NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Version 0 Standards Drafting Team
Meeting Minutes (Draft)

May 20-21, 2004
Four Points by Sheraton — Chicago O'Hare Airport

Attendance

Members
Paul Arnold, BPA
John Blazekovich, Exelon
Roman Carter, Southern Company
James Case, Entergy
Robert Coish, Manitoba
Kevin Conway, Grant County PUD
Ron Donahey, TECO
Ronnie Frizzell, AECC
Nick Henery, SMUD
Alan Johnson, Mirant
Colin Loxley, PSE&G
Steve McCoy, CAISO
Peter Mackin, TANK
Bob Millard, MAIN

Al Miller, IMO
Steve Myers, ERCOT
Mahendra Patel, PJM
Karl Tammar, NYISO
Brian Thumm, Entergy
Raymond Vice, Southern Company

Staff
Gerry Cauley, NERC
Ev Lucenti, Consultant

Observers
Stan Kopman, NPCC
Ray Morella, FirstEnergy
Kenneth Wilson, WECC

Administrative Items

Linda Campbell, Chairperson of the Standards Authorization Committee (SAC), chaired this initial meeting of the Version 0 Standards Drafting Team pending election of officers.

Members and guests introduced themselves. Gerry Cauley established the presence of a quorum.

Background

Gerry Cauley reviewed the Version 0 standards project objectives, deliverables, and timeline. Background materials were provided in the agenda package. Although the scope and deliverables are described in the transition plan, the group agreed it should prepare a scope document.

The drafting team requested that Gerry place all necessary starting references – including existing operating policies, planning standards, and compliance templates – in WORD format in a ZIP file on the group's web page.

The group requested Gerry Cauley to start drafting a Frequently Asked Questions to post on the Version 0 page.

Version 0 Translation Method

The drafting team discussed the process and guidelines for translating the compliance templates, operating policies and planning standards into Version 0 standards. The group worked on several examples to get a common understanding of the task.

Operating Policy 3 Conversion

Roman Carter presented ideas for the translation of Operating Policy 3 that are being considered by the Interchange Subcommittee and the Coordinate Interchange Drafting Teams of NERC and NAESB. The translation of Policy 3 presents conflicting objectives of adopting the functional model and not changing the reliability requirements from those in effect today. To adopt the functional model scheduling approach would require implementation of an Interchange Authority (IA) function that does not exist in practice today and would require changes to procedures, tools and training. The drafting team agreed that Operating Policy 3 should be translated to Version 0 by retaining the existing method of interchange scheduling (control area to control area). The translation would change Control Area to Balancing Authority and adopt other changes to be as consistent as practical with the functional model, but without adopting the IA scheduling model. The proposed approach for translating Operating Policy 3 into Version 0 standards is described in **Exhibit A**. The Interchange Subcommittee and Coordinate Interchange Drafting Teams were encouraged to continue developing Version 1 standards that would implement the IA model and replace the applicable Version 0 standards.

Reliability Coordinator or Reliability Authority in Operating Policy 9

The drafting team discussed whether the translation of Operating Policy 9 should refer to Reliability Coordinators or Reliability Authorities. The group agreed to use Reliability Authority in the translation of Operating Policy 9 to address requirements that are currently assigned to Reliability Coordinators. The functional registration should designate existing Reliability Coordinators as the RAs in October. This approach forces the RA and RC functions together for Version 0 and establishes a starting point for migrating the standards, function definitions and certification criteria to be more consistent than they are today. The group believes that standards should be established first to define the reliability requirements (which Version 0 will do in a preliminary way) and then the certification criteria should establish qualifications to achieve those standards. This is a shift in assumptions of the Organization Certification WG, which has been developing certification criteria based on the functional model to one in which certification should be consistent with reliability standards. Evolving forward, standards and certification criteria should change together. Several members of the drafting team expressed a minority opinion that the Version 0 standards should refer to Reliability Coordinator and the RA function should remain separate. The drafting team agreed that this issue will require special attention at the standing committee meetings and during comment periods.

Converting Operating Policies to Version 0 Standards

The drafting team is expecting inputs from the Operating Committee subcommittees regarding the translation of Operating Policies 1-9. Additionally, NAESB and the Market Committee are preparing recommendations on what parts of the operating policies should be business practice standards.

The group completed its own review of the operating policies and associated appendices and made the following recommendations:

- Operating Policy 3 should proceed along the lines presented by the IS and interchange drafting teams. Portions of Operating Policy 3 would be allocated to NAESB as business practice standards

- Proceed with all other policies and appendices under the assumption that they will be incorporated into Version 0 reliability standards. With the limited information available at this meeting, the group could not identify any operating policy requirements or appendices that should obviously become business practice standards (except as previously noted in Operating Policy 3). On that basis, the group will proceed with preparing Version 0 draft standards for all sections of the remaining operating policies and appendices. The group expects additional information from the OC subcommittees, from the Market Committee and from NAESB and will reconsider this preliminary recommendation based on the additional information.

- The first effort in the conversion of the operating policies should be to mark up the existing operating policies to identify functions and ensure requirements are stated in active voice. Sections that will be removed as references, business practices, or deletions should be noted with a comment in a text box. The assigned teams should coordinate with the appropriate OC subcommittee chairs and NERC staff to avoid duplication of effort. The teams are requested to bring the marked up policies to the June 9-11 meeting for review by the drafting team. Ev Lucenti was requested to convert the operations compliance templates to Version 0 standards prior to the next meeting.

The work teams are as follows:
Policy 1 – Raymond Vice*, Nick Henery
Policy 2 – Al Miller*, Alan Johnson, Jim Case
Policy 3 – Roman Carter*, John Blazekovich, Ray Morella, Ron Donahey
Policy 4 – Paul Arnold*, Jim Case
Policy 5 – Ray Morella*, Raymond Vice
Policy 6 – Ron Donahey*, Steve Myers
Policy 7 – Kenneth Wilson*, Alan Johnson, Paul Arnold
Policy 8 – Steve McCoy*, Kevin Conway
Policy 9 – Jim Case*, Karl Tammar, Ray Morella, Steve Myers, Ron Donahey, Al Miller
* Indicates team leader

Gerry Cauley was requested to send out email to each team and include NERC staff and subcommittee chairs on the notice.

Converting Planning Standards to Version 0 Standards

The planning standards are partially in the format of reliability standards already and for the most part will be more straightforward to convert. The drafting team did not have sufficient information to determine exactly which planning standards have been adopted by the NERC Board for implementation and are in effect as of April 2004. The group will move forward with the assumption that all Phase I, II, and III standards must be converted. Gerry Cauley was requested to investigate Board actions and the status of Phase IV planning standards.

The planning team members are: Stan Kopman, Mahendra Patel, Brian Thumm, Peter Mackin, Bob Millard, Robert Coish, Ron Frizzell, and Colin Loxley.

The group requested Gerry Cauley to establish an email list for the group.

Numbering System

The drafting team suggested the standards numbering system be reviewed. A suggestion was to use a topic-based numbering system with a short acronym to designate the area. For example, planning standards could be numbered PLNG-001, 002, etc.

Scope

The drafting team discussed a preliminary scope prepared by Karl Tammar. With several revisions, the group requested Gerry Cauley to format and clean up the scope and bring it back to the next meeting for approval. The draft scope is provided in **Exhibit B**.

Officers

Alan Johnson nominated Al Miller (Operations) and Brian Thumm (Planning) to serve as co-chairs of the drafting team. The motion was unanimously approved.

Future Meetings

June 9 (10:00 a.m.) to June 11 (12:00 p.m.)   Chicago O'Hare Airport Hyatt

June 28 (10:00 a.m.) to June 30 (12:00 p.m.)   Chicago O'Hare Airport Hyatt

August 18 (1:00 p.m.) to Aug 20 (12:00 p.m.)   Denver (first choice) or Salt Lake City

Adjourn

The meeting was adjourned.
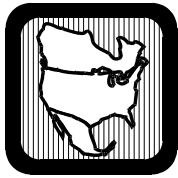
NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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May 19, 2004

TO: VERSION 0 STANDARD DRAFTING TEAM

Coordinate Interchange Standard Version 0 from NERC Policy 3

The NERC Interchange Subcommittee, NERC Coordinate Interchange Standard Drafting Team and NAESB Coordinate Interchange Business Practices Task Force members have combined efforts to transition NERC Policy 3, "Interchange," to the draft NERC Coordinate Interchange Standard Version 0 and draft NAESB Coordinate Interchange Business Practice Version 0.

Certain assumptions have to be made to transition the current NERC Policy 3 to the Functional Model as certain systems and functional dependencies that exist today will not change when Version 0 is implemented. Some of those assumptions follow:

1) Interchange that is required to be E-Tagged under Policy 3 will be required to be E-Tagged under Version 0.
2) The Sink Balancing Authority will be required to have an E-Tag Authority Service that conforms to the current E-Tag Specification.
3) The NERC Interchange Subcommittee assumes that the NERC IDC will be the basis for Transmission Loading Relief procedures and will be included in Policy 9, Version 0.
4) All approved interchange E-Tags in the Eastern Interconnection will be forwarded to the NERC IDC.
5) The NERC Registry will be updated to accommodate the Functional Model as defined in Version 0 standards.
6) The NERC Registry will not allow registration for the Interchange Authority, as Interchange Authority responsibilities will be distributed in Version 0. The coordination of scheduled interchange along the scheduling path will be required in Version 0 and continue to be performed by the Balancing Authorities on the path.
7) The NERC waivers applicable to Policy 3 will be supported in Version 0.
8) Existing timing requirements for E-Tagging should be accommodated.

I have attached files that are drafts to address Version 0 of the NERC Coordinate Interchange Standard and the NAESB Coordinate Interchange Business Practice. Final documents will be provided to the Version 0 Standard Drafting Team after the Interchange Standard and Business Practice groups meet on June 3–4, 2004.

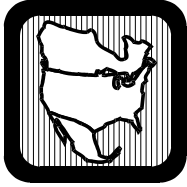Sincerely,

Doug Hils
Chairman - Interchange Subcommittee

Attachments

Coordinate Interchange Standard Version 0 Flow Diagram, Draft 2

Open Issues in drafting Version 0 of the Coordinate Interchange Standard

Coordinate Interchange Standard Version 0 (Policy 3 – Interchange, Version 5.2)

NAESB Coordinate Interchange Business Practice, Version 0, Draft 2

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Version 0 Standards Drafting Team

Scope (Draft – May 21, 2004)

Purpose and Scope

The purpose of the NERC Version 0 Standards Drafting Team ("V0SDT") is to support the NERC goal to develop a "Version 0" baseline set of integrated reliability standards. The plan calls for a transition from existing NERC operating policies, planning standards and compliance templates to reliability standards. The source documents to be converted are:

- Existing NERC Operating Policies (1 through 9), including revisions to Operating Policies 5, 6, and 9 approved by ballot in April 2004 to address lessons learned from the August 14, 2003, blackout.

- Existing, Board-approved Planning Standards.

- April 2, 2004, Board-approved compliance templates.

Tasks and Deliverables

The V0SDT tasks and deliverables are as follows:

- Translate existing policies, standards, and compliance templates. No new requirements will be created.

- Identify 'gaps' in the existing policies and standards when translated to Version 0. The team may offer recommendations to fill gaps in anticipation of Version 1 development.

- Designate requirements in existing policies, standards, and compliance templates that do not have measures and compliance monitoring elements as 'not specified' in the Version 0 standards.

- Apply Functional Model designations to indicate functions that will be accountable for meeting requirements. Where entity or functional responsibilities are required, the Functional Model definitions will be used (to the extent practicable). The group will note instances where Functional Model definitions are impractical in Version 0.

- Note duplicative requirements or standards and make recommendations for elimination or consolidation of duplicate requirements.

- Add or modify language for clarity or specificity in the new Version 0 Standards, in particular stating requirements in 'active voice'. The team will highlight such changes and prepare discussion supporting the change.

- Develop a subject based cataloging/numbering system for the consolidated Version 0 standards set. The cataloging system will be designed to allow the addition of new standards with similar subject matter.

- Identify those elements of the existing policies and standards that are appropriately business practices. The V0SDT will recommend to the JIC, SAC, and Standing Committees appropriate portions of the standards for development as business practices through the NAESB process.

- Identify those elements of the existing operating policies and planning standards which should be removed to a reference document or deleted.

- Liaison with other committees to ensure awareness and resolve issues.

Reporting

The Version 0 Standards Drafting Team reports to the Standards Authorization Committee.