

Meeting Notes

Project 2008-12 Coordinate Interchange Standards Drafting Team Meeting

April 16-18, 2013

Atlanta, Georgia

Administrative

1. Introductions

The meeting was brought to order by the Chair at 1:00 p.m. ET on Tuesday, April 16, 2013. NERC staff provided the team with building and safety information/logistics. Participants were introduced and those in attendance were:

| Name | Company | Member/ Observer | In-person (Y/N) | Conference Call/Web (Y/N) |
|---------------------|------------------|---------------------|--------------------|---------------------------------|
| Cheryl Mendrala | ISO New England | M | Y | |
| Bob Harshbarger | Puget Sound | M | Y | |
| Chris Pacella | PJM | M | Y | |
| McRee, David | Duke | M | Y | |
| Willey, Mary | BPA | M | Y | |
| Aymond, Clint | Entergy | M | Y | |
| Anderson, Kathy | Idaho Power | O | Y | |
| Rice, Paul | WECC | O | Y | |
| Ciza, John | Southern Company | O | Y | |
| Huggins, Mallory | NERC | M | Y | |
| Stephen Crutchfield | NERC | M | Y | |

| Name | Company | Member/ Observer | In-person (Y/N) | Conference Call/Web (Y/N) |
|---------------------------|------------------|---------------------|--------------------|---------------------------------|
| Cavote, Sean | NERC | M | Y | |
| Laura Hussey | NERC | O | Y | |
| Stacey Tyrewala | NERC | O | Y | |
| Larry Kazele | NERC | O | Y | |
| Ena Agbedia | FERC | O | Y | |
| Lacen, Don | PNM | M | | Y |
| West, Jeremy | Entergy | M | | Y |
| Wakefield, Christopher | Southern Company | O | | Y |

2. NERC Antitrust Compliance Guidelines and Public Announcement

NERC staff reviewed the NERC Antitrust Compliance Guidelines and public meeting announcement. There were no questions raised.

3. Roster Updates

There were no changes to the team roster.

Agenda

1. Overview of Standards Development Process, Team Expectations

NERC staff delivered a presentation providing an overview of the standards development process and project objectives.

NERC staff introduced NERC’s Five-Year Review Template, which requires the SDT to review all standards with consideration of FERC directives, Paragraph 81 criteria, stakeholder concerns and requests for clarity, frequency of violation of the INT standards, results-based standards principles, compliance elements, consistency, and other factors.

NERC staff also stressed the importance of informal industry outreach to ensure that the first conversation with industry on proposed changes occurs prior to posting proposed changes for formal comments.

2. Review Project Timeline/Activities to Date

The initial project, Project 2008-12 Coordinate Interchange Standards, had been on hold for about two and a half years while NERC addressed other higher priority projects. NERC staff discussed staff changes, the NERC Board of Trustees' desire for expediency on current projects, and the goal to achieve industry consensus quickly through informal outreach prior to posting. Under the current schedule, the standards will be posted for initial ballot in June 2013, with Board consideration in November 2013.

3. Discuss Paragraph 81 Process and Review Standards for Reliability Need

NERC staff discussed Paragraph 81 principles and their application on the subject project. The SDT analyzed each requirement applying Paragraph 81 criteria in accordance with NERC's Five-Year Review Template. The SDT recommended made a few revisions and retirements based on Paragraph 81 criteria. However, Paragraph 81 criteria influenced the rationale for many SDT recommendations, as discussed below.

The SDT also reviewed Paragraph 81 comments from industry, which were limited to one entity's recommendation that PSE designations be removed, and another entity's recommendation that all INT standards should be removed and that any requirements that are still necessary should be transferred to the BAL standards. There also were general comments on the commercial nature of many of the requirements.

4. Update Timing Tables for WECC

The SDT adjusted some scheduling interval items on the WECC timing table to ensure that software limitations and other non-human errors that have no impact on reliability do not cause a per se violation.

5. Review Standards and Associated Documents for Next Posting

Several INT standards were revised in redline during the April meeting. The draft documents contain these specific changes in addition to items described herein.

a. INT-001-3: Interchange Information

- i. This standard will be retired, with requirements moved into other standards. For example, INT-009-2, R2 makes clear that the Net Scheduled Interchange term in the control equation can only include confirmed Interchange as agreed to between BAs.

b. INT-003-3: Interchange Transaction Implementation

- i. The SDT determined that reliability requires that affected entities balance with interchange partners, but concluded that revisions to this standard are warranted due to other considerations. These requirements were merged with INT-006.
- c. INT-004-2: Dynamic Interchange Transaction Modifications
 - i. R1 will be retired, but the SDT questioned whether the standard should reference the NAESB standard.
- d. INT-005-3: Interchange Authority Distributes Arranged Interchange
 - i. The SDT determined that ensuring that transaction information is conveyed to the appropriate entities so that a reliability assessment can occur, is necessary for reliability.
- e. INT-006-4: Evaluation of Interchange Transactions
 - i. Definitions: Request for Interchange (RFI) is no longer used in this standard.
 - ii. Changes made to reflect strategy discussed in Section 4: Update Timing Tables for WECC above. The SDT made several changes to R1 and R2 and intends to note in the guidelines that software designs are expected to use the minimum on the stated range for reliability purposes.
 - iii. The SDT questioned the effect of an entity failing to transition Arranged Interchange to Confirmed Interchange. It cannot remain as Arranged Interchange and would therefore be denied. The intent was to provide for active approval of requests rather than passive approval to force entities to put in a software check. The SDT agreed that R5 and R6 are redundant and should therefore be combined.
 - iv. The SDT determined that assessments prior to implementation is required for reliability, and intends to explain in the background section its reasoning for not deeming this requirement administrative or commercial.
- f. INT-008-3: Interchange Authority Distributes Status
 - i. The SDT determined that failure to comply with this standard could result in an entity being out of balance, which would adversely impact reliability.
- g. INT-009-2: Implementation of Interchange
 - i. The SDT discussed whether to remove the definition of “Composite Confirmed Interchange” and instead use “net” as an undefined term to describe the kind of Confirmed Interchange, but chose to retain the definition.
 - ii. The SDT discussed Requirement R1, determining that it doesn’t want to specify how BAs come to agreement. The SDT also discussed that the agreement could happen more often than once per hour.

- iii. Requirement R2 is intended to ensure that there is agreement between BAs prior to implementing any changes to the schedule.
- iv. The SDT added requirement R4 to include reference to HVDC ties.
- h. INT-010-2: Interchange Initiation and Modification for Reliability
 - i. The SDT determined that modifications made pursuant to this standard are required for reliability.
 - ii. The SDT added the essence of R1.1 from INT-005, which is proposed for retirement, to address distribution of the Interchange.
- i. INT-011-1: Interchange Coordination Support and Backup
 - i. The SDT determined that information contained in R5, R6, and R7 can be addressed elsewhere in the standard and in the guidance documents, and that the subrequirements should therefore be retired based on Paragraph 81 criteria.
 - ii. All remaining requirements were moved into the Guidelines and Technical Basis section of INT-006 and we will revise it to be in paragraph form representing a good utility practice.
- j. INT-012-1: Intra-Balancing Authority Transaction Identification
 - i. Although the SDT acknowledged that this standard is considered by some to be sufficiently commercial in nature to warrant Paragraph 81 retirement, the standard addresses a FERC directive and serves a reliability purpose by including these transactions in reliability models.. However, the SDT determined that R2 can be removed.
- k. INT-013-1: Implementation of Dynamic Schedules
 - i. The SDT discussed whether to include requirements from this standard in INT-004 but concluded that each requirement may need many qualifiers if merged. The consensus at this time is to retain separate standards. However, these requirements might be more appropriate in the BAL standards.
- l. INT-014-1: Implementation of Pseudo-Ties
 - i. The SDT discussed whether to include requirements in INT-004 but concluded that each requirement may need many qualifiers if merged. The consensus at this time is to retain separate standards.
 - ii. The SDT questioned whether R4 is most appropriately addressed in BAL-003.

Action Item: Determine whether any other projects are working on BAL-001.

Action Item: Develop main concepts of recommended changes by the May 2013 meeting, as industry feedback at that meeting may impact current changes. Review previous comments and identify and prioritize items.

Action Item: Update east and west tables.

6. **Project Development Plan**

- a. NERC staff and the SDT discussed next steps and the expected timeline for this project.

7. **Future meeting(s)**

- a. April 25, 2013 – Conference call to focus on webinar planning and next steps
- b. May 8-10, 2013 – Carmel, Indiana (includes planned webinar on May 8, 2013)
- c. July 30 – August 1, 2013, to be determined
- d. October 1 – 3, 2013, to be determined

8. **Adjourn**

The meeting adjourned at 12:00 p.m. ET on April 18, 2013.