Phone: 480-948-7750 ■ Fax: 480-948-2232
Room rate	\$179 single occupancy
Room block	Nights of February 7–9, 2005
Reservation cut-off date	January 17, 2005 (NOTE: After this date, the hotel will release this block of rooms and only accept reservations on a space-available basis.)
Check-in and check-out times	Check-in: 3 p.m. Check-out: noon
Transportation	The hotel is located about 20 minutes from the Sky Harbor International Airport. <ul style="list-style-type: none">• Shuttle service is available at baggage claim (approximately \$15)• Taxi: Approximately \$25–30
Hotel reservation instructions	When making your hotel reservation, please be sure to mention the “NERC/North American Electric Reliability Council” meeting to get the preferred rate and to ensure your reservation is credited to the NERC room block. NERC may be charged a penalty if the total rooms blocked for this event are not picked up. Also, if you use a travel agency for your travel plans, please make sure the agency mentions NERC.
Attire	Business casual.

Please type or print.

Name:	
Title:	
Company:	
Telephone:	
Email:	
Attending: <input type="checkbox"/>	Not Attending: <input type="checkbox"/>

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Exhibit B

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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Interchange Subcommittee Meeting

Tuesday, February 8, 2005 — 1 p.m. to 5 p.m.
Wednesday, February 9, 2005 — 8 a.m. to 5 p.m.
Thursday, February 10, 2005 — 8 a.m. to noon

Hilton Scottsdale Resort & Villas
6333 North Scottsdale Road
Scottsdale, Arizona
Phone: 480-948-7750 ■ Fax: 480-948-2232

Agenda

- 1. Administrative**
 - a. Welcome and Introductions – Chairman
 - b. Arrangements – Secretary
 - c. Quorum – Secretary
 - d. Procedures – Chairman
 - i) Antitrust Compliance Guidelines
 - ii) Parliamentary Procedures
 - e. OC Subcommittee Organization and Procedures – Secretary
 - f. Interchange Subcommittee Scope – Secretary
 - g. Minutes of November 30–December 2, 2004 Meeting – Chairman
 - h. Approval of Agenda – Chairman **20 minutes**

- 2. Interchange Authority Function — Mike Oatts** **2 hours**
 - a. Review Functional Model Reliability Standards Coordination Task Force discussion on the Interchange Authority Function
 - b. Provide update on CI Standards DT
 - c. Review comments from posting of Interchange Authority Report - John Simonelli

- 3. Version 0 Standards — Doug Hils** **3 hours**
 - a. Discuss results of January 28, 2005 Interchange Subcommittee conference call
 - b. Interchange reference documents, glossary and waivers
 - c. Version 0 Operator Manual
 - d. Version 0 entity registration

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- e. Version 0 INT Standard compliance measures – Alan Boesch
- 4. TISWG Report — Jim Hansen** **hour**
 - a. Formation of joint NERC and NAESB technical group
 - b. NERC / NAESB Future of OASIS Conference
- 5. Dynamic Schedule Working Group Report – Doug Hils** **1 hour**
 - a. Discuss Motions from December joint subcommittee meeting
 - b. Discuss February 1, 2005 Dynamic Schedule Working group conference call
 - i) Review proposed revision to IRO-006-0 - Attachment 1
 - ii) Discuss SAR for motion 2 b on “Uploading of real-time dynamic schedules into the IDC
- 6. Dynamic Transfer Catalog – Gordon Scott** **1 hour**
 - a. Review status of NERC Dynamic Transfer Catalog
- 7. Other Items** **Time Permitting**
 - a. Unit Contingent Sales - Jim Hansen
 - b. Standard Energy Day / Gas-Electric Communication – Gordon Scott
 - c. Operator requirements “Checkout Letter” – Gordon Scott
 - d. Reactive Power – Gordon Scott
- 8. Future Meetings — Secretary** **10 minutes**
 - a. Review meeting calendar for 2005

**Attendance
Interchange Subcommittee Meeting
February 8–10, 2005
Scottsdale, Arizona**

Exhibit C

Name		Representing
1.	Doug Hils, Chairman	Cinergy
2.	Jim McIntosh, Vice Chairman	CAISO
3.	Alan Boesch	NPPD
4.	Roman Carter	Southern
5.	John Dadourian	PJM
6.	Ron Donahey	TECO
7.	Jim Hansen	Seattle City Light
8.	Pat Doran	The IMO
9.	Fred Kunkel	WVPA
10.	Don Lacen	PNM/WECC ISAS
11.	Melinda Montgomery	Entergy
12.	Mike Oatts	Southern
13.	John Simonelli	ISO New England
14.	Gordon Scott	NERC
15.	Bill Blevins	NERC
16.	Larry Goins (for Tom Ponseti)	TVA
17.	Bob Harshbarger	Puget Sound Energy, Inc.
18.	Chris Pacella	PJM

Exhibit D

**Individual Statements
Interchange Subcommittee Meeting
February 8–10, 2005**

None

Exhibit E

**Minority Opinions
Interchange Subcommittee Meeting
February 8–10, 2005**

No minority opinions were offered for the record.