

Meeting Notes

Project 2010-17 Definition of Bulk Electric System Standard Drafting Team

July 31–August 1, 2012

Georgia Transmission Corporation
Tucker, GA

Administrative

1. Introductions

The chair called the meeting to order at 8:00 a.m. ET on Tuesday, July 31, 2012, at Georgia Transmission Corporation in Tucker, GA. The meeting participants were:

Members		
Jennifer Dering, NYPA	Ajay Garg, Hydro One	Pete Heidrich, FRCC, Chair
John Hughes, ELCON	Barry Lawson, NRECA, Vice Chair	Rich Salgo, Sierra Pacific
Jason Snodgrass, GTC	Jennifer Sterling, Exelon	Jonathan Sykes, PG&E
Ed Dobrowolski, NERC		
Observers		
Guy Andrews, GTC	David Dockery, AECL	Tom Duffy, CHGE
Jeff Gindling, Duke	Bill Harm, PJM	Jonathan Hayes, SPP
Bill Hughes, Redding	Ruth Kloecker, ITC	Susan Morris, FERC
Alain Pageau, HQ	DeWayne Scott, TVA	Ken Shortt, PacifiCorp
Tim Soles, Occidental	Phil Tatro, NERC	

2. Determination of Quorum

The rule for NERC Standard Drafting Teams (SDT) states that a quorum requires two-thirds of the voting members of the SDT to be physically present. Quorum was achieved.

3. NERC Antitrust Compliance Guidelines and Public Announcement

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.

Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. The notice included the number for dial-in participation. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

4. Review Current Team Roster

There were no changes to the roster.

5. Review Meeting Agenda and Objectives

The agenda was approved as drafted. The objective of the meeting was to clean up all outstanding open items.

Agenda

1. Liaison Reports

a. Standards Committee (SC) – Pete Heidrich

The last SC agenda did not contain an item for this project.

b. Member Representatives Committee (MRC)/Board of Trustees (BOT) – Pete Heidrich

The next meeting is the week of August 13, 2012 and Pete Heidrich will present a project update. The presentation material will be distributed to the SDT when it has been finalized.

Action Item – Pete Heidrich will distribute the MRC/BOT presentation to the SDT members once it has been finalized.

c. Planning Committee Executive Committee (PC Ex Com) – Jeff Mitchell

The PC Ex Com is working on the draft report for the 100 kV threshold. They will have another conference call on the issue on August 9, 2012. Other alternatives such as surge impedance loading are being discussed, but to date the voltage threshold is the preferred option. Different voltage thresholds for different interconnections are being explored. The Ex Com draft report will be delivered to the full PC for discussion at its September 2012 meeting.

Report on Leadership Conference Call:

A conference call was held on July 23, 2012 with the leadership of the PC Ex Com, Systems Analysis and Modeling Subcommittee (SAMS), Reliability Assessment Subcommittee (RAS), and Definition of Bulk Electric System Standard Drafting Team (DBESSDT) to discuss progress on the various tasks assigned to the PC. It was discovered prior to the call that SAMS and RAS had not received the scope memo developed by the DBESSDT. It has now been distributed to both groups. SAMS is made up of planners and thus is approaching the problem from a planning

perspective. This may result in developing a response that is not exactly what the DBESSDT was expecting. The SDT will have to review the document and decide how to proceed.

d. SAMS – Bill Harm

SAMS is meeting the week of August 13, 2012. They will have the draft report ready for the PC in September 2012.

e. RAS – Phil Fedora

RAS is meeting via conference call on July 31, 2012. Phil Fedora will provide a report on the call via e-mail. RAS is also planning on having its draft report to the PC for its September 2012 meeting.

2. Review of Previous Action Items

a. Jeff Mitchell will provide the contact information for PC representatives for the conference call concerning the scope of the assignment to the PC. This item is complete.

b. Ed Dobrowolski will coordinate and set up a conference call between SC leadership and appropriate PC representatives on the scope of the assignment to the PC. This item is complete.

c. Jonathan Hayes to report back on net capacity considerations at SERC. This item is complete.

d. John Hughes and Tim Soles will draft a straw man description of net capacity by July 6, 2012. This item is complete.

3. **Review of FERC Notice of Proposed Rulemaking (NOPR) and Discussion of Response Plan – Pete Heidrich**

The SDT NOPR responses have been delivered to NERC Legal who are responsible for the actual submittal to FERC. The SDT may get clarifying questions from NERC Legal but for now this task is complete. The submittal date is September 4, 2012.

4. **Review of Guidance Document**

Pete Heidrich is working on the changes from the last meeting. He is now working in Visio and the transition is causing some slight delays.

John Hughes and Tim Soles worked with the CRWG on producing a statement for net capacity in the guidance document section for Exclusion E2. The SDT reviewed the CRWG response and revised the wording to include hourly integration over a calendar year and emphasizing net flow to the BES.

5. **Discuss Need for Supplemental Standard Authorization Request (SAR)**

The scope of the existing Phase 2 SAR is flexible in some respects but still somewhat limited in others such as introducing new concepts to what had been approved in Phase 1. If new concepts and ideas are required then the proper way to go about introducing them is through a

Supplemental SAR. Rules for Supplemental SARs are the same as for any other SAR requiring technical justifications and SC approval.

a. Inclusion I2 vs. Inclusion I4

The on-going SDT discussion concerning the differences between Inclusions I2 and I4 and possible fixes for the same, are an example of a change from Phase 1 that would not be covered by the Phase 2 SAR. Phase 1 clearly called for a different handling of the two situations and this difference was acknowledged and accepted by the SDT. Some SDT members are now questioning the rationale for this difference and asking for consistency between the two inclusions. Other SDT members are questioning if consistency should be the issue or whether reliability issues should dictate any change. At this point, those members do not feel that they have seen a reliability issue justifying the change.

The SDT was unable to reach consensus on this issue and decided to table the matter until industry comments are received from the guidance document posting.

If the SDT decides not to pursue the Supplemental SAR there is nothing stopping any individual from submitting a SAR to address this issue.

b. Other items

One additional possible item for a Supplemental SAR was presented. It involves reactive devices at wind farms that are installed to correct power factors. The SDT decided that this was adequately covered in VAR-002 and that a Supplemental SAR was not required. This decision can be re-addressed if industry comments indicate that there is a reliability gap in this area.

6. Definition Clarification Items

a. Non-retail generation (SAR).

This item was completed in earlier meetings and will be removed from future agendas.

b. Inclusion I4 (SAR) - Dispersed generation vs. distributed resources.

This item will be discussed under the supplemental SAR discussion and will be removed from future agendas.

c. Flowgates in Exclusion E3 (AECI).

This item was completed in earlier meetings and will be removed from future agendas.

d. Ownership in Exclusion E4 (AECI).

The proposed wording developed at the last meeting was accepted. The “sole benefit” phrase was not considered an issue as it will be determined in the connection agreement. This item is now complete and will be removed from future agendas.

e. Dedicated step-up transformer in Inclusion I2 (PEPCO).

This item was completed in earlier meetings and will be removed from future agendas.

f. Normally open designation in Exclusion E1 (WECC).

A suggested wording change was made by WECC: “Note – A normally open switching device between radial systems, as depicted on prints or one-line diagrams for example, does not alter this exclusion.”

The SDT saw no additional clarity with this suggested change.

This item is now complete and will be removed from future agendas.

g. Gross or net ratings (ACES).

A suggestion was made that the drafting team should evaluate whether gross or net ratings for generators should be used in the definition. It seems that any threshold that is identified from a technical study to identify minimum generation thresholds would apply to the net injection of power and, thus, net rating.

Net is seen as a moving target and thus not a bright-line concept. Gross is what is used in the ERO Statement of Compliance Registry Criteria and thus the use in the definition is consistent. No change was made.

This item is now complete and will be removed from future agendas.

h. Retail Load, Retail Generation, and Retail Meter (ISONE).

Comments received from postings suggested that these terms needed definition.

Retail load is a well understood term and the SDT sees no reason to officially define it. In addition, the guidance document will provide additional clarification for this item.

Retail customer load is only used in one location and “load” does not add any clarification to the statement. The SDT deleted “load” from this phrasing.

Retail generation – The SDT is going to provide clarification in the guidance document for non-retail generation and believes that this will sufficiently define this issue.

Retail meter is a well understood term and the SDT sees no reason to officially define it. In addition, the guidance document will provide additional clarification for this item.

This item is now complete and will be removed from future agendas.

i. Reactive resources in Exclusions E1 and E3.

The SDT raised the question of whether there should be limits on Reactive Resources in Exclusions E1 and E3. The key point for discussion is whether Reactive Resources in Exclusions E1 and E3 would have any impact on the BES or should they be treated similarly to generation? The preliminary feeling of the SDT is that the exclusion statements are correct as is. However, this item will be reviewed following the receipt of the SAMS report.

- j. Relationship between the BES definition and the ERO Statement of Compliance Registry Criteria established in FERC Order 693.

Technically, this is probably not an SDT responsibility as the SDT is not allowed to make changes to the ERO Statement of Compliance Registry Criteria. The SDT leadership needs to coordinate with NERC management to see how this item can be resolved. Final resolution of this item can't be obtained until the final FERC Order is received and the definition is approved. But then, what process should be followed to resolve the issue. Ed Dobrowolski will communicate with NERC management on this item and report back to the SDT.

Action Item – Ed Dobrowolski to contact NERC management to resolve the expectations and process to be followed to reconcile the BES definition and the ERO Statement of Compliance registry Criteria as per the BES Definition Phase 2 SAR.

SDT members are being asked about changes to the applicability of existing standards based on the revised BES definition. The indications from these conversations are that industry is not aware of the NERC position that standards and requirements can be written against non-BES elements when those elements impact the reliability of the BES. Is there an education task that needs to be performed? If so, whose responsibility is such a task? Ed Dobrowolski forwarded these concerns to NERC management.

- k. Appropriate “points of demarcation” between Transmission, Generation, and Distribution.

The SDT believes that generation is adequately described in Inclusion I2 and the guidance document section on Inclusion I2.

The SDT has not defined transmission or distribution other than to say explicitly in the core definition that distribution is excluded from the BES. SDT efforts have been concentrated on describing BES versus non-BES and the SDT continues to believe that this is an appropriate technical demarcation of the issue.

- l. Determine point of connection (SDT discussion).

After review of the guidance document diagrams, the SDT now believes that a nesting approach should be utilized when evaluating applicability of the E1 exclusion. Jonathan Sykes will draft a set of rules for how to apply the exclusion to any such evaluation.

Action Item - Jonathan Sykes will draft a set of rules for how to apply the E1 exclusion to evaluations of applicability of the exclusion.

- m. Determine necessity for E1c (SDT discussion).

An entity can still have an Exclusion E1c scenario even under the nesting concept. Therefore, the exclusion is still needed. However, it may make sense to re-order the exclusion to more closely follow the rules developed under item “l” above.

7. Phase 2 Schedule

Technically, the project is behind schedule in posting the guidance document. However, the schedule assumed that a final FERC Order would have been issued by now. The NOPR indicates a favorable Order so the guidance document will be posted as soon as the last set of edits are completed and approved by the SDT. It is hoped that this will be in late September/early October 2012. This is not a critical path task for this project.

The next critical path task is the PC report and the indications are that the report will be delivered to the SDT in December 2012 on schedule.

8. Next Steps

The next step is to post the guidance document. There will be no more face-to-face meetings on this topic. Discussions will be completed through e-mail and a conference call/webinar if needed. In order to accommodate the proposed late September/early October 2012 posting of the guidance document, the SDT will request a slot on the SC's September 2012 agenda in order to receive the requisite approvals.

A disclaimer will be added to the guidance document introduction to remind people that the document is not an opportunity to open up old arguments or introduce new ideas on the BES definition. The document is simply to provide guidance on how to apply the approved definition once it is approved by FERC.

It is anticipated that questions will be formulated around the specific inclusions and exclusions to provide some order to the comments. Assignments for the eventual draft responses were made as follows:

- a. Inclusion I1 – Jeff Mitchell, Ken Shortt
- b. Inclusions I2 and I4 – Jennifer Dering, Brian Evans-Mongeon, Bill Harm, Jonathan Hayes, Ruth Kloecker
- c. Inclusion I3 – N/A as no diagrams will be issued
- d. Inclusion I5 – Jason Snodgrass, Jeff Gindling
- e. Exclusion E1 – Jonathan Sykes, Ajay Garg, Barry Lawson, Alain Pageau
- f. Exclusion E2 – John Hughes, Tim Soles
- g. Exclusion E3 – Rich Salgo, Ken Shortt, Bill Hughes, DeWayne Scott
- h. Exclusion E4 - N/A as no diagrams will be issued
- i. Hierarchy – Pete Heidrich, Jennifer Sterling, Ed Dobrowolski
- j. General – Pete Heidrich, Barry Lawson, Ed Dobrowolski

9. Future Meeting(s)

There would not appear to be a need for another face-to-face meeting until the comments from the posting of the guidance document are received. Based on the proposed late September/early October 2012 posting schedule, the SDT members are requested to block out the week of November 12, 2012 for a face-to-face meeting to discuss the comments and determine suitable responses. The meeting days would be Wednesday and Thursday of that week with Tuesday and Friday as travel days (Monday is Veteran's day and a holiday for many people). Details on the location will be forwarded later.

10. Action Item Review

The following action items were developed during this meeting:

- a. Pete Heidrich will distribute the MRC/BOT presentation to the SDT members once it has been finalized.
- b. Ed Dobrowolski to contact NERC management to resolve the expectations and process to be followed to reconcile the BES definition and the ERO Statement of Compliance registry Criteria as per the BES Definition Phase 2 SAR.
- c. Jonathan Sykes will draft a set of rules for how to apply the E1 exclusion to evaluations of applicability of the exclusion.

11. Adjourn

The Chair thanked Georgia Transmission Corporation for their hospitality and adjourned the meeting at 1:00 p.m. ET on Wednesday, August 1, 2012.