

## Meeting Agenda Project 2007-03 Real-Time Operations SDT

### 1. Administrative Items

#### a. Introductions

A meeting of the Project 2007-03 Real-time Operations Standards Drafting Team (RTOSDT) and FERC staff was held on Wednesday, December 15, 2010 at the FERC offices in Washington, DC. The meeting was called to order at 0830 EST. Meeting participants were:

SDT: Jim Case, Chair  
NERC: Holly Hawkins, Ed Dobrowolski, Dave Taylor (phone)  
FERC: Keith O'Neal, Bob Snow, Eugene Blick, Mike Gandolfo, Robert Stroh,  
Chris Mak, Jonathan Furst, Darrell Piatt (phone), Heather Polzin (phone),  
Renee Thorne (phone)

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

No questions were raised on the NERC Antitrust Compliance Guidelines. Participants were advised of the potential dangers of utilizing an open conference call.

#### c. Meeting Agenda and Objectives — Jim Case & Eugene Blick

The objectives of the meeting were for both sides to listen to what the other side had to say and to clear up any misunderstandings so as to proceed to the next step in the project as quickly as possible.

### 2. Standard Drafting Team (SDT) Presentation of Proposed Changes to TOP-001 through TOP-008

Rather than going through each and every change made, it was decided to let FERC staff present their list of concerns with the changes made to the existing standards. Eugene led the discussions through the following points:

a. TOP-001-1, Requirement R1

FERC staff is concerned that without this requirement the actions of the operator may be constrained by fear of repercussion from entity management and that reliability of the system may be adversely impacted. Staff feels that clear authority must be provided to the operator through such a requirement.

Jim stated that this requirement was a carry-over from the old, pre-mandatory standards era and that in the mandatory standards age, each requirement clearly spells out the responsible entity and what they must do, making this requirement redundant and superfluous. Also, the requirement is written at the entity level and not at the individual operator level so it did not really provide the type of protection that staff was looking for. In addition, it was deemed essentially unmeasurable by the SDT when they studied it.

FERC staff replied that such implicit authorization wasn't sufficient and questioned whether the existing requirement couldn't be re-written to make it clearer, measurable, and enforceable. Perhaps the issuance of a letter giving the operator free rein to do what is needed for reliability could be utilized. Staff cited an example from 2005 where NERC issued a notice of excellence in operations to an entity that issued such a letter. Another approach that was mentioned would be to identify each specific requirement that authorized an operator to act in the filing document so it was clear that no reliability gap was present due to the deletion of this requirement.

b. Definition of Reliability Directive

FERC staff expressed their concerns with the proposed definition which is for Emergency situations only. The previous requirement did not utilize a formal defined term so that 'reliability directive' was interpreted to mean all communications. With the new definition restricted to Emergency situations, a gap in communication and system reliability is perceived.

Jim pointed out that the definition was not created by the RTOSDT. It was developed by another SDT and the RTOSDT is simply copying it. Non-Emergency conditions are to be covered by a third SDT as part of a coordination effort developed by the Standards Committee to make certain that all aspects of communication were adequately covered in the standards program.

FERC staff was concerned that the work product of the third mentioned SDT is considerably behind the efforts of the RTOSDT and that approving the requirement as written would create a reliability gap until the third SDT has completed their work. They suggested that the current requirement should stay in place until all communication issues are covered in a coherent fashion.

c. TOP-001-1, Requirement R2

FERC staff questioned why this requirement was being deleted. The Implementation Plan talks about Reliability Coordinator (RC) responsibilities but the RC issue was addressed in Order 693, paragraph 1582 and shouldn't need to be addressed here. In addition, the RC doesn't appear as a responsible entity in the original requirement. Staff cited the 2003 Blackout Report (recommendation #20, page 57) as a situation where no System Operating Limit (SOL) or Interconnection Reliability Operating Limit (IROL) event occurred until after the emergency was declared. Staff also cited Order 693, paragraph 1585, where a definition of operating states was directed.

Jim explained how the RTOSDT handled the operating state definition issue. Basically the RTOSDT is designing the TOP family of standards to be operation-oriented and believes that any definition of states more properly belongs in the EOP family of standards as stated in order 693, paragraph 560. The RTOSDT drafted an issue for the NERC database to capture this item for the EOP project.

FERC staff feels that even without the definition of states, a reliability gap exists because more than just SOLs and IROLs are involved here. If the RTOSDT wants TOP-001-2, Requirement R11 to replace TOP-001-1, Requirement R2 as shown in the Implementation Plan, then the RTOSDT will have to provide a sound technical justification as to why the approach proposed is equal and effective to the current requirement.

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

FERC staff cited three concerns with the proposed approach to limit the set of SOLs to be handled:

1. Deletion of the Balancing Authority (BA) from the requirements

Jim provided a history of how the Version 0 standards were created. Essentially the BA was incorporated into many of the Version 0 standards in a plan to minimize the number of changes to the existing voluntary standards while trying to cover the deletion of Control Areas from the lexicon. In hindsight, this was a bad idea. The BA never had a role in the functions described in these requirements and continues to have no responsibility for transmission issues as can be seen in the Glossary definition of a BA and in the description of a BA's responsibilities in the Functional Model.

FERC staff indicated that the Functional Model is not a FERC approved document and doesn't represent mandatory, enforceable requirements. Regardless of the transmission responsibility arguments, the existing requirements indicate a joint planning process that will result in a coordinated and cohesive plan of operations that seems to be lacking in the proposed revisions.

Jim stated that the RTOSDT believes that the combination of the proposed TOP-002-3 and TOP-001-2 would handle such a concern but staff disagreed.

2. How to define 'local area reliability'?

FERC staff indicated that it was not clear to them how a Transmission Operator (TOP) would determine what the criterion for local area reliability was from the proposed requirements. Similar comments were made by the Commission in the BES NOPR in paragraph 77. Clear criteria are needed.

3. How Operational Planning Analysis (OPA) could be used to select SOLs?

FERC staff sees OPA as a base case solution. They are concerned that this would then mean that n-1 analysis isn't required. They stated that n-1 analysis is required to properly protect the system and that definitive action plans should be created to mitigate any problems seen in the analysis as stated in order 693, paragraph 1601.

Jim reported that additional wording including the term 'contingency' had been removed from the requirement due to industry comments suggesting that OPA included contingency type analysis.

FERC staff did not agree that the definition of OPA supported such a claim.

Jim stated that the intent of the SDT was always to include contingency analysis.

e. BA responsibilities as seen in TOP-002-2, Requirement R7

This discussion followed a similar vein to that in 2.d.1 above but included the additional issue of deliverability of resource to the load. FERC staff is concerned that any plans developed must be implementable and should include deliverability as a key element.

Jim argued that OPA includes deliverability since any analysis will balance the available resources and load and will show deliverability through the absence of overloaded lines.

FERC staff does not agree that deliverability is covered in OPA and requested the RTOSDT to review the deletion of the BA from existing requirements throughout the project.

f. TOP-002-2, Requirement R19

FERC staff expressed their feelings about the importance of this requirement and cited references to the Blackout Report to support their position. If this requirement isn't retained, the feeling is that a reliability gap will have been created.

A comment was made concerning the applicability of this requirement to Project 2009-02 Real-time Monitoring and Analysis Capabilities which is cited in the Implementation Plan. The latest plans of that SDT do not incorporate accuracy of models and the reference to that project should be removed from the Implementation Plan.

Jim reported that the RTOSDT studied this requirement and decided that it was unmeasurable and thus deleted it.

FERC staff feels that a measure could be developed and a suggestion of tracking actions in real-time versus actions shown by the model was made.

A question arose about the plans to revise the MOD standards to cover accuracy of models. FERC staff felt that the project only applied to planning models while NERC staff believed it to be applicable to all models. The general feeling was that it needs to incorporate all models. NERC staff will check the SAR for this project to make certain that it correctly refers to all models. In the meantime, FERC staff feels that this requirement needs to be retained.

Jim indicated that if the requirement was retained, it may have to be split into two separate requirements since the BA doesn't deal with transmission issues but only is responsible for generation resource issues.

g. Data specification

The data specification concept replaces numerous existing requirements and is referenced as the resolution to multiple directives. FERC staff is concerned about how this approach addresses enhancing reliability.

Jim stated that the approach is more flexible, easier to maintain, reflects what is actually being done by entities today in the field, and is harsher than the present generic table concept since it will be specific in citing exactly what data is required and how and when to deliver it. In addition, it expands the number of entities involved in supplying data.

FERC staff asked whether the RTOSDT had examined the approach taken in the NUC standards for data. Jim responded that the RTOSDT did indeed explore the NUC approach but decided that the proposed approach was superior.

FERC staff is concerned as to how one will know that all necessary data will be detailed in the specification. Jim responded that it is expected that any and all data required by the TOP or BA will appear in the specification including outage data and protection system information. The true test of whether the correct data was requested will be in how the TOP and BA are able to fulfill their mandatory duties. If they fail to meet a mandatory requirement due to the fact that they didn't request the proper data, then they will be penalized for failure to meet that requirement. Any other penalty would be double jeopardy. FERC staff expressed their belief that such handling would not represent a proactive approach to data handling and would result in penalties after the problem has occurred and thus create unnecessary reliability gaps. Jim pointed out that a generic table doesn't assure that all required data will be delivered.

FERC staff stated that if the RTOSDT continues to support the data specification approach, a full technical rationale for why this approach is equal and effective to the established approach will need to be included in the project filing.

### **3. Standard Drafting Team Presentation of Proposed Resolution of FERC Order 693 Directives**

FERC staff asked about several specific directives:

- Paragraph 1620 (TOP-003-1) – lead times for planned outages

Jim explained how the RTOSDT asked the industry about this item and received an overwhelming response that such a requirement was not necessary. Each responsible entity already has procedures for this, they are working so there is no reason to replace them, and the requirements are different in each entity such that no continent-wide value could be established.

FERC staff stated that if the RTOSDT continues to support this approach, a full technical rationale for why this is equal and effective to the directive will need to be included in the project filing.

- Paragraph 1638 – high risk conditions

FERC staff expressed an opinion that the proposed resolution citing revisions to EOP-001-2 will create a timing problem since that project is far behind this project. In addition, FERC staff questioned the relevance of the cited FAC standards to this item. Those standards don't address crisis or high risk situations.

#### **4. Miscellaneous**

No other topics were brought up for discussion.

#### **5. Next Steps**

The RTOSDT had completed their work in regard to responding to industry comments from the last posting and was prepared to ask the Standards Committee for approval to go to ballot. However, the RTOSDT will now re-convene to discuss the issues raised in this meeting. Whether the RTOSDT continues to feel that it is appropriate to go to ballot will depend on the number of changes made to the proposed standards due to the issues raised in this meeting.

#### **6. Action Items & Schedule**

The following action items were developed during this meeting:

- NERC staff will check to see that the Standards Authorization Request (SAR) for the project to revise the MOD standards includes all models and not just planning models. The SAR should be revised to include all models if it does not presently contain that provision.
- The RTOSDT will convene as soon as reasonable possible to discuss the issues raised in this meeting.

#### **7. Adjourn**

The meeting was adjourned at 1430 EST.