

Meeting Notes

Project 2013-01 Cold Weather Preparedness SAR Standard Drafting Team

March 19-21, 2013

Atlanta, GA

Administrative

1. Introductions

Barb Nutter called the meeting order at 8:10 a.m. on March 19, 2013 and made introductions. Those in attendance were:

Name	Company	Member/ Observer (M/O)
Ed Schnell (chair)	American Electric Power	M
Matt Averett	Southern Company	M
Jason Fisher	Minnesota Power	M
Mike Gentry	Salt River Project	M
Kevin Lynch	PSEG Power Fossil LLC	M
Barb Nutter (Standard Developer)	North American Electric Reliability Corporation	O
Kumar Agarwal	FERC	O
Steve Myers	ERCOT	O
Clem Cassmyer	Western Farmers Electric Coop.	O
Scott Barfield (Standard Developer)	North American Electric Reliability Corporation	O
Clint Carter	Luminant	O

2. Determination of quorum

The rule for NERC Standard Drafting Team states that a quorum requires two-thirds of the voting members of the SDT. Quorum was achieved as all members were present.

3. NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and public announcement were reviewed by Ms. Nutter. There were no questions. Both were reviewed each day.

4. Review team roster

No changes to the team roster.

5. Review meeting agenda and objectives

Agenda

1. Finalize the following documents:

a. Industry webinar presentation

The team reviewed the webinar presentation and discussed again whether implement should be added the new requirement. It was noted that 'implement' was in the purpose statement of EOP-001. The team questioned if implement was not specifically spelled out in the requirement but it was listed in the purpose could an auditor ask how the plan was implemented.

Mr. Schnell raised the concern that the word "implement" may need to be included in the team's work. Mr. Averett noted that not discussing the implementation will require significantly more outreach to bring awareness to implementation. Mr. Lynch was concerned about what "implementation" really means – does it mean that an entity may chose how they address winterization. Mr. Fisher recommended that the word "implementation" should not be added to the webinar presentation, but should be discussed based on feedback from industry. Mr. Lynch requested that NERC Compliance staff provide an audit perspective on the word "implement." It was noted that some entities have a graded winterization plan for varying temperatures and posed a question to the team. The question was how do you audit an entity that has an extreme weather plan, but did not implement the plan because there was no extreme event.

Matt Gibbons and Jim Armstrong, NERC Compliance staff joined the meeting to answer questions the team had about the word "implement." Mr. Gentry raised the question that if "implement" were in the requirement and the Generator Owner chooses not to be available for operation during an extreme event, would the GO violate the requirement. Mr. Gibbons agreed that the GO would be audited against the requirement to have implemented an extreme winterization plan. It was noted an entity could have in their plan that in certain circumstances they would choose not to implement the extreme winterization plan but instead to make the unit unavailable.

Below is a list of auditable items based on the scope of the revised SAR developed by Matt Averett following discussions with NERC Compliance Staff.

1. “Significant” – Show the process that was used to define “significant.” The expectation is an auditor cannot question the detail of the process to define “significant”, but merely see how you defined it.
2. “Extreme” – Show the process that was used to define “extreme.” The expectation is an auditor cannot question the detail of the process used to define “extreme”, but merely see how you defined it. The SAR DT’s rationale was that the definition for “extreme” would be determined by an entity’s operational experience, situational awareness, and weather forecasts.
3. Provide a copy of a sample plant(s) extreme winter weather preparation plan if requested.
4. Revision history of the plant’s winter weather preparation plan or meeting notes/roster as proof of annual review.
5. Provide proof of communication to the BA and GOP (Email, meeting notes, etc).
6. Implement - what is auditable items around the term.

Provided by NERC Compliance Staff:

Everyone should have the expectation that the audit process will differ if there is a category event that affects the BES. We would expect a higher level of scrutiny in the case of an investigation related to such an event. However, in terms of a typical compliance audit, we would take the word implement to mean that an entity is doing everything it says in its extreme weather plan when applicable (i.e. when there is extreme weather). An entity would also be obligated to show evidence (e.g. operating logs, directives, checklists, etc) that it was executing the activities called for in its extreme weather plan to the point where the auditor in their professional judgment would have reasonable assurance that the plan was being followed/implemented, when applicable. In our opinion, based on the way the Standard is written, the adequacy of the extreme weather plan is beyond the audit scope, so we do not think auditors could have findings related to the adequacy of the plan that would be subject to fines and penalties. As a practical matter, we feel that the audit tests that I am describing would be difficult to pull off and justify in the absence of a significant risk to the BES, but we wanted to be conservative in what we expressed to you in terms of what an auditor could potentially look at associated with the word implement.

After the discussion with NERC Compliance Staff and further discussion within the team, the team decided to add ‘implement’ to the requirement, and changed the content of the webinar to reflect that addition.

- b. Consideration of comments – finalized
- c. SAR and EOP-001

The SAR and requirement in the standard were updated to include implement in R7. In response to comments received during the webinar, the team removed the requirement (was R7.3 a part of R7) for the Generator Owner to notify the Balancing Authority that it had reviewed its cold weather preparedness plan.

2. Present industry webinar – Wednesday, March 20, 2013 | 1:00 – 3:00 p.m. ET

Approximately 230 participants joined the webinar and approximately 60 questions were received from the industry.

6. Review of meeting notes

The notes will be reviewed at the next meeting

7. Next steps

- a. Quality review in preparation for posting
- b. Post Revised SAR for 30 day informal comment period in April 2013
- c. June - respond to comments

8. Future meeting(s)

June 10-13, 2013 at NERC Headquarters in Atlanta, GA

9. Adjourn

The meeting adjourned at 11:00 a.m. on Thursday, March 21, 2013.