

Meeting Notes

Project 2006-02 Assess Transmission Future Needs Standard Drafting Team

Conference Call
July 6, 2012

Administrative

1. Introductions

The chair brought the call to order at 1:00 p.m. ET on Friday, July 6, 2012. Call participants were:

Members		
Darrin Church, TVA	Bill Harm, PJM	Doug Hohlbaugh, First Energy, vice chair
Julius Horvath, Wind Energy Transmission	Bob Jones, Southern	John Odom, FRCC, chair
Bernie Pasternack, Transmission Strategies	Bob Pierce, Duke	Ed Dobrowolski, NERC
Observers		
Eugene Blick, FERC	Tom Gentile, Quanta	Terry Harbour, Mid-American
Ruth Kloecker, ITC	Hari Singh, Xcel	Chifong Thomas, Bright Source

2. Determination of Quorum

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

3. NERC Antitrust Compliance Guidelines and Public Announcement

The NERC Antitrust Compliance Guidelines were delivered and public announcement concerning the open conference call was provided. There were no questions raised.

4. Review Current Team Roster

The team reviewed the roster and confirmed that it is accurate and up to date.

5. Review Meeting Agenda and Objectives

Eugene Blick asked to add an item to the agenda for the discussion of FERC staff comments. This item was placed immediately following the review of previous action items. The objective of the call was to finalize the footnote to the point where it could be posted for an initial round of industry comments.

Agenda

1. Review of Previous Action Items

- SDT to study wording in Section I on Near-term Planning Horizon to ascertain that the correct intent is stated in the language. This item was completed.
- John Odom will reach out to the regional managers to discuss the footnote changes. This item was completed.
- Members to review the footnote changes internally and report back to the SDT by June 29, 2012. This item was completed.

2. Review of FERC Staff Comments – Eugene Blick

Eugene stated that FERC staff had five major concerns with the proposed footnote.

- Stakeholder process: This appears to have limited regulatory oversight. Regional Entity or Electric Reliability Organization (ERO) oversight only shows up in Section III. Staff has concerns with this two-tiered approach as it appears that certain situations would never receive oversight. Order 763, paragraphs 55, 57, and 67 were cited as places where such oversight was stipulated. Staff sees any Firm Demand interruption under footnote 'b' as an exception.
 - The SDT proposed approach is that any use of planned load drop related to 300 kV or above would be required to be reviewed by the Regional Entity/ERO.
 - On transmission systems below 300 kV the SDT does not see small increments such as the suggested 25 MW constraint as significant amounts of load or of impact to Bulk Electric System (BES) reliability and therefore doesn't see that situation as an exception. In the proposal, any use over 25 MW would be treated as an exception.
- Fringes of the system: The proposal does not seem to be limited to the fringes of the system as spelled out in Order 763, paragraphs 5, 26, 34, and 57. Fringe of the system was not defined as the Commission provided the SDT the flexibility to define it as part of the response.
- Wide-area coordination and operations: Staff questions whether the Firm Demand interruption will impact neighbors and cites Order 763, paragraph 67 for reference. The hand-off of a plan to the Transmission Operator is also seen as lacking in the proposal. It appears that the Transmission Planner will now be devising a plan that calls for Firm Demand interruption in N-1 situations.
 - The SDT finds it difficult to see an operations perspective within the footnote 'b' concept. The Transmission Planner must document its plan as per Requirements R2 and R2.1.

- In Section II, item #6, the statement is that an entity only has to show that there are no Adverse Reliability Impacts (ARI) involved. Staff sees ARI as a subset of the BES performance requirements and therefore finds this insufficient. All TPL performance requirements must be met.
 - The SDT agreed and revised the proposal accordingly.
- In Section II, Item #2, there is a question as to how affected stakeholders will be notified.
 - The SDT revised the proposed wording to address this concern.

3. Review Footnote “b” Straw Man Proposal

Should there be a maximum limit to the amount of Firm Demand that can be interrupted? Some areas of the country are already using such a constraint. The SDT agreed to the concept of a maximum value but had no basis for establishing a firm threshold at this time. Therefore, a generic statement was added to the proposal and a specific question will be asked in the posting to help in determining such a value. When responding, entities will be requested to provide technical rationale for their response as well as any limiting conditions. It was noted that once such a value is established that an exception process may be needed to allow for specific conditions where the value might be exceeded.

The changes to the public notice feature led to a discussion about existing FERC approved processes. It may be necessary to carve out the notice provision such that already approved processes are accepted and those that do not have such approved processed need to meet the requirements of the footnote in a newly established process. Another concept for consideration with notices is an opt-in solution similar to the Order 1000 process.

There was considerable discussion on the public health and safety phrasing in Section 2, item #2b. This terminology is fairly subjective and could create liability issues. The proposed wording was changed for clarity and to be consistent with other standards but the concept was retained due to Order 743 comments.

4. Next Steps

There are still elements of the proposal that the SDT does not unanimously agree upon. However, in the interest of providing a generally acceptable proposal to industry for broader view and comments as quickly as possible due to the Standards Committee imposed schedule for this project, the SDT decided to move forward with the present proposal. Ed Dobrowolski will submit the documents to quality review for posting as soon as possible.

5. Action Item Review

The only action item arising from this call was for Ed Dobrowolski to submit the proposal for quality review as quickly as possible.

6. Future Meeting(s)

A future meeting will be needed to review the industry comments. That meeting will be scheduled after the documents are officially posted. All work is moving forward with the mandate from the Standards Committee that a final solution will be presented to the Board of Trustees for their February 2013 meeting.

7. Adjourn

The chair adjourned the call at 4:00 p.m. ET, July 6, 2012.