

Conference Call Notes for Project 2007-03 Real-Time Operations SDT

1. Administrative Items

a. Introductions

The Chair brought the call to order at 0900 EST on Tuesday, January 11, 2011.
Call participants were:

Jim Case, Chair	Al DiCaprio	Jason Marshall
Steve Myers	Greg Van Pelt	Eugene Blick, FERC Observer
Jonathan Furst, FERC Observer	Mike Gandolfo, FERC Observer	Bob Stroh, FERC Observer
Ed Dobrowolski, NERC		

b. NERC Antitrust Compliance Guidelines & Conference Call Warning – Ed Dobrowolski

No questions were raised on the NERC Antitrust Compliance Guidelines. The warning about the dangers of an open conference call was delivered.

c. Conference Call Agenda and Objectives — Jim Case

The objectives of the call were to discuss the issues raised by FERC staff in the December 2010 meeting and to address an item raised in the IROL NOPR discussions.

2. Discuss Items from FERC Staff Meeting

a. TOP-001-1, Requirement R1

The SDT members stated that you can't just give free rein to operators with regard to their actions. Operator actions need to be bound by standard requirements and good utility practice. It was also pointed out that the existing requirement was directed to an entity and not to an individual anyway. A letter such as had been

suggested previously by FERC staff doesn't really prove anything – it is just a token response to compliance concerns. The 2005 letter cited previously was written in pre-mandatory standards times and was simply cited as a best practice even then. The SDT also re-iterated that such generic requirements were no longer required in an environment where every standards requirement has a specific entity identified as being responsible for the requirement.

FERC staff pointed to requirements in the IRO standards that state explicitly that a Reliability Coordinator has authority and responsibility, however, that wording is proposed for deletion by Project 2006-06. FERC staff views the existing requirement as belts and suspenders to catch any gray areas missed by other standards or requirements.

The SDT feels that it is more appropriate to have specific requirements addressing specific items rather than generic catchalls and suggested that FERC staff should point out any specific areas of concern so that requirements can be crafted to address the specific issues.

Order 693a, paragraph 112 states that an RC's "authority to issue directives arises out of the Commission's approval of Reliability Standards that mandate compliance with such directives." That may have relevance here given that FERC staff's concern is with authority of an operator to act but it is open to interpretation as to exactly how it may apply.

The SDT will revise the Implementation Plan mapping table response for this requirement to point to some specific examples of Transmission Operator responsibility and authority such as the proposed TOP-001-2, Requirement R11.

AI – The SDT will revise the Implementation Plan mapping table for TOP-001-1, Requirement R1 to show specific examples of requirements giving the Transmission Operator responsibility and authority such as the proposed TOP-001-2, Requirement R11.

b. Reliability Directive and Usage

The SDT believes that both Emergency and non-Emergency situations are handled in the proposed TOP-001-2 and that the use of Reliability Directive as proposed is correct and appropriate. General communication protocols are to be covered in the new, proposed COM-003 standard.

FERC staff suggested replacing 'Reliability Directive' in the proposed TOP-001-2 with the 'Operating Communication' terminology presently being discussed in COM-003. The SDT pointed out that this was inappropriate as the two terms have a distinctly different meaning. A Reliability Directive is to be complied with

immediately and without question, there is no room for discussion or delay. An Operating Communication does not have the same level of importance and therefore would not be appropriate in the proposed TOP-001-2.

FERC staff again raised concerns about the coordination of three different projects (this one, Project 2006-06, and Project 2007-02) and possible reliability gaps if these projects are on different schedules.

The SDT members pointed out that project coordination is a Standards Committee, NERC staff, and Board of Trustees concern and not a matter for the SDT to resolve. The job of the SDT is to deliver a finished product to the Standards Committee who then has to decide how to handle it within the approval process.

Ed pointed out that NERC staff is aware of the potential timing problem.

The new project prioritization initiative may have an impact here.

c. TOP-001-1, Requirement R2

FERC staff cited the Blackout Report where it was stated that lines that weren't in SOL or IROL violations tripped and led to the cascading problems that caused the widespread blackout. They also stated that the proposed resolution points to an EOP Project that hasn't even started as yet. Therefore, they felt that the requirement needed to be maintained to avoid a potential reliability gap.

The SDT mentioned that if a line tripped that wasn't in SOL or IROL violation, then the rating was questionable, not this set of proposed standards. The SDT acknowledged the delays in starting the EOP Project but pointed out that the TOP standards have been re-written to specifically address what a Transmission Operator is responsible for and that this should alleviate any concerns. It was also mentioned that the proposed TOP-001-2, Requirement R11 is not restricted to the undefined term 'operating emergency' and is now more inclusive and harsher than the previous requirement. Indeed, the undefined term 'operating emergency' is no longer utilized in the proposed revisions. Therefore, the delay in defining operating states has no effect on the TOP standards.

The SDT will revise the Implementation Plan mapping table explanation for TOP-001-1, Requirement R2 to more clearly elucidate the reasoning for their actions with regard to this requirement.

AI - The SDT will revise the Implementation Plan mapping table explanation for TOP-001-1, Requirement R2 to more clearly elucidate the reasoning for their actions with regard to this requirement.

d. SOL as in TOP-002-2, Requirements R10 & R11 and TOP-004-2, Requirement R1

1) Role of Balancing Authority

The SDT doesn't agree with FERC staff's stated position that current requirements point to a joint planning process between Balancing Authorities and Transmission Operators. It is their belief that the words do not explicitly support such a position and any such position by FERC staff is their interpretation of a vague requirement.

The SDT stated that joint requirements are difficult to measure and enforce and would seem to be in contradiction of the Commission's Order 693 which called for clear accountability and specific responsibility for all requirements.

Claiming that because the Functional Model is not a mandatory and enforceable document is a weak argument against using it in helping to explain SDT positions. The Functional Model was submitted to FERC for informational purposes and was accepted by FERC. Therefore, it is part of the public record in this regard.

Any information required by the Transmission Operator for their planning will be acquired through the new, proposed data specification approach. That data can then be fed into the Transmission Operator's Operational Planning Analysis.

FERC staff still feels that the proper level of coordination that exists in the current standards is not being moved forward in the proposed revisions. However, the SDT pointed out that simply deleting an entity from a requirement doesn't necessarily create a reliability gap. One needs to look at what is being suggested to replace it and to look at the proposed set of revisions as a whole in order to properly determine that all reliability issues have been covered.

2) Local area reliability

Everyone involved agreed that 'local area reliability' is basically an undefined term and may leave an auditor too much leeway. Everyone also agreed on what was meant by the term. However, putting that understanding into words proved to be extremely difficult. FERC staff is concerned that since the current requirement covers all SOLs and the proposed requirement only deals with a sub-set defined by an undefined term that a reliability gap has been created.

The SDT understands the concerns but believes the wording is the best it can be. This wording has been vetted through industry comments and the

SDT is reluctant to change it at this time. While the wording may not be ideal, it is considered adequate and no change will be made.

3) Operational Planning Analysis

FERC staff does not believe that an Operational Planning Analysis contains contingency analysis. They pointed to the Order 672 criteria for approving standards and stated that they could not support this requirement in its present state given the Order 672 criteria.

The SDT pointed out once again that one must look at the standards in their entirety in order to properly interpret them. FAC-011-2, Requirement R2, and FAC-014-2, Requirement R2 clearly delineate how SOLs are developed utilizing contingency analysis. Therefore, the Operational Planning Analysis does include contingencies as was pointed out in various industry comments. No change is contemplated for this requirement. However, the explanation provided in the issue resolution needs to be revised to include this information. The NERC published Adequate Level of Reliability document should also be cited as a supporting reference for this position.

AI – The SDT will revise the explanations for Operational Planning Analysis including contingency analysis in its documentation.

e. Balancing Authority Responsibilities, e.g., TOP-002-2, Requirement R7

There are two issues here: deletion of the Balancing Authority from numerous requirements and the consideration of deliverability in analyses.

As stated above in 2.d.1, the SDT believes that the Balancing Authority issue has been correctly handled in the proposed revisions. Balancing Authorities have no transmission responsibilities or obligations and are actually constrained from having transmission information. However, the SDT agreed to double check the individual requirements to ensure that the role of the Balancing Authority has been properly dealt with in the proposed revisions.

AI – The SDT will review the handling of the Balancing Authority's role in the TOP standards. Comments will be supplied no later than close of business on Friday, January 14, 2011.

FERC staff stated that Order 693, paragraph 1592 addressed deliverability. The SDT pointed out that this was a suggestion and not a mandate. Regardless of the suggestion versus mandate issue, the SDT believes that it has gone beyond the suggestion. Operational Planning Analysis contains deliverability and much more

and is thus harsher than the Order. Limit violations in the Operational Planning Analysis will show any deliverability problems regardless of type and proposed requirements will mandate that these issues be resolved. In addition, the proposed requirements clearly state that an individual entity, the Transmission Operator, is wholly responsible for these concerns which is an improvement over the previous vaguely worded requirement that placed this responsibility with the Balancing Authority which has no control over the issues involved.

The SDT agreed to update the Implementation Plan mapping table to reflect this explanation.

AI – The SDT will revise the Implementation Plan mapping table to reflect deliverability concerns explanations.

f. TOP-002-2, Requirement R19

The SDT believes that the requirement should not include the Balancing Authority as it is clear that it was the transmission model that was intended to be covered. But defining accuracy remains as a concern. It appears that this would best be handled as a core requirement during certification and the Implementation Plan mapping table will be updated to reflect this resolution.

AI – The SDT will update the Implementation Plan mapping table to reflect that the requirement was deleted due to it being a core requirement.

g. Data specification concept

This is the same concept that was proposed in the IRO standards and the SDT pointed out that there was no request to change the concept in the recent NOPR on the proposed IRO standards. Therefore, the SDT sees no reason to deviate from its approach in this area. If mandates originate from the IROL NOPR to change the data specification approach, the SDT will act at that time.

The SDT believes that the data specification approach is not only an equal and effective solution but that it is far superior to the present approach. However, additional wording in the explanation would benefit all involved. Jason volunteered to draft the additional wording.

AI – Jason to draft additional wording to support the move to a data specification concept no later than close of business on Friday, January 14, 2011.

h. Order 693, paragraph 1620 – lead times for planned outages

The SDT re-iterated that industry comments clearly indicated that a continent-wide lead time for planned outages was not needed and impractical at best if not impossible to define.

i. Order 693, paragraph 1638 – high risk conditions

FERC staff stated that they didn't believe that EOP-001-2, requirement R2.2 explicitly covered high risk conditions. The SDT believes that it does when you couple it with FAC-011-2 and FAC-014-2 and will indicate this in their explanation.

In general, all directive resolutions should be reviewed for accuracy and completeness.

AI – The SDT will update their explanation for high risk conditions in the issues matrix.

AI – The SDT will review all directive resolutions no later than close of business Friday, January 14, 2011.

3. Discuss Adding Reliability Coordinator to TOP-002-3, Requirement R3

If the Reliability Coordinator does not presently have a requirement to do anything with the information provided, then it seems superfluous to write a requirement to simply provide them with that information. This would seem to be a strictly administrative requirement which is not allowed in the current process. If the Reliability Coordinator is involved in the plan, they will be identified in Requirement R2 and will thus receive a copy of the plan. Therefore, the SDT did not agree to make any changes to the indicated requirement.

4. Next Steps – Jim Case

The next step in the process is to submit the documents to NERC staff with a request to send the project to the ballot stage. This will be done as soon as the action items are cleared up.

5. Action Items & Schedule – Ed Dobrowolski

The following action items were developed during this call:

- The SDT will revise the Implementation Plan mapping table for TOP-001-1, Requirement R1 to show specific examples of requirements giving the Transmission Operator responsibility and authority such as the proposed TOP-001-2, Requirement R11.

- The SDT will revise the Implementation Plan mapping table explanation for TOP-001-1, Requirement R2 to more clearly elucidate the reasoning for their actions with regard to this requirement.
- The SDT will revise the explanations for Operational Planning Analysis including contingency analysis in its documentation.
- The SDT will review the handling of the Balancing Authority's role in the TOP standards. Comments will be supplied no later than close of business on Friday, January 14, 2011.
- The SDT will revise the Implementation Plan mapping table to reflect deliverability concerns explanations.
- The SDT will update the Implementation Plan mapping table to reflect that TOP-002-2, Requirement R19 was deleted due to it being a core requirement.
- Jason to draft additional wording to support the move to a data specification concept no later than close of business on Friday, January 14, 2011.
- The SDT will update their explanation for high risk conditions in the issues matrix.
- The SDT will review all directive resolutions no later than close of business Friday, January 14, 2011.

The project remains behind schedule at this time.

6. Future Meetings

No future meetings are contemplated at this time.

7. Adjourn

The call was adjourned at 1630 EST.