



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

Coordinate Interchange - SAR Drafting Team

August 6, 2002
Chicago, Illinois

Minutes

The Coordinate Interchange SAR Drafting Team held its initial meeting on August 6, 2002 in Chicago, Illinois. The meeting notice, agenda, and attendance list are affixed as **Exhibits A, B, and C**, respectively.

Maureen Long explained the SAR development process. The functions of the SAR Drafting Team are: (1) assist in the refinement of the SAR, (2) participate in industry forums, and (3) respond to industry comments. Ms. Long noted that the Coordinate Interchange SAR is the most controversial in terms of the comments received to the posting of the SAR.

Ms. Long asked for introductions. Gordon Scott announced that a quorum was present.

Al DiCaprio is the assigned Requestor for the Coordinate Interchange SAR in place of Jim Byrd.

Al DiCaprio comments:

Industry comments received by the Coordinate Interchange SAR should be used to revise the SAR. The drafting team should focus on the comments. The SAR should address the minimum standards needed for the industry's reliability. We need to know "what" the performance standard is, not how it is accomplished. Define the performance level that the industry should comply with but do not tell markets how to work. The group should try to bring the industry to consensus on what needs to be in this SAR.

Jim McIntosh comments:

Reliability is impacted by commercial practices. We must ensure that commercial practices do not affect the operator to the extent that reliability is jeopardized.

Tony Jankowski comments:

The SAR should not implement the market e.g. an accounting procedure. The SAR should define the requirements that keep the system energized and "intact." We must coordinate the boundaries. We will not have the old Control Areas, but will have a significantly less number of operating entities in the future.

Nick Henery comments:

This SAR along with other SARs should be developed around the principle that reliability standards must come first and they must be consistent for safe operations of the interconnected transmission system.

Assumptions

- A SMD, as defined by the FERC NOPR will be in place that will include a next day market. A standard tariff will be in place including standard transmission service.
- The drafting team will use the Functional Model as its operating model and follow the Market Interface and Reliability Principles. The Functional Model is in the process of being mapped to a financial model (SMD).
- The drafting team should work on intra-RTO seams and not inter-RTO seams.
- The issues identified for this SAR may be addressed in other SARs. The drafting team determined that the industry must decide if this SAR is a stand alone SAR or should be handled under another SAR(s), e.g. Coordinated Operations or Balance Resources and Demand. Although the team received some comments from the industry on this issue the team did not feel that any consensus exist on this issue. The team will ask the industry for more discussion on this issue. In the meantime, the team will continue working on a second draft of the SAR and will ensure that those items identified for the SAR are addressed either in this SAR or in others.
- With the SMD in effect there will be one type of transmission service, no point-to-point or network service as they exist today, but one network access service.
- The scope of the SAR is to address scheduled interchange as communicated between two or more reliability functions as defined by the SAR. Matching the energy schedule to the actual energy flow is a function of the Balancing SAR. “Gaming” is a problem that exists in relation to a specific market, and not in relation to reliability standard.
- Some drafting team members believed that actual timing requirements should not be part of the SAR. Timing requirements are considered functions of the markets operating in different areas. Other team members noted that this does not resolve the seams issues between markets.

Other Comments

1. We should not have a NERC standard that defines the market within a system, for example, within an RTO, but if a transaction crosses multiple RTOs; then, operations, including market impact on operations, must be defined.
2. The drafting team should define the boundaries for the SAR and ask the industry if they agree with these boundaries.
3. Should define the requirements that keep the interconnected energized and reliable.
4. Are we trying to separate one aspect of operations out of real-time operations that is so intertwined with other aspects of balancing load-generation that this should not be a separate SAR?
5. Should the standard simply require that the data is provided and that is it checked, verified, and everyone has agreed to the data.
6. We need to define the function (in the Functional Model) that needs to be performed. What does it take to perform this function as a functional entity?
7. Validated schedule, by definition, means that the Reliability Authority has validated all aspects of a schedule, e.g. start/stop time, ramp rate, magnitude, transmission availability, etc.
8. Should standards and measures be written to accomplish this SAR? What are the scope limits on this SAR?

9. The next version of the SAR will demonstrate how reliability is affected by coordination of interchange (schedules or transactions).
10. The SAR is intentionally written broadly to determine a need for a standard and therefore the SAR is supposed to be “general.” Planning, scheduling, and real-time balancing horizons must be coordinated. For reliability, the SAR is addressing real-time scheduling.
11. To validate an interchange transaction, according to the Functional Model, the IA must receive approval from the TP, the generator, the LSE, the BA and RA.

Revising the SAR

Maureen Long provided a color-coded chart that organized the comments that the drafting team used to respond to the comments and revise the SAR.

The group discussed the reliability objectives of this SAR. The group reviewed the Functional Model and agreed to the following reliability objectives being included in the **Purpose/Industry Need** section of the SAR:

To ensure that the implementation of transactions between balancing authorities are coordinated such that the following reliability objectives are met:

- To provide the Reliability Authority with validated transaction information, in sufficient information, to perform security studies.
- To provide the Balancing Authority with validated transactions for use in the developing the respective Balancing Authority’s net scheduled interchange.

The following changes were made to the **Brief Description** section:

- Define the reliability related data that must be verified in validating transactions for use by the Reliability Authority.
- Define the reliability related data that must be verified in validating transaction for use by the Balancing Authority

Brief Description

The detailed description of the SAR will provide the standards drafting team guidance on what should be in the standard.

Action: The group will have a conference call on Wednesday, August 14, 2002 at 11 a.m. EDT. All attendees to the meeting will be provided notice on the call.

The reliability objectives will be expanded to include other members of the Functional Model and then a similar entry will be made in the Brief Description section. *Action:* Maureen Long agreed to send to the team a list of tasks identified in the Functional Model that apply to the SAR.

Action: The team will develop and attach a listing (SAR Comment Form) of unresolved issues that will be added to the front of the next posting.

The team agreed to tentatively schedule a meeting in Miami, Florida on Wednesday, October 2, 2002. The team will finalize the meeting on the August 14 conference call.

Gordon Scott

Gordon Scott
Facilitator, SAR Drafting Team

Mary J. Hartsfield

From: Barbara Bogenrief
Sent: Wednesday, July 17, 2002 1:20 PM
To: Mary J. Hartsfield
Subject: SARDT - August 6, 7, and 8, 2002 Meetings in Chicago

To: Coordinate Interchange-SARDT
Monitor & Assess Short-term Transmission Reliability-Operate Within Limits-SARDT
Determine Facility Ratings, Operating Limits, and Transfer Capabilities-SARDT

PLEASE RESPOND TO THIS MESSAGE WITH YOUR NAME AND COMPANY IF YOU PLAN TO ATTEND THESE MEETINGS.

Dear SAR Drafting Teams Members:

Details for the three meetings held August 6, 7 and 8, 2002 follow:

Location:

DoubleTree Hotel O'Hare - Rosemont
5460 North River Road
Rosemont, Illinois 60018
Phone: 847-292-9100
Fax: 847-292-9295

Meeting Schedule:

Tuesday, August 6, 2002 -- 8 a.m. to 4 p.m. - Coordinate Interchange SARDT
Wednesday, August 7, 2002 -- 8 a.m. to 4 p.m. - Operate Within Limits SARDT
Thursday, August 8, 2002 -- 8 a.m. to 4 p.m. - Facility Ratings SARDT

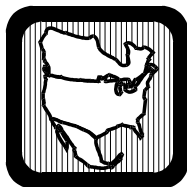
Sleeping rooms are being held for this event the night of August 5, 2002 at the special rate of \$159 single/double, \$169 triple and \$179 quad. The cut-off for sleeping rooms is Monday, August 29, 2002. Check-in time is 3 p.m., check-out is 11 a.m.

The DoubleTree is located 1 mile from O'Hare International Airport. A complimentary shuttle is available from the Shuttle Center door # 3 and runs every 20 minutes. Taxis cost about \$10.

When making your hotel reservations, please make sure to mention "North American Electric Reliability Council/NERC Meeting" so your reservation is credited to our room block. A penalty may be charged to NERC if the total rooms blocked for this event are not picked up. Please inform us immediately if you are unable to attend. Also, if you are using an agency for your travel plans, make sure they mention NERC.

Please let me know if you have any questions. Remember dress is business casual.

Barbara Bogenrief
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Coordinate Interchange SAR Drafting Team Meeting
August 6, 2002 — 0800–1600
Chicago, IL

Agenda:

- 0800 – Welcome and Administrative Items
- 0815 – Review of Duties and Tasks of SAR Drafting Team Members
- 0830 – Discuss Comments Submitted on SAR & Draft Responses
- 1200 – Lunch
- 1300 – Discuss Comments Submitted on SAR & Draft Responses
- 1500 – Revise SAR
- 1330 – Summarize Meeting Action Items & Identify Next Meeting Date
- 1400 – Adjourn

Attachments:

- Summary Comments on “Coordinate Interchange” SAR
- Industry Response to Question – Is there a reliability-related need for a “Coordinate Interchange” Standard?

SAR Drafting Team Roster Coordinate Interchange

Exhibit C

Name	Title	Company	Address	Phone/E-mail
Adrian Malo	Sr Eng/Tech Officer Mkt Ops & Frcst	The IMO	Station A, Box 4474 Toronto, Ontario, M5W 4E5	905-855-4120 adrian.malo@theIMO.com
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Nick Henery	Energy Coord, Special Projects	SMUD	6301 S Street, Sacramento, CA 95852	916-732-5699 nhenery@smud.org
Al DiCaprio	Strategist	PJM	955 Jefferson Avenue Valley Forge Corporate Center Norristown, PA 19403	610-666-8854 dicapram@pjm.com
Gordon Scott	Manager – Transmission and Interchange	NERC	116-390 Village Boulevard Princeton, NJ 08540	609-452-8060 Gordon.scott@nerc.com

Guests

Tom Hawley	Manager-Power Operations	WE Energies	231 W. Michigan Street, A214 Milwaukee, WI 53201	414-221-4500 tom.Hawley@we-energies.com
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