

**Regional Reliability Standards Working Group**

March 19, 2007 — 2–5 p.m. Western Time  
 March 20, 2007 — 8 a.m.–5 p.m. Western Time

The Westin Long Beach  
 333 East Ocean Boulevard  
 Long Beach, California  
 ☎ 562-436-3000

**Agenda**

**1. Administrative Items**

- a. Arrangements  
 David Taylor will review the meeting arrangements.
- b. Introductions/Attendance  
 Patrick Huntley — SERC Reliability Corporation  
 Robert (Bob) Millard — ReliabilityFirst Corporation  
 Steven Myers — Electric Reliability Council of Texas, Inc.  
 Mak Nagle — Southwest Power Pool  
 John E. Odom — Florida Reliability Coordinating Council  
 Kenneth Wilson — Western Electricity Coordinating Council  
 Guy V. Zito — Northeast Power Coordinating Council, Inc.  
 Larry Brusseau — Midwest Reliability Organization  
 David Taylor — North American Electric Reliability Corporation
- c. Meeting Notes  
 The group will select a “volunteer” to take the notes for the meeting.

**2. Review of Action Items from Last Meeting**

David Taylor will review the action item list developed during the February 23, 2007 RRSWG conference call:

Action Items	Status:	Assigned To:
<ul style="list-style-type: none"> <li>• Discuss the regions’ UFLS programs at the UFLS standards drafting team meeting.</li> </ul>	Overviews of each region’s UFLS program are to be provided at the initial meeting of the standard drafting team	RRSWG

Action Items	Status:	Assigned To:
	for Project 2007-01  <b>Remains Open</b>	
<ul style="list-style-type: none"> <li>NERC Regional Reliability Standards Evaluation Procedure - Dave is to correct bullet number 1 under step 2 to match the form.</li> </ul>	On hold pending action by Standards Committee on involvement in regional standards development process  <b>Remains Open</b>	Dave
<ul style="list-style-type: none"> <li>Kenneth is to bring a projector to the March meeting in Long Beach, CA</li> </ul>	<b>Remains Open</b>	Kenneth
<ul style="list-style-type: none"> <li>Draft a RRSWG scope statement for the next meeting.</li> </ul>	<b>Remains Open</b>	Pat

### 3. RRSWG Scope

At the January 23–24 RRSWG meeting the group discussed the future activities of the RRSWG. Pat Huntley volunteered to draft a new scope for the RRSWG and lead a discussion of his proposal.

### 4. WECC Regional Standards Request

On December 22, 2006 WECC submitted a request to NERC to approve eight WECC regional standards. On January 10, 2007 NERC posted for public comment the eight proposed WECC standards. The NERC Board of Trustees took action on these standards during their March 12 meeting (see **Attachment 4**). David Taylor will provide an update to the group as to the status of WECC’s request.

### 5. Regional Standard Numbering System

During the February 23 RRSWG conference call the group discussed and revised a numbering convention for regional standards (see **Attachments 5a and 5b**). The group will vote to endorse this numbering convention for regional standards for use by all regional entities.

### 6. Disturbance Monitoring SAR and Regional Standards

David Taylor will provide the group with an update as to the status of the SAR for Project 2007-11 Disturbance Monitoring (see **Attachment 6**).

### 7. Underfrequency Load Shedding SAR and Regional Standard

David Taylor will update the group on the status of Project 2007-01 Underfrequency Load Shedding (see **Attachment 7**).

### 8. NERC Regional Reliability Standards Web Page

David Taylor will review recent updates of NERC’s regional reliability Web page with the group.

## 9. NERC Standards Development Procedure

On January 18, 2007, the Federal Energy Regulatory Commission (FERC) issued an order on NERC's October 18, 2006 non-governance compliance filing. In its order, FERC directed NERC to make the following revisions to the Reliability Standards Development Procedure within 60 days:

1. Remove violation risk factors from the standards development procedure (addresses Paragraph 91 of the FERC Order — see page 7 of the revised manual).
2. Include a description of urgent actions directed by FERC or applicable authority in Canada (addresses Paragraph 28 and 29 of the FERC Order — see page 26 of the revised manual).

To meet FERC's deadline, the Standards Committee endorsed the following expedited schedule for addressing the revisions to the manual. This schedule allows stakeholder participation while also meeting FERC's deadline for submission:

Post for short comment period:	February 12–21, 2007 (10 days)	Response to Comments
Conduct initial ballot:	February 26 to March 2, 2007 (5 days)	
Conduct recirculation ballot:	March 5–9, 2007 (5 days)	
Board consideration:	March 12, 2007	
File with FERC:	March 19, 2007	

The group will discuss the impact of changes to the NERC Standards Development Procedure (see **Attachment 9**) on the regional standards development procedures.

## 10. Regional Standard versus Regional Criteria

David Taylor will discuss what a regional standard is relative to what a regional criterion is.

## 11. Review of Action Items

David Taylor will review the list of outstanding action items and action items generated during the meeting and confirm assignments:

Action Items	Status:	Assigned To:
<ul style="list-style-type: none"> <li>• Discuss the regions' UFLS programs at the UFLS standards drafting team meeting.</li> </ul>	Overviews of each region's UFLS program are to be provided at the initial meeting of the standard drafting team for Project 2007-01  <b>Remains Open</b>	RRSWG
<ul style="list-style-type: none"> <li>• NERC Regional Reliability Standards Evaluation Procedure - Dave is to correct bullet number 1 under</li> </ul>	On hold pending action by Standards	Dave

Action Items	Status:	Assigned To:
step 2 to match the form.	Committee on involvement in regional standards development process  <b>Remains Open</b>	
<ul style="list-style-type: none"> <li>• Kenneth is to bring a projector to the March meeting in Long Beach, CA</li> </ul>	<b>Remains Open</b>	Kenneth
<ul style="list-style-type: none"> <li>• Draft a RRSWG scope statement for the next meeting.</li> </ul>	<b>Remains Open</b>	Pat
<ul style="list-style-type: none"> <li>•</li> </ul>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<ul style="list-style-type: none"> <li>•</li> </ul>		

## 12. Next Steps

The group will discuss and identify the next steps and confirm future meeting dates and locations.

- April 30, 2007  
1–5 p.m. Eastern Time  
WebEx and conference call
- May 22–23, 2007 — SPP offices (Little Rock, Arkansas)  
1–5 p.m. Central Time on May 22  
8 a.m.–3 p.m. Central Time on May 23
- June 29, 2007  
10 a.m.–1 p.m. Eastern Time  
WebEx and conference call
- August 1–2 — WECC offices (Salt Lake City, Utah)  
1–5 p.m. Mountain Time on August 1  
8 a.m.–3 p.m. Mountain Time on August 2
- September 4, 2007  
1–5 p.m. Eastern Time  
WebEx and conference call
- October 2–3, 2007 — FRCC offices (Tampa, Florida)  
1–5 p.m. Eastern Time on October 2  
8 a.m.–3 p.m. Eastern Time on October 3

## **NERC Antitrust Compliance Guidelines**

### **I. General**

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

### **II. Prohibited Activities**

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

### **III. Activities That Are Permitted**

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and

adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Reliability Standards Process Manual
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.