



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

ATC/TTC/AFC– CBM/TRM and ESS/BPS Joint Meeting

April 5, 2006 — noon–5 p.m.

Hyatt Regency Houston

1200 Louisiana

Houston, TX 33607

☎ (713) 654 1234

Agenda

1. Administration

- a. Welcome and Introductions — Bill Blevins
 - i) NAESB ESS
 - ii) NAESB BPS
 - iii) NERC ATC/TTC/AFC– CBM/TRM Roster (**Attachment 1a**iii)
- b. NERC Antitrust Compliance Guidelines (**Attachment 1b**) — Bill Blevins
- c. Review of Agenda — Bill Blevins

2. Goals of the Meeting

- a. Objectives — Kathy York and Bill Blevins will outline the objectives of this joint effort between NERC and NAESB to jointly develop business practices and revised standards for ATC/TTC/AFC and CBM/TRM.
- b. Timeline — Kathy York and Bill Blevins will provide an overview of the preliminary schedule for the joint development effort. The timeline will be designed to coordinate NERC and NAESB activities such that both organizations will be posting drafts, receiving and replying to comments, balloting, and adopting the final standards at approximately the same time. (**Attachment 2b**, posted separately)

3. Process

- a. NAESB-DeDe Kirby
The joint group will review the process used by NAESB to develop and approve standards (**Attachment 3a**), including procedures for drafting, posting for comment, replies to comments, balloting, and ratification.
- b. NERC- Bill Blevins
The joint group will review the process used by NERC to develop and approve standards (**Attachment 3b.i**), including procedures for drafting, posting for comment, replies to comments, balloting, and adoption, as well as the preliminary NERC drafting team guidelines (**Attachment 3b.ii**).

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4. Preliminary Document Review

- a. ATC/TTC/AFC SAR (**Attachment 4a**) — Bill Lohrman
- b. CBM/TRM SAR (**Attachment 4b**) — Bill Lohrman
- c. R05004 proposed business practice (**Attachment 4c**) — DeDe Kirby

5. Future Meetings — Bill Blevins

- a. Dates — future meeting dates will be determined to meet the goals and objectives
- b. Locations/Hosts — the group will choose locations for the future meetings. NERC and NAESB will alternate responsibility for hosting the meetings and preparing meeting materials, agendas, and minutes.

6. Adjourn

ATC/TTC/AFC and CBM/TRM Revisions Standard Drafting Team Roster

Name	Company
Matthew T. Ansley	Southern Co. Services
Kiko Barredo	Florida Power and Light
Charles Falls	Salt River Project
Mathieu Guillebaud	Southern Company Transmission
E. Nick Henery	SMUD
Raymond K Kershaw	ITC Transmission
Dennis Kimm	MidAmerican Energy
Ross Kovacs	Georgia Transmission Corporation
Laura Lee	Duke Energy
Cheryl Mendrala	ISO New England
Larry Middleton	Midwest ISO
Robert J. Morasco	PJM
Narinder K. Saini	Entergy Services, Inc.
Matthew E. Schull	NC Muni Power Agency #1
Jerry Smith	Arizona Public Service



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NERC ANTITRUST COMPLIANCE GUIDELINES

I. GENERAL

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. PROHIBITED ACTIVITIES

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers. At

Approved by NERC Board of Trustees, June 14, 2002
Technical revisions, May 13, 2005

III. ACTIVITIES THAT ARE PERMITTED

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Reliability Standards Process Manual
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

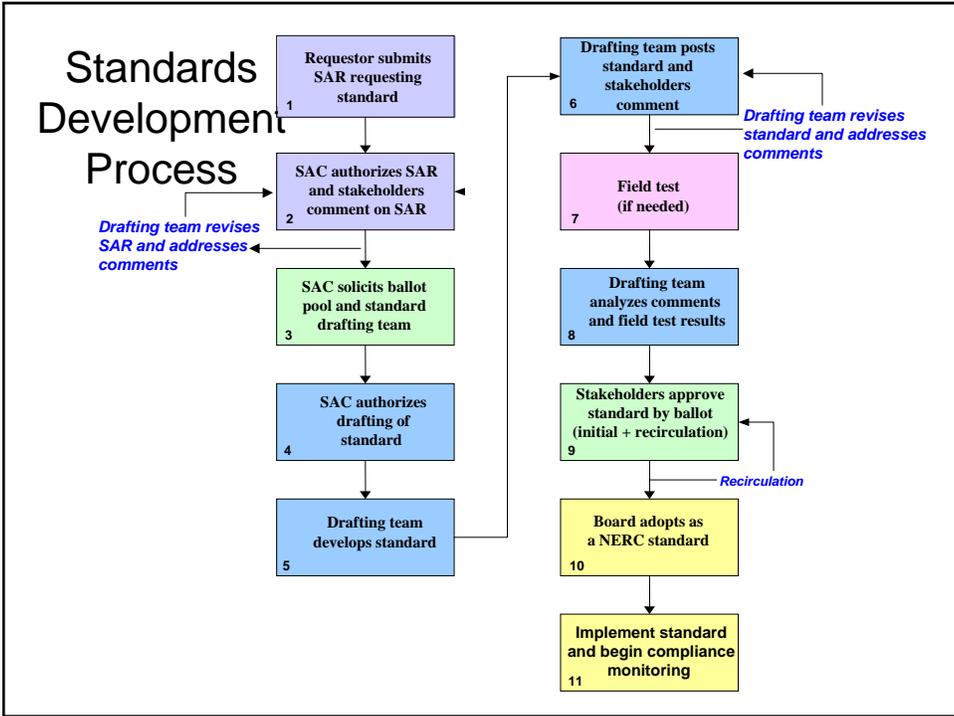
In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.



NERC Drafting Team Guidelines

Draft for Trial Use

February 17, 2006

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Introduction

This document explains the responsibilities and tasks for Standards Authorization Request Drafting Teams (SARDT) and Standard Drafting Teams (SDT). Drafting Teams (DT) appointed by the Standard Authorization Committee (SAC) to develop the technical details of new or revised Standards Authorization Requests (SARs) and Standards, as defined in the NERC Reliability Standards Process Manual.

The information provided in this document gives drafting teams information that should be helpful. Drafting teams should interpret this manual as a guide rather than a rule book. When drafting teams have questions about the process, they can go to the SAC or the Vice President and Director of Standards for clarification.

Guiding Principles

The work of both SARDT's and SDT's is guided by NERC's Reliability Standards Process Manual and the NERC Reliability and Market Interface Principles.

In accomplishing their tasks, the SARDT's and SDT's actions must support the following principles that serve as the foundation of NERC's Standards Development Process:

Due Process: Any person with a direct and material interest has a right to participate by:

- Receiving timely notice of opportunities for participation
- Expressing an opinion and its basis
- Having that position considered
- Appealing if adversely affected.

Openness: The work of a drafting team is open to all persons directly and materially affected by the North American bulk electric system reliability. The work of the drafting team cannot place undue financial barriers to participation. Participation in a drafting team is not conditional upon membership in NERC or any organization, and any restrictions are reasonably associated with technical qualifications or other such requirements.

Balance: The NERC standards development process has a balance of interests without domination by any single interest category.

Guidelines

Drafting teams refine SARs and develop draft standards for stakeholder consensus and ultimately stakeholder and the NERC Board of Trustees' approval. Drafting Teams work together in a constructive, professional manner and in an open environment to develop documents and to incorporate and respond to comments from stakeholders in an efficient and expedient manner.

Drafting Teams consider all stakeholder views and comments about the language in SARs or proposed standards. In cases where the drafting team can not achieve absolute stakeholder agreement, the drafting team members use their collective judgment to assess whether stakeholder consensus has been met to the best of the Drafting Team's ability.

Drafting teams may form subgroups as needed to expedite drafting team tasks. Drafting team members and subgroups share information and data used in the development of a SAR or standard openly among all.

Refining a SAR – The Work of a SARDT

Figure 1 shows the first few steps of NERC’s standards development process. The chart shows the process of developing a SAR from the time the SAR is submitted to the Standards Process Manager to the point where the SAR has been refined and the work of the SARDT is accepted by the SAC for final posting.

This flow chart and the discussion on the following pages, assume that stakeholders support the SAR, and the SAR is not on a ‘fast track’. If stakeholders support a SAR and the need to move the SAR forward is of the highest priority, then the SAC may allow the requestor to work on the SAR and Standard in parallel, with some of the steps in the Standards Development Process occurring in parallel rather than sequentially. For example, the SAC may authorize posting the SAR and Standard at the same time – and may appoint a single drafting team to address both the SAR and the Standard.

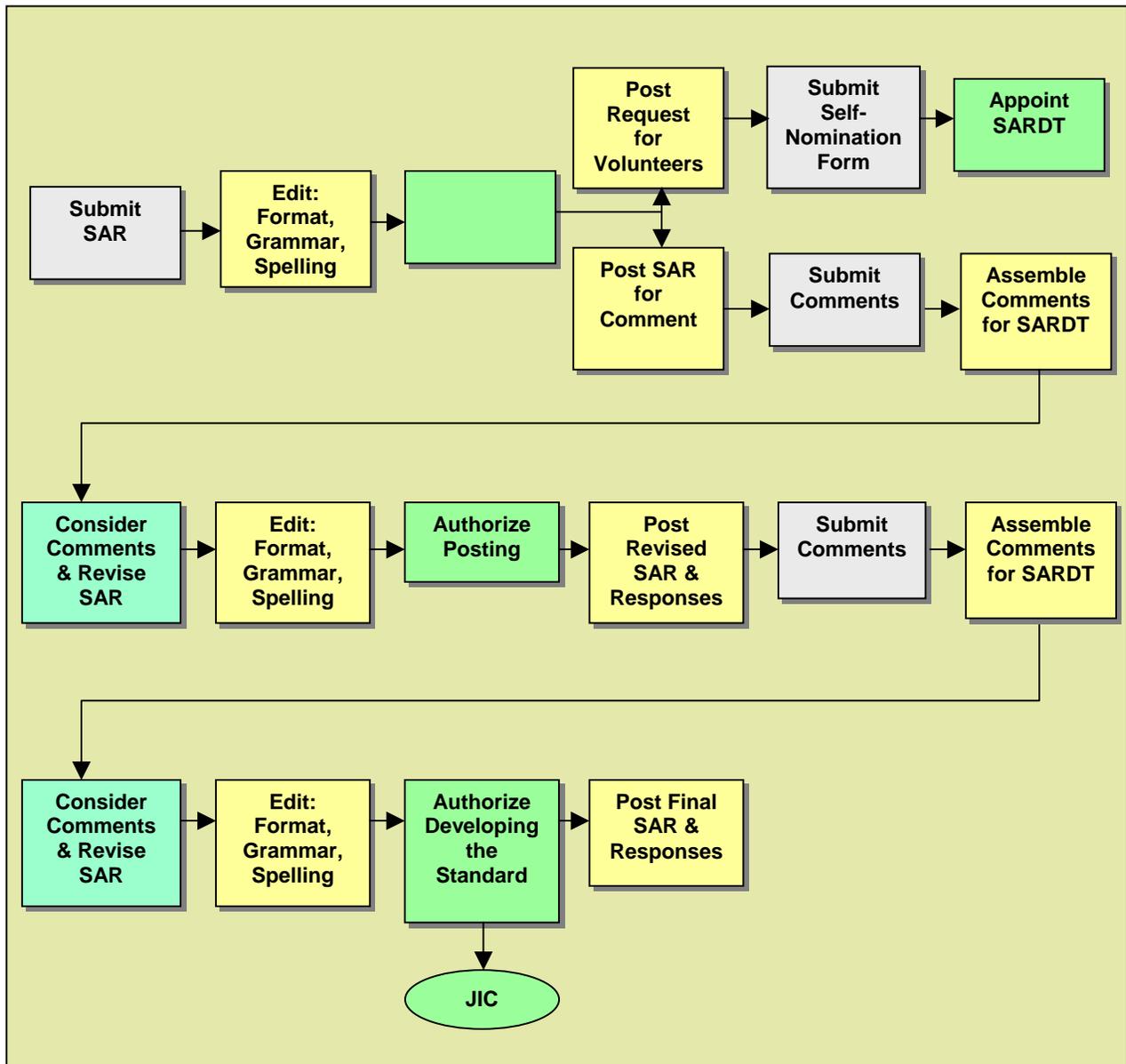


Figure 1 –SAR Development

Requestor Submits a SAR to the Standards Process Manager

Any stakeholder can submit a SAR to the Standards Process Manager. The person who submits a request a SAR is the 'requestor'. The Standards Process Manager will review the SAR with the requestor and provide assistance, if needed, to:

- Ensure the SAR is grammatically correct and free of spelling errors.
- Ensure that all sections of the SAR are complete.
- Advise the requestor of language that seems incomplete, incorrect, or in conflict with other already approved SARs or standards.

Standards Process Manager Forwards the SAR to the SAC

The Standards Process Manager will forward the properly completed SAR to the SAC for the SAC's consideration. The SAC is required to review each SAR within 30 of the date the Standards Process Manager forwards the SAR to the SAC. The SAC meets about once a month.

The SAC will review each SAR to determine if the SAR is clear enough to guide standard development and to determine whether the SAR is consistent with the requirements in the Standards Process Manual.

If the SAC authorizes the posting of the SAR, then the SAC will also direct NERC Staff to:

- Assist the requestor in developing a Comment Form to collect stakeholder feedback on the first draft of the SAR.
- Post the SAR and Comment Form for a 30-day period beginning on either the first day or the fifteenth day of the month.

The SAC may also direct NERC Staff to post a notice that the SAC is forming a SARDT and is seeking volunteers¹ to assist the SAR requestor.

Requestor and Standards Process Manager Develop a SAR Comment Form

The Standards Process Manager will assist the requestor in putting together a Comment Form to solicit comments on the first draft of the SAR. The purpose of the Comment Form is to see if stakeholders support the development of the proposed standards action. The requestor must ask the following questions during the development of the SAR – the first three questions should be asked with the first posting – the other two questions can be delayed until a successive posting:

1. Is there a reliability-related need for the proposed standards action?
2. Is there agreement on the scope of the proposed standards action?
3. Is there agreement on the applicability of the proposed standards action?
4. Are you aware of any Regional Differences that we should consider with this SAR?
5. Are you aware of any associated Business Practices that we should consider with this SAR?

The requestor may add more questions to the comment form, with an aim at collecting stakeholder comments on the technical aspects of the proposed standards action.

There is a template for Comment Forms. The template ensures that all commenters on all standards actions provide some minimal data about themselves so that the drafting team can make some judgments about the diversity of the commenters who participate in the commenting process.

¹ If the SAR is on a 'fast track' the self-nomination form identifies the dates of the initial meetings of the drafting team along with a note to indicate that volunteers should verify they are available on the identified dates before submitting their request for consideration.

SAC Appoints a SARDT

While the first draft of the SAR is posted for stakeholder comment, the Standards Process Manager will collect and compile the information from the SARDT self-nomination forms, and provide this information to the SAC. Any interested person may complete a self-nomination form – but the SAC will not necessarily select all volunteers. The SAC has an obligation to ensure that the SARDT has enough diversity amongst its members to represent as many different industry segments, and as many different NERC Regions as practical. The SAC also strives to ensure that there is at least one Canadian representative, and an experienced Compliance Representative on each drafting team. When the SAC appoints the SAR drafting team the SAC will identify a SARDT member to serve as the chair of the SARDT.

Director of Standards Appoints a Facilitator

The Director of Standards will appoint a NERC Staff member to serve as the Facilitator for the SARDT. The Facilitator will work with the requestor and the drafting team chair to organize the drafting team's first meeting as well as all successive meetings of the SARDT.

Before for the first meeting of the SARDT, the Facilitator will send the following documents to all Drafting team members, including the SAR requestor:

- SAR
- Proposed Project Schedule
- Drafting Team Roster
- Reliability Standards Process Manual
- SARDT Scope
- Drafting Team Guidelines
- Comments submitted on the first draft of the SAR

The Facilitator will work with NERC Staff to contact drafting team members and identify dates when most of the team members are available. Note that if the standard is on a 'fast track', when a request for self-nominations is posted, the dates of the initial meeting may be identified.

When a drafting team meeting is announced, all drafting team members will receive a personal notice that includes the dates, times and locations of the meeting. (The meeting will also be noted on the NERC Meetings web site.) Each drafting team member is responsible for registering to attend the meeting by following the directions in the meeting announcement. NERC Staff uses the registration information to ensure that the meeting room and meal arrangements are sufficient for the number of registrants. Anyone with special dietary requirements should let the Facilitator know in advance of the meeting.

SARDT Holds First Meeting

The agenda for the first meeting of the SARDT must include time for the Facilitator to provide the team members with a review of the standards process and the roles of the team members. The goals of the first meeting are to ensure that all team members understand what the SAC is expecting of them; to agree on a target schedule for completing the SAR; to respond to the comments submitted by stakeholders; to make conforming changes to the SAR, and to draft a comment form to collect feedback on the second draft of the SAR.

During the first meeting, the Facilitator will review the following with the entire team:

- Highlights of the Standards Development Process
- Responsibilities and tasks of the SARDT members
- Proposed timetable with target dates and key milestones
- Comments submitted on the first draft of the SAR

The Facilitator will have all files needed by the drafting team on a computer and will have a projector to display the files so that all drafting team members can monitor edits during the meeting.

Where time permits, the Facilitator will sort the comments in advance of the meeting, to make it easier for the Requestor and the drafting team members to interpret stakeholder opinions.

If the comments indicate there is no reliability-related need for the standard action, then the Requestor should withdraw the SAR. The Requestor (aided by the SARDT) notifies the SAC that the SAR is withdrawn, and provides the SAR and the response to comments.

If the comments indicate there is a reliability-related need for the standard action, but there is a need to change either the scope or the applicability of the proposed standard action, then the Requestor should to revise the SAR. The response to the comment should indicate the SARDT adopted the suggestion as reflected in the revised SAR.

When reviewing the comments, drafting teams should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community. The threshold for approving standards is high, and should be a consideration when drafting teams are making decisions about which suggestions to adopt.

While the SAR is under development, the Requestor has the final ‘say’ as to what changes are made to the SAR. The Requestor should accept the suggestions of the drafting team, since the SAC makes a good faith effort to appoint drafting teams that represent the same industry segments that form the ballot body.

During the meeting as each comment is reviewed, the drafting team needs to develop responses to the comments. The comments and the responses are all assembled in a document that will eventually be posted, called the ‘Consideration of Comments’. It’s a good idea to review all the comments and have a discussion to hear everyone’s interpretations of the comments before beginning to draft responses to the comments. The review and discussion should help the drafting team move to a common view of how closely the stakeholders agree with the proposed SAR. Most drafting teams find it useful to craft responses together, working towards developing a draft response to each unique comment during the meeting, skipping over duplicate comments.

As the drafting team develops its responses to the comments, the team also makes conforming changes to the SAR. The Facilitator will use ‘track changes’ to show the changes made from the version of the SAR that was posted. The changes made to the SAR **must** align with the responses made to stakeholder comments.

As the drafting team makes changes to the SAR, the drafting team should also begin to form a list of questions for the next SAR Comment Form². The questions should be aimed at getting feedback on the appropriateness of the changes made, and should be seeking confirmation that stakeholders agree with the scope and applicability. If, in the first posting, the comment form did not ask stakeholders the following questions, then these questions should be asked on the second comment form:

² Most drafting teams find it necessary to post a SAR for two comment periods. If stakeholders agreed with the SAR and the drafting team doesn’t make major changes, then there is no need to post the SAR for a second comment period.

- Please identify any Regional Differences that may apply to the proposed standard
- Please identify the need for any Business Practices that should be developed in associated with the proposed standard

Before ending the first meeting, the chair needs to review any action items and identify when the drafting team will hold its next meeting or meetings. The purpose of the next meeting will be to finalize the documents in preparation for a second posting of the draft SAR.

- If the drafting team has completed drafting a response to each unique comment, and has decided on what changes to make to the SAR, then the drafting team's next meeting should be a Web Ex with a conference call.
- If the drafting team has not completed drafting a response to each unique comment, and has not decided on what changes to make to the SAR, then the drafting team's next meeting should be another face-to-face meeting.

While the drafting team is assembled it is a good idea to also plan dates to review comments on the second draft of the SAR. Ideally, the meeting to review comments should be held in the middle of the week following the end of the posting period. This gives the Facilitator time to assemble the comments, and gives drafting team members time to review and interpret the comments prior to the meeting.

Documents Refined for Review Before Posting

Following the meeting where the drafting team completed a draft response to each unique comment and decided what changes to make with the SAR, the Facilitator will work with NERC staff to put together a 'final draft' of the documents needed for the next posting. For the 'Consideration of Comments' document, the facilitator will fill in the responses to the duplicate comments and will edit the document so that the responses are free of grammar and spelling errors. The Facilitator can't edit the technical content of the responses without the approval of the Requestor and chair. The Facilitator drafts a 'Summary Response' to each question to let stakeholders know how the Requestor and drafting team interpreted the comments that were submitted for that question. The Summary Response should also include an overview of the conforming changes, if any, that were made to the SAR.

The Facilitator will also write a 'Background Information' section for the 'Consideration of Comments' document. The Background Information section of the Consideration of Comments document includes the following:

- A statement to clarify what posting period was considered
- A note thanking stakeholders for participating in the last comment period
- A note indicating how many sets of comments were received, how many commenters participated, and how many NERC Regions and Industry Segments were represented by the commenters
- A table showing all commenters and their industry segment along with an indication of whether they submitted comments as part of a group, as an individual, or both
- A note with a link telling stakeholders where to read all comments submitted
- A note telling stakeholders that the 'Consideration of Comments' document includes all comments but that the comments have been re-sorted to make them easier to interpret.
- A summary of the changes that were made and the drafting team's recommendation for future action with the SAR.

The Consideration of Comments document **must** include the following statement:

If you feel that the drafting team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Gerry Cauley at 609-452-8060 or at gerry.cauley@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.

Once the Facilitator has completed a 'clean draft' of the Consideration of Comments document, has a red line version of the SAR, and a draft SAR Comment Form, the Facilitator will distribute the documents to the drafting team to review. In most cases, the review will take place using a Web Ex and Conference Call.

SARDT Holds Follow-up Meeting to Finalize Documents

The follow-up meeting should take place a few days after the Facilitator has distributed the draft documents. All drafting team members should review the documents in advance of the follow-up meeting, and should be prepared to identify any errors or inconsistencies in the documents.

If a SAR is revised so that it is significantly different, meaning that the scope of the SAR has been changed to assign responsibilities to different entities, or new responsibilities have been added to the SAR, then the drafting team needs to solicit comments from stakeholders to verify that the changes made to the SAR are acceptable to stakeholders. The drafting team, working with the Requestor, needs to determine when the revised SAR is ready to post.

- Are all sections of the SAR completed?
- Has all passive language been removed from the 'Detailed Description' sections of the SAR?
- Does the SAR identify which functional entities will be required to comply with the proposed standard?
- Does the SAR provide enough details so that a group of technical subject matter experts could draft a standard from the information contained within the SAR?
- Have all comments been considered and is there a response to each comment?
- Does the SAR Comment Form ask stakeholders to identify agreement with the changes made?
- If not already asked, does the SAR Comment Form ask stakeholders to address the need for any associated NAESB business practices?
- If not already asked, does the SAR Comment Form ask stakeholders to address the need for any regional differences?

SARDT Requests Authorization to Post a Revised SAR for Comment

When a SARDT has completed its 'Consideration of Comments' on the prior SAR posting, and has produced a revised SAR and a comment form, then the SARDT notifies the Director, Standards that it is ready to post the revised SAR for another comment period. The Director, Standards will add the request to the agenda for the SAC's next meeting. (The SAC's meeting schedule can be obtained from the Director, Standards.) The Director, Standards will request the following items from the SARDT:

- Clean, revised SAR
- Red line SAR showing changes to last posting
- Consideration of Comments submitted with last posting of SAR
- Comment Form to be posted with revised SAR

SARDT Responds to Comments on Second Draft of SAR

As soon as the Facilitator gets confirmation that the SAC authorized posting the SAR for another comment period, the Facilitator will work with the drafting team to identify dates for the next SARDT meeting. The purpose of the meeting is to address the comments submitted with the second posting and make conforming changes to the SAR. These meetings follow the same pattern described above.

Regional Differences in SARs

When a SAR is posted for comment, any known or expected Regional Differences should be identified. At this early stage, the SARDT is expected to try to draft the scope of the SAR in a way that would require the fewest Regional Differences possible. Wherever practical, the SAR is written to preclude the need for Regional Differences that are less restrictive than the requirements in the associated NERC reliability standard.

SARDT Submits Final SAR Recommendation to SAC

When the Requestor believes there is consensus on the SAR, the Requestor and SARDT will provide a recommendation to the SAC identifying what should happen with the SAR.

Request to Withdraw SAR

If the SARDT recommends that the SAR be withdrawn, then the SAC must be notified. In making a recommendation to withdraw a SAR, the SARDT needs to include the following information in its report to the SAC:

- A statement indicating the SARDT does not believe there is stakeholder support for the proposed standard action
- A summary listing of the work of the SARDT to solicit stakeholder feedback on the proposed standard action
 - Dates each draft of the SAR was posted for comment
 - Link to each posted version of the SAR
 - Link to each posted version of responses to comments
- An analysis of the diversity of stakeholder participation in the comment periods
- Identification of the views that led to the decision to withdraw the SAR

Request to Move SAR Forward

In most cases, the SARDT will recommend that the SAR move forward into the standard drafting stages of the standards development process. The document submitted to the SAC should include the following:

- A statement indicating the SARDT believes there is stakeholder consensus on the following:
 - There is a reliability-related need for the proposed standard action
 - The entities that are responsible for complying with the associated requirements are correctly identified
 - The scope of the requirements is appropriate
- A summary listing of the work of the SARDT to achieve stakeholder consensus:
 - Dates each draft of the SAR was posted for comment
 - Link to each posted version of the SAR

Drafting Team Guidelines

- Link to each posted version of responses to comments
- Link to red line version of the ‘Final SAR’ to show changes from the last version of the SAR posted for comment.
- An analysis of the diversity of stakeholder participation in the comment periods
- Identification of any strong minority views that were not satisfied during the revisions made to the SAR
- Confirmation that all comments have been addressed and that commenters have been advised that there is an appeals process

If the SARDT recommends the SAR move forward to be developed into a standard and the SAC approves, then the Director-Standards requests the SAR be reviewed at the next meeting of the NERC/NAESB/ IRC Joint Interface Committee (JIC).

The JIC may invite the Requestor and/or the SARDT chair to participate in the JIC meeting to answer questions about the SAR. The JIC will determine if NERC should develop the SAR into a reliability standard or if NAESB should develop the SAR into a NAESB business practice.

At the point where the SAC accepts the SAR for development as a standard, the work of the SARDT is finished. If members of the SARDT, including the Requestor, want to be selected to be members of the associated Standard Drafting Team, then they need to complete a self-nomination form when the SAC announces it is forming the Standard Drafting Team. (For standards that are on a ‘fast track’ the SAC may appoint the SARDT to also serve as the Standard Drafting Team.)

From SAR to Standard – The Work of a Standard Drafting Team

Figure 2 shows the steps in NERC’s standards development process from the point where the Joint Interface Committee has determined that NERC should develop the SAR into a standard – to the point where the standard has been approved by stakeholders and by the NERC Board of Trustees.

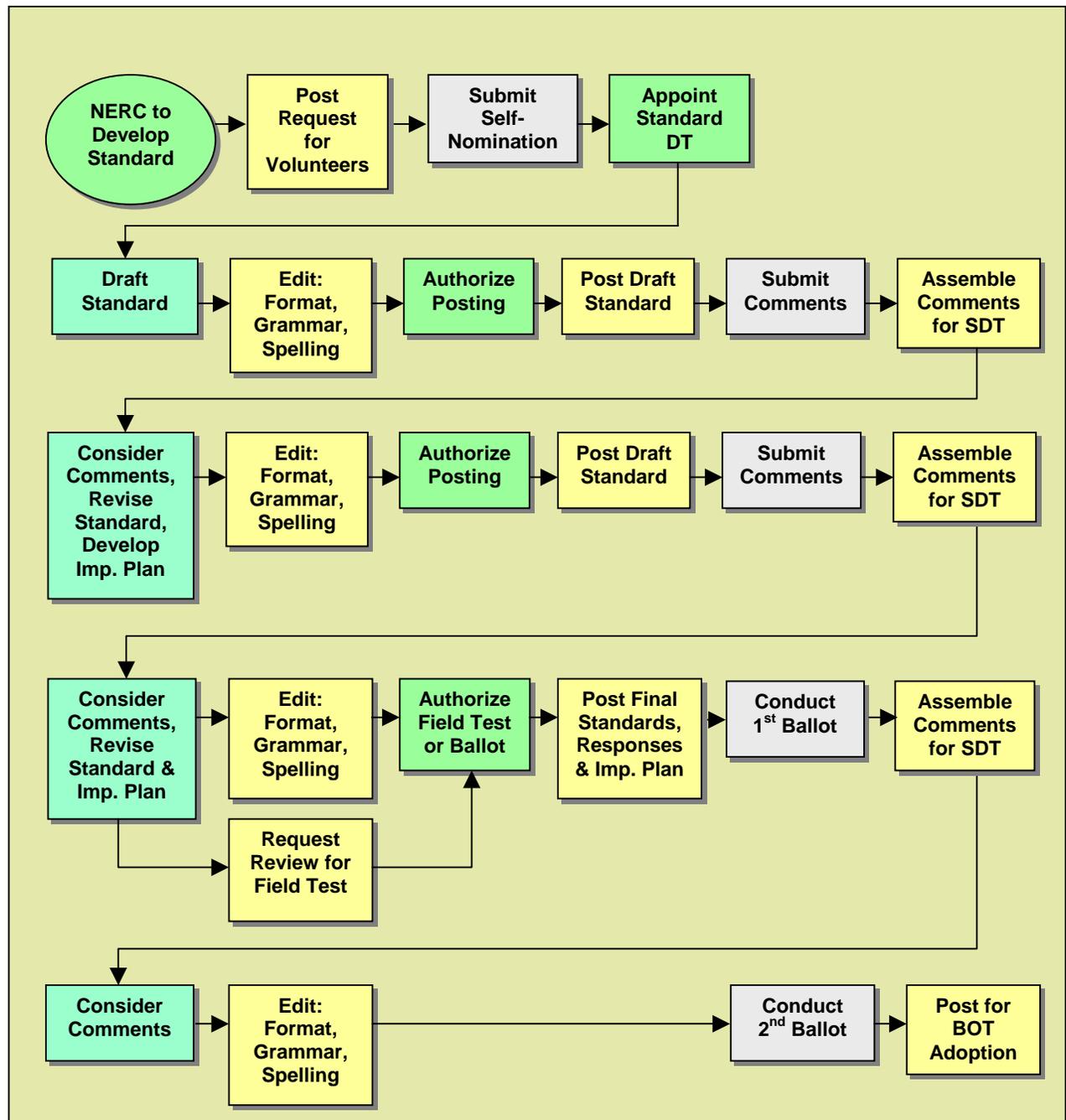


Figure 2- Standard Development

SAC Appoints a Standard Drafting Team (SDT)

While the SAC authorizes a SAR for development as a standard, the SAC will direct the Standards Process Manager to post a request for self-nominations for the Standard Drafting Team. The Standards Process Manager will collect and compile the information from the SDT self-nomination forms, and provide this information to the SAC. Any interested person may complete a self-nomination form – but the SAC will not necessarily select all volunteers. The SAC has an obligation to ensure that the SDT has enough diversity amongst its members to represent as many different industry segments, and as many different NERC Regions as practical. The SAC also strives to ensure that there is at least one Canadian representative, and an experienced Compliance Representative on each drafting team. When the SAC appoints the SAR drafting team the SAC will identify a SDT member to serve as the chair of the SDT.

Director, Standards Appoints a Facilitator

The Director, Standards will appoint a NERC Staff member to serve as the Facilitator for the SDT. The Facilitator will work with the drafting team chair to organize the drafting team's first meeting as well as all successive meetings of the SDT.

Before for the first meeting of the SDT, the Facilitator will send the following documents to all drafting team members:

- Approved SAR
- Proposed Project Schedule
- Drafting Team Roster
- Reliability Standards Process Manual
- SDT Scope
- Drafting Team Guidelines

The Facilitator will work with NERC Staff to contact drafting team members and identify dates when most of the team members are available. Note that if the standard is on a 'fast track' the SAC may appoint a single drafting team to address both the SAR and the standards. Alternatively, when a request for self-nominations is posted, the dates of the initial meeting may be identified.

SDT Holds its First Meeting

The agenda for the first meeting of the SDT must include time for the Facilitator to provide the team members with a review of the standards process and the roles of the team members. The goals of the first meeting are to ensure that all team members understand what the SAC is expecting of them; to agree on a target schedule for completing the standard; and to begin drafting a standard or set of standards that is within the scope of the SAR.

During the first meeting, the Facilitator will review the following with the entire team:

- Standards Development Process
- Responsibilities and tasks of the SDT members
- Proposed timetable with target dates and key milestones

SDT Drafts the Standard

To draft the standard, the drafting team, led by the chair, should discuss the SAR in great detail to ensure that all drafting team members have a common understanding of the scope and applicability of the proposed standard.

Most drafting teams find it easiest to work through the standard by completing the standard from top to bottom. There is a Word Template that is pre-formatted to automatically number the various elements in the standard, according to an approved format. The Facilitator should not make changes to the template, as this will make the appearance of one standard substantially different from other standards.

There are two main sections to the standard – core elements and compliance information. The following tables provide a brief description of the various parts of the standard.

Core Elements of a Proposed Standard

Identification Number	A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the standards. This is supplied by the Standards Process Manager
Title	A brief, descriptive phrase identifying the topic of the standard. This matches the Title provided from the SAR
Proposed Effective Date	The date on which entities are expected to be compliant with the requirements in the standard. The proposed effective date should be stated as a number of months beyond the date the Board of Trustees adopts the standard. Some standards may have different proposed effective dates for different requirements.
Purpose	The purpose of the standard. This is the same as the purpose that was provided with the approved SAR.
Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies who is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory. Any additional comments or statements for which compliance is not mandatory, such as background or explanatory information should be placed in a separate document and referenced.
Measure(s)	Each requirement shall be addressed by one or more measurements. Measurements will be used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measurement will identify to whom the measurement

	applies. Each measurement shall be tangible, practical, and as objective as is practical. It is important to realize that the measurements are proxies to assess required performance or outcomes. Achieving the full compliance level of each measurement should be a necessary and sufficient indicator that the requirement was met.
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Compliance Elements of Proposed Standards

Compliance Monitoring Process	<p>Compliance Monitoring Responsibility:</p> <ul style="list-style-type: none"> – The entity that is responsible for evaluating data or information to assess performance or outcomes. <p>Compliance Monitoring Period and Reset Timeframe:</p> <ul style="list-style-type: none"> – The time period in which performance or outcomes is measured, evaluated, then reset. <p>Data Retention:</p> <ul style="list-style-type: none"> – Measurement data retention requirements and assignment of responsibility for data archiving. – Audit data retention requirements <p>Additional Compliance Information:</p> <ul style="list-style-type: none"> – The specific data or information that is required to measure performance or outcomes. – The entity that is responsible to provide the data or information for measuring performance or outcomes. – The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes.
Levels of Non-Compliance	Defines the levels of non-compliance for each measure, typically based on the actual or potential severity of the consequences of non-compliance.

Requirements

The drafting team should begin drafting the standard by identifying the proposed requirements.

Each requirement needs to:

- Identify the function or functions responsible for complying with that requirement.
- Include the word, ‘shall’ to make it clear that compliance is mandatory.
- Identify what performance is required.
- Avoid the use of adjectives or adverbs that are ambiguous.
- Be written in the ‘active’ voice, rather than the ‘passive’ voice.

Examples of Properly-phrased Requirements:

- The Transmission Owner shall report quarterly to its Regional Reliability Organization, or the Regional Reliability Organization’s designee, sustained transmission line outages determined by the Transmission Owner to have been caused by vegetation.
- The Load-Serving Entity, Transmission Planner and Resource Planner’s forecasts shall each clearly document how the Demand and energy effects of DSM programs (such as conservation, time-of-use rates, interruptible Demands, and Direct Control Load Management) are addressed.

Measures

After the drafting team develops a set of Requirements, the team goes back and drafts Measures for the set of Requirements. Each Requirement must have at least one measure, but the standards development process does not require that there be a unique measure for each requirement. A drafting team can develop a single measure that addresses several requirements.

Each Measure should:

- Identify how performance will be measured
- Identify what function is addressed by the measure
- Be tangible, practical and objective
- Support one or more requirements without adding any new requirements.

There are several types of Reliability Standards, each with a different approach to measurement:

- Technical standards related to the provision, maintenance, operation, or state of electric systems will likely contain measures of physical parameters and will often be technical in nature.
- Performance standards related to the actions of entities providing for or impacting the reliability of bulk electric systems will likely contain measures of the results of such actions, or the nature of the performance of such actions.
- Preparedness standards related to the actions of entities to be prepared for conditions that are unlikely to occur but are critical to reliability will likely contain measures of such preparations or the state of preparedness, but measurement of actual outcomes may occur infrequently or never.

Compliance Monitoring Elements

- When establishing the monitoring process, give consideration to the reasonableness of what you are requiring.
 - If the reliability objective can be achieved by self-certification, then this is a less costly alternative to always requiring a site visit.
 - If spot audits are conducted, these may include a site audit of self-certification.
 - Data collection requirements don't have to remain constant – these can change as entities demonstrate full compliance.
 - Focus on what is important and require only what is needed- don't overload those who are trying to comply or those who are trying to review compliance
- For each requirement/measure describe:
 - The specific data or information that is required to measure performance or outcomes
 - The entity that is responsible to provide the data or information for measuring performance or outcomes
 - The entity that is responsible for evaluating data or information to assess performance or outcomes. (The entities responsible for regional compliance are typically responsible for collecting and assessing information before it is forwarded to NERC.)
 - The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes and the frequency with which evaluations will be conducted.

Self-Certification - A process whereby an entity submits a form to its Compliance Monitor, indicating that the entity is in compliance with a specific requirement or set of requirements for a reliability standard. Self-certification forms generally require the signature of an officer of the corporation. Most self-certification forms are completed each year on an annual basis although they may be required more often.

Periodic Reporting - An established monitoring and reporting process (to measure compliance with one or more requirements for a standard) with a defined frequency such as monthly reports, or quarterly reports. Periodic reporting is generally used for items where a specific piece of information or data is collected for each period. Each entity submits a form to its Compliance Monitor per the announced frequency.

Spot Reporting or Spot Reviews - A monitoring and reporting process (to measure compliance with one or more requirements for a standard) without an announced schedule. Each entity submits a form to its Compliance Monitor when requested by that Compliance Monitor. Spot reporting may be used as a verification tool for self-certification.

Exception Reporting - A reporting process where, when an entity's performance meets or fails to meet certain criteria, such as exceeding certain operating limits, that entity is responsible for reporting its performance to its Compliance Monitor.

Triggered Investigation - An investigation initiated when the Compliance Monitor becomes aware of operational performance that has jeopardized reliability of the bulk electric system. This may occur as a result of the Compliance Monitor's own knowledge of a given situation or at the request of other operating entities. The intent of the investigation is to verify that the entity responsible is aware of the seriousness of any infractions, identify any lessons from the situation that could be used by others, and to determine if the unreliable performance was an aberration or part of a pattern of unreliable operational performance, and to determine if the unreliable performance is part of a larger interconnection wide trend.

- The time period in which performance or outcomes is measured, evaluated, and then reset.
 - Measurement data retention requirements and assignment of responsibility for data archiving.
- Ensure the data is kept long enough to be available throughout the monitoring/evaluation period. The compliance monitor should keep sufficient data that it can demonstrate that it has monitored and followed up with entities that are found non-compliant.

Some drafting teams have left the compliance monitoring process fairly wide-open by using the following generic paragraph:

The (responsible function or functions) shall demonstrate compliance through self-certification or audit (periodic, as part of targeted monitoring or initiated by complaint or event), as determined by the Compliance Monitor.

This 'generic' approach gives the Compliance Enforcement staff more latitude in prioritizing its annual efforts at measuring compliance. It isn't practical to assess every requirement for every responsible entity every year.

Levels of Non-compliance

Each measure needs to have associated levels of non-compliance. The levels of non-compliance should be based on the actual or potential risk to reliability. Each drafting team must determine if it is reasonable to include descriptions of performance or outcomes that describe different levels of 'partial compliance'. Partial compliance should be included in situations where the reliability objective is partially achieved with some limited real or potentially adverse impact on reliability.

There are relatively few situations where performance or outcomes are either fully compliant or non-compliant. By adding descriptions of partial compliance you are giving entities an opportunity to show a good faith effort that they are working towards the desired performance or outcome, even if they haven't fully achieved that goal.

Example: If a standard requires the Transmission Operator to have an approved load shedding procedure in place with all its system operators formally trained to follow the procedure.

The drafting team decides to only include a description of level four non-compliance. (No approved procedure distributed to operating personnel or no documentation to show that system operators were formally trained to follow the procedure.)

While this seems reasonable, what about the situation where the entity has a procedure that has been distributed to the system operators, but the procedure wasn't formally approved?

The intent of this requirement is to have system operators ready to implement load shedding when necessary. If the drafting team felt that the reliability objective could be at least partially achieved by the following, then these should be included in descriptions of partial compliance:

- Procedure in place and all certified system operators received training, but the procedure was not formally approved.
- Procedure approved and some training took place, but not all certified system operators completed the training.

Some measures include a list of requirements. If an entity misses 1 out of 10 items, the performance may be Level 1. If a critical item is missed, this may automatically trigger a Level 4.

Format for Standards

Beyond the standard template, there are some additional guidelines for the format of standards.

- Every word that is used in the standard and included in the NERC Glossary for Reliability Standards must be capitalized.
- Acronyms are not allowed unless they are included in the NERC Glossary for Reliability Standards.
- The use of the phrase, 'and/or' is not allowed
- When referencing a requirement in another standard that following format should be used:
 - Reliability Standard XXX-NNN Requirement N (Reliability Standard PRC-023 Requirement 1)
- When referencing a requirement within the same standard, the following format should be used the first time the requirement is referenced:
 - Requirement N (Requirement 1)
- When referencing a requirement within the same standard, the following format should be used the second and all successive times the requirement is referenced:
 - RN (R1)

Is a Standard Ready to Post?

In determining whether a standard is ready to post, the drafting team should review the draft standard with the following set of questions.

- **General:**
 - Is the standard within the scope of the SAR? Note that the SAC has determined that a drafting team may reduce the scope of a SAR if there is evidence that stakeholders support this reduction, but a drafting team may not expand the scope of a SAR without going back to the SAC and asking for authorization to revise the SAR and post the revised SAR for an additional stakeholder comment period.
 - If the standard requires an investment in resources, is there also an improvement to reliability?
 - Are all defined terms capitalized?
- **Requirements:**
 - Does each requirement identify what functions must comply?
 - Is there at least one measure for each requirement?
 - Does each requirement include a 'shall' statement?
- **Measures:**
 - Is each measure written so that three people looking at the same performance or product would be in agreement on whether or not the performance/product was compliant?
- **Compliance Monitoring:**
 - Are all sections of the template complete?
 - Is the compliance monitoring appropriate given the reliability risk of non-compliance?
- **Levels of Compliance:**
 - Are all requirements/measures addressed in the levels of non-compliance?

SDT Develops a Standard Comment Form

When the drafting team has completed drafting the standard, the team needs to complete the 'Standard Roadmap' that is inserted in the front of each standard, and the team needs to draft a Comment Form to collect feedback on the standard. While there are no rules on what needs to be included in the comment form to collect feedback on the first draft of the standard, drafting teams find it easier to address comments when the comment form asks for feedback on specific aspects of the standard, rather than asking very general questions. If the Comment Form is too general, the Standards Process Manager may ask the drafting team to modify the form to ask more specific questions. When a drafting team asks only general questions, it is very difficult to determine if stakeholders support the various pieces of the standard.

Before ending the first meeting, the chair needs to review any action items and identify when the drafting team will hold its next meetings. The purpose of the next meeting will be to finalize the documents in preparation for the first posting of the draft standard.

- If the drafting team has completed drafting the standard, then the drafting team's next meeting should be a Web Ex with a conference call.
- If the drafting team has not completed drafting the standard, then the drafting team's next meeting should be another face-to-face meeting.

While the drafting team is assembled it is a good idea to also plan dates to review comments on the first draft of the standard. Ideally, the meeting to review comments should be held in the middle of the week following the end of the posting period. This gives the Facilitator time to assemble the

comments, and gives drafting team members time to review and interpret the comments prior to the meeting.

Documents Refined for Review before Posting

Following the meeting where the drafting team completed the draft standard and comment form, the Facilitator, working with NERC staff, will work to put together a 'clean draft' of the documents needed for the next posting. Once the Facilitator has a 'clean draft' of the standard and a draft Comment Form, the Facilitator will distribute the documents to the drafting team to review during a follow-up meeting. In most cases, the review will take place using a Web Ex and Conference Call.

DT Holds a Follow-up Meeting to Finalize Documents for First Posting

The follow-up meeting should take place a few days after the Facilitator has distributed the draft documents. All drafting team members should review the documents in advance of the follow-up meeting, and should be prepared to identify any errors or inconsistencies in the documents.

DT Submits Request to Authorization Posting First Draft of the Standard for Comment

When the drafting team believes it has a good 'first draft' of the standard ready to post and a Comment Form, the drafting team notifies the Director, Standards that it is ready to post the standard for comment. The Director, Standards will add the request to the agenda for the SAC's next meeting. (The SAC's meeting schedule can be obtained from the Director, Standards.) The Director, Standards will request the following items from the drafting team:

- Confirmation that the proposed standard is within the scope of the approved SAR
- Request to post the draft standard for a 45-day comment period
- Updated project schedule that matches the Standard Roadmap
- Comment form
- Standard

DT Meets to Address Comments on First Posting

The Facilitator, working with NERC Staff, will collect the comments submitted on the first draft of the standard and will distribute these to all members of the drafting team for their review prior to the next meeting. Where time permits, the Facilitator will sort the comments in advance of the meeting, to make it easier for the Requestor and the drafting team members to interpret stakeholder opinions.

When reviewing the comments, drafting teams should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community. The threshold for approving standards is high, and should be a consideration when drafting teams are making decisions about which suggestions to adopt.

During the meeting as each comment is reviewed, the drafting team needs to develop responses to the comments. The comments and the responses are all assembled in a document that will eventually be posted, called the 'Consideration of Comments'. It's a good idea to review all the comments and have a discussion to hear everyone's interpretations of the comments before beginning to draft responses to the comments. The review and discussion should help the drafting team move to a common view of how closely the stakeholders agree with the proposed standard. Most drafting teams find it useful to craft responses together, working towards developing a draft response to each unique comment during the meeting, skipping over duplicate comments.

As the drafting team develops its responses to the comments, the team also makes conforming changes to the standard. The Facilitator will use 'track changes' to show the changes made from the

version of the standard that was posted. The changes made to the standard **must** align with the responses made to stakeholder comments.

As the drafting team makes changes to the standard, the drafting team should also begin to form a list of questions for the next standard Comment Form. The questions should be aimed at getting feedback on the appropriateness of the changes made, and should be seeking confirmation that stakeholders agree with any other conforming changes made to the standard.

When the drafting team believes it has a good ‘second draft’ of the standard ready to post, the drafting team needs to consider whether it expects to reach consensus on the language in the standards during the second posting period. If the drafting team believes that stakeholders are ‘close’ to accepting the standards, then the drafting team should develop an implementation plan to post with the revised standards. The SAC will not authorize a standard to go to ballot without giving stakeholders an opportunity to comment on the associated Implementation Plan.

DT Develops an Implementation Plan

Each standard drafting team must develop an implementation plan to let stakeholders know what actions need to take place before the standard becomes effective. The implementation plan also lets entities know what functions must comply with the requirements, and identifies when entities must be fully compliant. The drafting team must collect comments on the implementation plan before the associated standard can be balloted.

While the SAC allows great latitude in the format of implementation plans, each implementation plan must include the following:

- Identification of any prerequisite approvals or activities
- Recommended modifications to already approved standards
- List of functions that must comply with the requirements in the standards
- An indication of how the standard will be balloted (If a set of standards has been developed, this must indicate any subset of standards that will be clustered together and combined in a single ballot.)

If there are no approvals or activities that must be completed before the proposed standards can be implemented, then the implementation plan should state that.

If there are any already approved standards that need to be modified or retired as a result of the proposed standard, then an overview of the proposed changes needs to be included in the implementation plan. The implementation plan should also include a ‘red line’ version of the proposed changes to show what language is being changed, and the implementation plan should include an explanation to let stakeholders know why the drafting team believes the suggested change is needed. Some of the more common reasons are:

- A proposed requirement is more complete than an existing requirement and having the requirement in more than one standard would subject responsible entities to ‘double jeopardy’
- A proposed requirement provides an improved method of achieving improved reliability and the existing requirement is obsolete
- A proposed requirement works cooperatively with an existing requirement, but the language in the existing requirement is out of date.

For each requirement, the functions that will be responsible for complying should be identified.

Before ending the meeting, the chair needs to review any action items and identify when the drafting team will hold its next meeting. The purpose of that meeting will be to finalize the documents in preparation for a second posting of the draft standard.

- If the drafting team has completed drafting a response to each unique comment, and has decided on what changes to make to the standard, then the drafting team's next meeting should be a Web Ex with a conference call.
- If the drafting team has not completed drafting a response to each unique comment, and has not decided on what changes to make to the standard, then the drafting team's next meeting should be another face-to-face meeting.

DT Requests a Recommendation on Field Testing

Each drafting team needs to ask the Director, Compliance to review the proposed standards and make a recommendation to the SAC regarding field testing. In most cases, if the requirements and measures are clearly stated and easy to measure, then no field testing will be recommended. For requirements or measures that are new and will require the implementation of new tools or processes, field testing may be recommended to verify that the requirements, measures or levels of non-compliance will work as intended.

The chair needs to send a letter to the Director, Compliance, asking for a recommendation on field testing. The letter should include the following:

- A request for a recommendation on field testing
- A copy of the proposed standard
- An indication of whether the drafting team believes field testing is needed
- Any comments received from stakeholders on field testing
- An indication of whether participants in the field test should be exempt from any existing compliance requirements as a result of participation in the field test

The Director, Compliance shares the letter with the Compliance and Certification Management Committee (CCMC) and asks for their recommendation. When the Director, Compliance has formed a recommendation, the recommendation is sent to the SAC and to the drafting team for their consideration. The SAC has the final authority regarding Field Testing.

The drafting team should send a copy of their letter to the Director, Compliance to the chair of the SAC so that the SAC is aware of the drafting team's views on field testing.

Documents Refined for Next Posting

Following the meeting where the drafting team completed a draft response to each unique comment and decided what changes to make with the standard, the Facilitator will work to put together a 'final draft' of the documents needed for the next posting. For the 'Consideration of Comments' document, the Facilitator will fill in the responses to the duplicate comments and will edit the document so that the responses are free of grammar and spelling errors. The Facilitator can't edit the technical content of the responses without the approval of the Requestor and chair. The Facilitator drafts a 'Summary Response' to each question to let stakeholders know how the Requestor and drafting team interpreted the comments that were submitted for that question. The Summary Response should also include an overview of the conforming changes, if any, that were made to the standard.

The Facilitator will also write a 'Background Information' section for the 'Consideration of Comments' document. The Background Information section of the Consideration of Comments document includes the following:

- A statement to clarify what posting period was considered
- A note thanking stakeholders for participating in the last comment period

- A note indicating how many sets of comments were received, how many commenters participated, and how many NERC Regions and Industry Segments were represented by the commenters
- A table showing all commenters and their industry segment along with an indication of whether they submitted comments as part of a group, as an individual, or both
- A note with a link telling stakeholders where to read all comments submitted
- A note telling stakeholders that the ‘Consideration of Comments’ document includes all comments but that the comments have been re-sorted to make them easier to interpret.
- A summary of the changes that were made and the drafting team’s recommendation for future action with the standard.

The Consideration of Comments document **must** include the following statement:

If you feel that the drafting team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Director of Standards, Gerry Cauley at 609-452-8060 or at gerry.cauley@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.

Once the Facilitator has completed a ‘clean draft’ of the Consideration of Comments document, has a red line version of the standard, and a draft Comment Form, the Facilitator will distribute the documents to the drafting team to review. In most cases, the review will take place using a Web Ex and Conference Call.

DT Holds Follow-up Meeting to Finalize Documents for Next Posting

The follow-up meeting should take place a few days after the Facilitator has distributed the draft documents. All drafting team members should review the documents in advance of the follow-up meeting, and should be prepared to identify any errors or inconsistencies in the documents.

DT Requests Authorization to Post the Next Draft of the Standard

When the drafting team believes it has a good draft of the standard ready to post and a Comment Form, the drafting team notifies the Director, Standards that it is ready to post the standard for comment. The Director, Standards will add the request to the agenda for the SAC’s next meeting. The Director, Standards will request the following items from the drafting team:

- Consideration of Comments on prior posting of standard (Note that the SAC will not authorize posting a revised version of a standard unless the drafting team has completed its Consideration of Comments on the prior draft of the standard.)
- Implementation Plan (if developed)
- Updated project schedule that matches the Standard Roadmap
- Comment form
- Red Line version of standard showing changes to last posting
- Clean version of standard

DT Requests Authorization to Ballot Standard

The above steps are repeated until the drafting team believes that there is stakeholder consensus on the standard and the implementation plan. Once the drafting team believes the standard and implementation plan are ready to go to ballot, the drafting team submits a formal request to the SAC.

The request to ballot a standard should include the following:

- A statement indicating the SDT believes there is stakeholder consensus on the standard
- Confirmation that all comments have been addressed and that commenters have been advised that there is an appeals process
- A summary listing of the work of the SDT to achieve stakeholder consensus:
 - Dates each draft of the standard was posted for comment
 - Link to each posted version of the standard
 - Link to each posted version of responses to comments
 - Link to red line version of the 'Final standard' to show changes from the last version of the Standard posted for comment.
 - Link to the clean and red line versions of the Implementation Plan
- An indication of whether the standards should be balloted as a single set or with multiple ballots
- An analysis of the diversity of stakeholder participation in the comment periods
- Identification of any strong minority views that were not satisfied during the revisions made to the standard
- Request to post the draft standard for a 30-day pre-ballot review period
- Updated project schedule that matches the Standard Roadmap

DT Responds to Comments on First Ballot

The facilitator will assemble the comments submitted with the first ballot and will distribute these to all drafting team members. The drafting team will document its response to every comment in the same manner used to respond to comments on the draft standards. If the drafting team believes that there is strong enough stakeholder support and no stakeholders have identified serious problems with the standard, then the drafting team posts its 'Consideration of Comments on First Ballot' and notifies the Director, Standards that the drafting team wants to proceed with the second ballot.

If stakeholders identify a serious problem with the standard, the drafting team may choose to withdraw the standard from balloting, make revisions to the standard, and then ask the SAC to authorize posting the standard for another comment period. The drafting team would then respond to the comments and ask the SAC for authorization to ballot the standards following the same steps taken above.

Guidelines Applicable to Both SARDTs and SDTs

Project Schedules

The Facilitator for each drafting team will draft a project schedule and will work with the drafting team to keep the schedule up to date. The following should be considered in developing project schedules:

- Each SAR posting is for 30 days. Most Requestors manage to complete their SARs with two comment periods.
- Each standard must be posted for at least one 45 day comment period. Most drafting teams complete their standards with two comment periods. At the SAC's discretion, a standard may be posted for a 30-day comment period.
- The SAC has a prioritized list of standards projects – and a drafting team may not be allowed to post its work when requested because there may be other higher priority standards actions that require posting at the same time.
- The initial meeting of a drafting team takes longer than successive meetings because there is generally more time needed for orientation and discussion. The duration of the meeting should be related to the complexity of the associated task.
- NERC Staff needs time to do a review of any document for inclusion in a SAC agenda and any document to be posted on the NERC Web Site. While NERC staff can turn around most documents in a day or two, if several teams submit their work at the same time, this review may take longer. When there are too many documents submitted for review at one time, NERC Staff will work to edit the highest priority documents first, using the SAC's Annual Plan as the basis for determining priorities.
- The SAC meets once a month. NERC Staff assembles SAC agendas 10 workdays in advance of face-to-face meetings, and 5 workdays in advance of conference call meetings. The annual schedule for SAC meetings is available from the Director of Standards. While documents can be submitted later than this 10-day and 5-day schedule, the SAC has the right to delay action if they haven't had sufficient time to review the documents in advance of their meeting. Note that the SAC's schedule was designed to give SAC members sufficient time to distribute documents to members of their Industry Segment, and to collect feedback before SAC meetings.

Consideration of Individual Comments

As part of the ANSI-accredited process, drafting teams must review, consider and provide a response to **every** comment submitted during the public posting period. It is not possible to use every suggestion made, and it is not possible to satisfy every commenter.

If the comments received indicate there is no consensus in response to a ‘yes/no’ type question, the drafting team may develop a single response to all comments received on that question, indicating that there was no consensus and the drafting team is considering the single response to be a response to all comments.

It is highly unlikely that any drafting team will ever reach a point where 100% of all stakeholders agree with the language in a SAR or standard. The drafting team need to work hard to weigh the value of each comment submitted.

Here is a table that has been used by some drafting teams to determine how to handle the multitude of suggestions for revisions to SARs and standards.

Guidelines for Incorporating Suggested Changes into SARs and Standards			
If the suggestion is ...	And the suggestion ...	Then ...	Ask stakeholders to ...
Submitted by multiple entities in multiple regions	Does have/may have technical merit	Incorporate the suggestion in the revised document	Confirm the appropriateness of including the change in the revised document
	Does not have obvious technical merits	Provide a response that indicates why the drafting team does not think the suggestion has technical merit	
Submitted by a single entity or by multiple entities in a single region	Does have/may have technical merit	If the drafting team believes stakeholder support will be widespread, incorporate the suggestion in the revised document	Confirm the appropriateness of including the change in the revised document
		If the drafting team does not believe stakeholder support will be widespread, highlight the suggestion but don't include the suggestion in the revised document	Indicate a preference for including the suggestion in the next revision of the document
	Does not have obvious technical merits	Provide a response that indicates why the drafting team does not think the suggestion has technical merit	

When reviewing the comments, drafting teams should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community. The threshold for approving standards is high, and should be a consideration when drafting teams are making decisions about which suggestions to adopt.

While trying to determine how to interpret comments, it is helpful to determine how many 'potential ballots' are represented by the comments. The following guidelines should be considered:

If 8 people from one company, representing a single industry segment, all attend a meeting and submit a single set of comments, then this should be considered as a single set of comments.

If 8 people from one company, representing two industry segments, all attend a meeting and submit a single set of comments, then this should be considered as two sets of comments.

If 8 people from different companies all attend a meeting and submit a single set of comments, then this should be considered as 8 sets of comments.

If 8 people from 3 different companies, with each company representing a single industry segment, copy and submit the same set of comments, then the drafting team should consider this as 3 sets of comments.

Comments with specific suggestions for improvement:

If a comment suggests an improvement, then the response should indicate whether or not the suggestion was adopted. If the suggestion was not adopted, then there should be an explanation of why the suggestion was not adopted.

If several entities submit exactly the same question, these can be grouped together with a single response provided to the set of identical comments.

Editing Done by NERC Staff before Posting

An important step in the process is submitting the documents to NERC Staff for a 'final edit' before the documents are submitted to the SAC and/or posted. NERC staff will review the documents and ensure that the documents are in the correct format and are free of grammar, spelling and punctuation errors.

If NERC staff finds minor errors, then the errors will be corrected and the document will be submitted to the SAC and then posted. If NERC staff finds significant errors such as incomplete sentences, missing information, etc, a 'track changes' version of the document will be returned to the drafting team's Facilitator for resolution before the documents are submitted to the SAC or posted.

Web Ex Conferences and Industry Forums

The SARDT may hold Web Ex conferences as needed to gather industry views or to explain the work of the drafting team. Holding a Web Ex meeting is an easy method of gathering a team together to make final edits or decisions, but isn't necessarily as useful as a face to face meeting for gathering new ideas and brainstorming concepts. A Web Ex allows all participants to use an internet connection to view the same document at the same time. One person, usually the Facilitator or the chair, will edit a document based on drafting team's live comments, and everyone can see the edits as they are made. If a drafting team wants to hold a Web Ex and a conference call, NERC Staff will arrange these for the drafting team and will send all drafting team members the telephone number and code to use for the voice portion, and the URL to the internet link for the Web Ex portion of the meeting.

The drafting team may send one or more of its representatives to attend meetings of other NERC drafting teams, meetings of NAESB Business Practice drafting teams or meetings of NERC committees, subcommittees, etc. The drafting team members will listen and give consideration to industry participants and their views and any objections expressed about the development of a SAR or standard. Any presentation made on behalf of a drafting team should be organized through the Facilitator, and chair, should be shared with the entire drafting team and should be posted on the drafting team's 'related files' site.

Definitions

There is a glossary of definitions that needs to be respected by all drafting teams. The glossary includes all definitions approved with Version 0 as well as definitions approved with standards developed following Version 0.

Drafting teams should avoid developing definitions for terms that have the same meaning as found in a collegiate dictionary. NERC's glossary contains only terms that have a unique definition when used in NERC standards.

If a drafting team defines a new term, the definition must be included at the front of the SAR/standard and the drafting team must ask stakeholders if they agree with the proposed definition. If there is support for the definition, the definition will remain with the SAR/standard through the balloting stages of the standards development process. The Facilitator will notify other drafting teams of the proposed definition to try to avoid the development of parallel, conflicting definitions. If a standard is approved by its ballot pool and adopted by the NERC Board of Trustees, then the definition will be added to the *NERC Glossary of Terms Used in Reliability Standards*.

Regional Differences and Interconnection-Wide Regional Differences

Both SAR and standard drafting teams should ask, on one of the comment forms used during their public posting periods, if stakeholders if they see a need for a regional difference.

The reliability standards process handles regional differences two ways:

- A regional difference that is applicable to a region, but not applicable to all regions in an Interconnection
- A regional difference that is applicable to all regions in an Interconnection

If an entity submits a request for a regional difference, the drafting team needs to determine if the request is for an interconnection-wide regional difference. For an interconnection-wide regional difference, the drafting team needs to:

- Ask the entity that requested the regional difference to provide a justification for the regional difference that can be posted for stakeholders to review
- Include the complete regional difference in the next draft of the standard. (The regional difference needs to identify any differences in the requirements, measures and levels of non-compliance.)
- Highlight the regional difference as an interconnection-wide regional difference for stakeholders, but do not ask stakeholders to comment on the interconnection-wide regional difference since this regional difference is assumed to be valid.

For an interconnection-wide regional difference, the drafting team does not need to ask stakeholders if they agree with the regional difference, since all interconnection-wide regional differences are assumed to be valid.

For a regional difference that is not applied to an entire interconnection, the drafting team needs to:

- Ask the entity that requested the regional difference to provide a justification for the regional difference that can be posted for stakeholders to review
- Post the complete regional difference with the next posting of the standard. (The regional difference needs to identify any differences in the requirements, measures and levels of non-compliance.) Note that if the drafting team does not believe the regional difference will be supported by most stakeholders, the drafting team is not required to add the regional difference to the body of the standard.
- Highlight the regional difference for stakeholders, and include a comment on the next comment form asking stakeholders if they support the requested regional difference.

Comments Submitted on Regional Differences that are not Interconnection-wide

When stakeholders comment on the appropriateness of a regional difference, they may ask questions that drafting team members cannot answer. The drafting team should work with the person who submitted the request for the Regional Difference in responding to comments requesting additional clarification on the Regional Difference. The Region may need to provide additional information to explain why there is a need for a different requirement or measure.

If a majority of stakeholders indicate that a Regional Difference should not be included in a standard, then the Regional Difference will not be included in the associated NERC Reliability Standard.

Visibility of Drafting Team Activities

The actions of drafting teams need to be visible to all interested stakeholders. This visibility is maintained by documenting drafting team activities and posting the documentation on the NERC web site.

The intent is to ensure that stakeholders can gather sufficient information from the web site to monitor progress of drafting teams. Drafting teams post documents in three places:

- Documents that are posted for stakeholder review and comment during public comment periods are posted on the 'Standards under Development' web site.
- Documents that are 'works in progress' and documents that are primarily 'administrative' are posted on the 'Related Files' section of each drafting team.
- Meeting notices are posted on the 'Meetings' site.

A stakeholder should be able to go to the 'related files' site for each drafting team and see the following documents:

- Drafting Team Roster – The roster should be updated, if there are identified changes, following each drafting team meeting. The roster includes the name, address, company affiliation, phone number and email address of each drafting team member appointed by the SAC and the team's Facilitator. The Roster should identify the chair and the Facilitator and should include the date the roster was last updated. For SARDT rosters, the roster should identify the Requestor.
- Agenda – There should be an agenda for each meeting. Each agenda should be posted no later than 10 working days before the date of the meeting
- Meeting Notes – There should be a set of meeting notes for each meeting. The meeting notes should include an attendance list and key points covered during the meeting. These notes don't need to be highly detailed, but should identify what was accomplished, and should identify any specific action items that arose from the meeting along with the name of the individual who accepted the action item and the due date. The meeting notes should be posted no later than 10 working days after each meeting.

Meeting Arrangements

As an action item during a meeting, most drafting teams will arrange future meetings. NERC has a form (New Meeting Form) to complete and submit to NERC Staff to request that a contract be arranged to reserve meeting space in a hotel for a drafting team meeting. There is a list of 'approved cities' for NERC meetings. Drafting teams should make an effort to select meeting locations from this list. Note that the drafting team can request a specific location such as 'close to airport' or 'downtown'.

The Facilitator will complete the New Meeting Form on behalf of the drafting team, using data supplied by the drafting team for meeting location and dates.

Once NERC Staff has a signed contract for meeting space, NERC Staff will send a notice to all drafting team members, and each member who plans to attend the meeting is required to 'Register' to attend the meeting. If members fail to register, there won't be enough space or refreshments ordered for all participants, and valuable meeting time will be wasted trying to make last minute arrangements. Any drafting team member with special dietary requirements or with a need for other accommodations should notify their Facilitator so that appropriate arrangements can be made. A list of all scheduled meetings of all NERC groups is posted at the following site:

<http://www.nerc.net/meetings/>

NERC staff will provide the Facilitator with a list of all drafting team members and guests who registered for the meeting, and will provide a copy of the arrangements for the meeting space and any refreshments. Note that NERC supplies beverages in the morning and afternoon, and lunch in the middle of the day if a meeting lasts all day.

NERC staff will also provide tent cards and/or name tags for the first meeting of each new drafting team. These tent cards and name tags are useful when teams are just forming and people don't already know one another. Many teams find it useful to use the tent cards to take turns in offering opinions. The Facilitator is responsible for collecting and maintaining these for use at future meetings. The Facilitator should bring a few spare tent cards and a bold marker to make tent cards for guests.

The Facilitator must review the NERC Antitrust Policy at every meeting.

The Facilitator must take attendance, asking each participant to identify the number of nights they stayed in the hotel. This information must be reported within 2 days of the meeting on the 'Post Meeting Verification' section of the Meeting Requirements form.

Meeting Notes should be drafted by the Facilitator and reviewed by the chair before being posted.

Appendix A – SAR Form

When completed, email to: mark.ladrow@nerc.net

Standard Authorization Request Form

Title of Proposed Standard
Request Date

SAR Requestor Information	SAR Type (Put an 'x' in front of one of these selections)
Name	<input type="checkbox"/> New Standard
Primary Contact	<input type="checkbox"/> Revision to existing Standard
Telephone Fax	<input type="checkbox"/> Withdrawal of existing Standard
E-mail	<input type="checkbox"/> Urgent Action

Purpose/Industry Need (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The Standard will Apply to the Following Functions <i>(Check box for each one that applies by double clicking the grey boxes.)</i>		
<input type="checkbox"/>	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
<input type="checkbox"/>	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
<input type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules
<input type="checkbox"/>	Planning Authority	Plans the bulk electric system
<input type="checkbox"/>	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
<input type="checkbox"/>	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
<input type="checkbox"/>	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
<input type="checkbox"/>	Transmission Owner	Owens transmission facilities
<input type="checkbox"/>	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
<input type="checkbox"/>	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
<input type="checkbox"/>	Generator Owner	Owens and maintains generation unit(s)
<input type="checkbox"/>	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
<input type="checkbox"/>	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
<input type="checkbox"/>	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

<p>Applicable Reliability Principles <i>(Check boxes for all that apply by double clicking the grey boxes.)</i></p>	
<input type="checkbox"/>	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.
<p>Does the proposed Standard comply with all of the following Market Interface Principles? <i>(Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)</i></p>	
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes	
2. An Organization Standard shall not give any market participant an unfair competitive advantage. Yes	
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes	
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes	
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes	

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
RFC	
SERC	
SPP	
WECC	

Appendix B – Comment Form

COMMENT FORM FOR (X) POSTING OF (INSERT NAME OF SAR OR STANDARD)

Please use this form to submit comments on the (Insert Name of SAR or Standard) Drafting Team’s (Insert Draft #) draft of the (SAR or Standard). Comments must be submitted by (Insert date posting ends). You must submit the completed form by emailing it to sarcomm@nerc.com with the words “(Insert Name of SAR or Standard)” in the subject line. If you have questions please contact Mark Ladrow at mark.ladrow@nerc.net or 609.452.8060.

ALL DATA ON THIS FORM WILL BE TRANSFERRED AUTOMATICALLY TO A DATABASE.

- DO: **Do** enter text only, with no formatting or styles added.
 Do use punctuation and capitalization as needed (except quotations).
 Do use more than one form if responses do not fit in the spaces provided.
 Do submit any formatted text or markups in a separate WORD file.

- DO NOT: **Do not** insert tabs or paragraph returns in any data field.
 Do not use numbering or bullets in any data field.
 Do not use quotation marks in any data field.
 Do not submit a response in an unprotected copy of this form.

Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
Email:		
NERC Region	Registered Ballot Body Segment	
<input type="checkbox"/> ERCOT	<input type="checkbox"/> 1 - Transmission Owners	
<input type="checkbox"/> FRCC	<input type="checkbox"/> 2 - RTOs, ISOs, Regional Reliability Councils	
<input type="checkbox"/> MRO	<input type="checkbox"/> 3 - Load-serving Entities	
<input type="checkbox"/> NPCC	<input type="checkbox"/> 4 - Transmission-dependent Utilities	
<input type="checkbox"/> RFC	<input type="checkbox"/> 5 - Electric Generators	
<input type="checkbox"/> SERC	<input type="checkbox"/> 6 - Electricity Brokers, Aggregators, and Marketers	
<input type="checkbox"/> SPP	<input type="checkbox"/> 7 - Large Electricity End Users	
<input type="checkbox"/> WECC	<input type="checkbox"/> 8 - Small Electricity End Users	
<input type="checkbox"/> NA - Not Applicable	<input type="checkbox"/> 9 - Federal, State, Provincial Regulatory or other Government Entities	

Please read the (Insert Name of Document) and then respond to the following questions.
You do not need to answer all questions.

Enter All Comments in Simple Text Format.

Insert a "check" mark in the appropriate boxes by double-clicking the gray areas.

1. Do you believe there is a reliability-related need for the proposed SAR?

Yes

No

Comments:

2. Do you agree with the applicability of the proposed SAR?

Yes

No

Comments:

3. Do you agree with the scope of the proposed SAR?

Yes

No

Comments:

4. Are you aware of any commercial considerations that might require a concurrent NAESB action associated with the proposed SAR?

Yes

No

Comments:

5. Are you aware of any regional differences that should be included in the proposed SAR?

Yes

No

Comments:

6. Do you have any other comments on the proposed SAR?

Yes

No

Comments:

These questions must be asked on one of the SAR comment forms. Standard comment forms should be used to gather feedback on the requirements, measures and compliance elements of the proposed standards. The standard comment form should also be used to gather feedback on the implementation plan and on whether stakeholders feel that field testing is needed.

Appendix C – Sample Agenda for First SARDT Meeting



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

(Name of SAR) SAR Drafting Team Meeting

(Hotel Name)

(Hotel Address)

(Hotel Phone Number & Fax Number)

(Date and Hours of Meeting)

- 1) Introductions
 - a. Anti-trust & Administrative (Attachment 1)
- 2) Review Meeting Objectives:
 - b. Ensure all team members know what the SAC expects of them (PPT – SAR Drafting Teams – Getting Started)
 - c. Agree to a project schedule (Attachment 2)
 - d. Draft responses to each comment submitted on the first posting of the SAR (Attachment 3)
 - e. Modify the SAR based on discussion of comments submitted on the first posting of the SAR (Attachment 4)
 - f. Draft a SAR Comment Form for the next posting
- 3) Summarize action items
- 4) Select date and time for the next meeting
 - g. Web cast and conference call to review final edits before submitting ‘Consideration of Comments,’ second draft of SAR and SAR Comment Form to SAC



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

NERC ANTITRUST COMPLIANCE GUIDELINES

I. GENERAL

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. PROHIBITED ACTIVITIES

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

Approved by NERC Board of Trustees
June 14, 2002

III. ACTIVITIES THAT ARE PERMITTED

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Organization Standards Process Manual
- Transitional Process for Revising Existing NERC Operating Policies and Planning Standards
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

Drafting Team Guidelines

Appendix C - Agenda 1st SAR DT Meeting - Attachment 2 – Project Schedule

Task Name	Duration	Quarter			1st Quarter			2nd Quarter			3rd Quarter		
		Nov	Dec		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Bring SAR to Completion	181 days												
Post 1st Draft of SAR for 30-day comment period	30 days												
Post drafting team self-nomination request	15 days												
Drafting Team appointed by SAC	15 days												
Facilitator distributes background documents & sets up 1st meeting	45 days												
1st meeting of SAR DT to Respond to Comments and revise SAR	3 days												
Facilitator produces draft documents & sets up conf call/w eb ex	10 days												
Conference call/w eb ex to complete edits to Consideration of Comments & revised	1 day												
Facilitator produces final draft documents & submits to NERC Staff	3 days												
NERC Staff edits documents & adds to SAC Agenda	3 days												
SAC authorizes recommended action - posting SAR for 2nd comment period or	14 days												
2nd Draft of SAR posted for 30-day comment period	30 days												
Facilitator assembles & distributes comments & sets up 2nd meeting	10 days												
2nd meeting of SAR DT to Respond to Comments and revise SAR	2 days												
Facilitator produces draft documents & sets up conf call/w eb ex	10 days												
Conference call/w eb ex to complete edits to Consideration of Comments & revised	1 day												
Facilitator produces final draft documents & submits to NERC Staff	3 days												
NERC Staff edits documents & adds to SAC agenda	2 days												

This is a sample schedule – the Standards Process Manager will help establish a schedule for the team to consider

Appendix D - Sample Format for Consideration of Comments

Question 1 - Scope of Work

Do you agree that the list of planning standards and measures indicated in the four SARs, taking in to consideration the standards already developed in Version 0, would complete the translation of all existing planning standards?"

Summary Consideration of Comments:

All Planning Standards removed from V0 have been addressed in this set of SARs. The following changes have been made:

- IIICM10 was listed under both the Disturbance Monitoring and Reporting Standards and in the Protection and Control Standards. This was corrected by eliminating the duplicate from the Disturbance Monitoring and Reporting.
- IIICM11 was not listed and should have been. IIICM1 has been added to the set of Standards for Protection and Control.
- IIIAM2 was erroneously listed in the set of SARs. IIIAM2 was never included in the set of Measures considered for development as a Version 0 Standard – this Measure was removed from the set of Planning Measures several years ago.

Several Stakeholders questioned the omission of I.F.S2.M6, "Use of Disturbance Data to Develop and Maintain Models". This Measure was re-identified as IFS2M5 by the Planning Committee several years ago and was included in the set of Measures included in these SARs.

Name	Contact Company	Answer Q1	Comment Q1
Kham Vongkhamchanh	Entergy Services, Inc.	NO	III.C.M11 is not included in the 4 SARs, however III.C.M10 is listed twice.
Brandon Snyder	Duke Energy		
Peter Burke	American Transmission Company		

Response: The duplicate III.C.M10 was removed from the Disturbance Monitoring and Reporting Standards grouping, and III.C.M11 was added to Protection and Control Standards grouping.

John Horakh	MAAC	NO	Measurement III.C.S6.M11, "Analysis of misoperations of generator protection equipment", was removed from Version 0, but does not appear in any of the four SARs. It should be included in the Protection and Control SAR.
Peter Henderson	IESO		
Kathleen Goodman	ISO NE		
Karl Tammar	ISO/RTO Council		Measurement III.C.S6.M10, "Procedure to monitor/ review/ analyze/ correct trip operations of generator protection equipment" is duplicated in both the Disturbance Monitoring and Reporting SAR and the Protection and Control SAR, should only be in the Protection and Control SAR
Michael C. Calimano	NY Independent System Operator		

Response: The duplicate III.C.M10 was removed from the Disturbance Monitoring and Reporting Standards grouping, and III.C.M11 was added to Protection and Control Standards grouping.

The example above shows one way of formatting the questions, comments and responses to comments. This format has been used successfully by several drafting teams. The following link provides an example of a complete 'Consideration of Comments' document.

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/Response_2nd_Posting_of_Set_11_17_05_Phase.pdf

Tips for making comments easier to address:

- It is easier to respond to the comments in a meeting room when the comment and response are in the same visual frame. When the 'zoom' feature is expanded to 150%, the text of the comment and the response are both visible to the entire team.
- The Facilitator can save lots of meeting time by organizing comments in advance of the meeting. Comments should be organized so that similar responses are arranged together. All negative comments should be organized so they appear together.
- If a group of people submits a set of comments, then don't duplicate the list of people with every comment – use the name of the group so that the length of the document is minimized. List every member of the group in the front of the 'consideration of comments' document in a table. The table should include each individual's name, company name and industry segment, along with the name of the associated group.

Appendix E – Sample Agenda for First SDT Meeting



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

(Name of Standard) Drafting Team Meeting

(Hotel Name)

(Hotel Address)

(Hotel Phone Number & Fax Number)

(Date and Hours of Meeting)

- 5) Introductions
 - a. Anti-trust & Administrative (Attachment 1)
- 6) Review Meeting Objectives:
 - a. Ensure all team members know what the SAC expects of them (PPT – SDTs– Getting Started)
 - b. Agree to a project schedule (Attachment 2)
 - c. Draft standard within scope of SAR (Attachment 3)
 - d. Draft a Comment Form for the next posting
- 7) Summarize action items
- 8) Select date and time for the next meeting



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

NERC ANTITRUST COMPLIANCE GUIDELINES

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It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

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Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

Approved by NERC Board of Trustees
June 14, 2002

III. ACTIVITIES THAT ARE PERMITTED

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Organization Standards Process Manual
- Transitional Process for Revising Existing NERC Operating Policies and Planning Standards
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

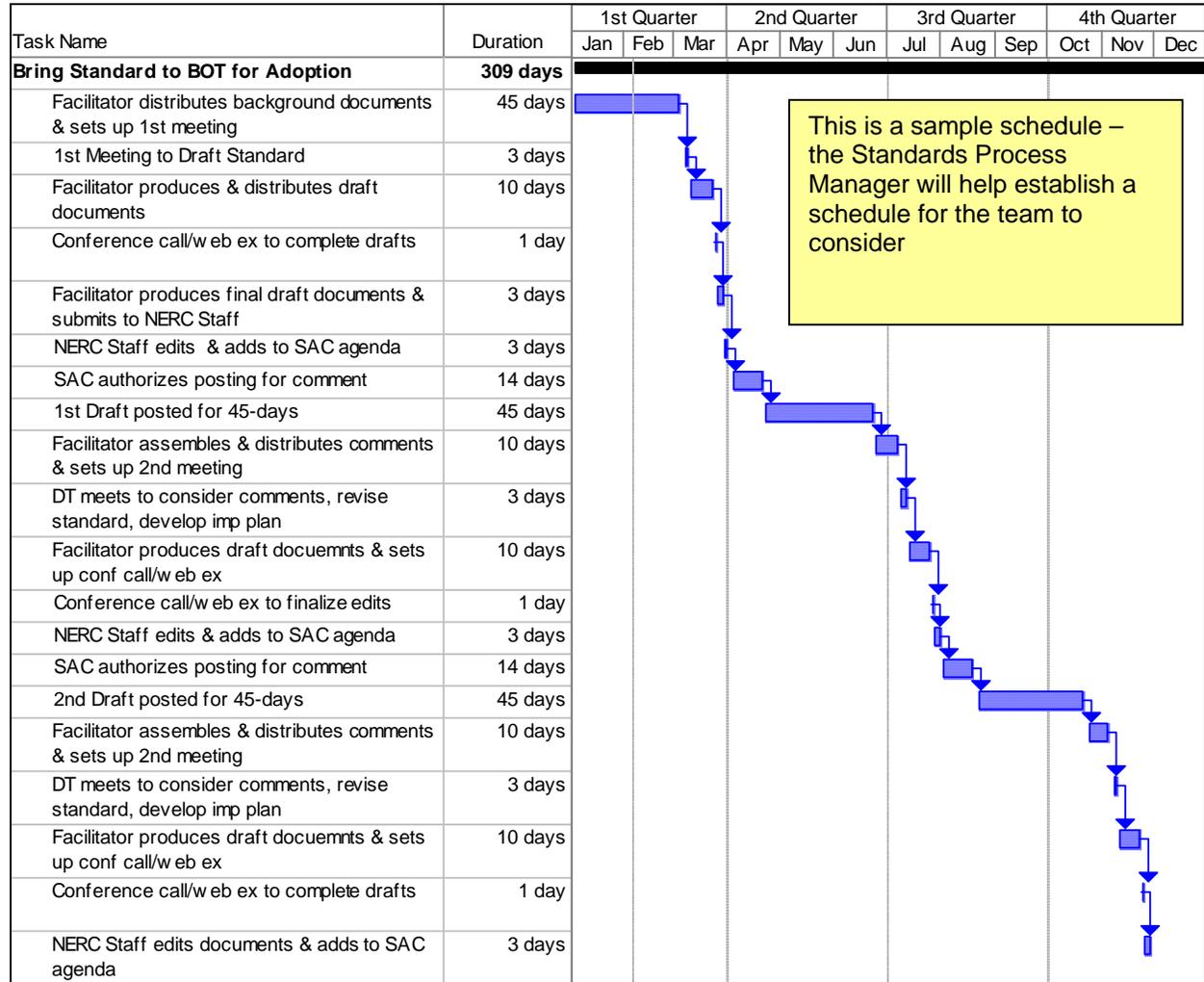
- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

Drafting Team Guidelines

Appendix E – Sample Agenda for 1st SDT Meeting – Attachment 2 - Project Schedule

Appendix E – Sample Agenda for First SDT Meeting – Attachment 2 - Project Schedule



Appendix F – Standard Development Roadmap

Standard Development Roadmap

This section is maintained by the drafting team during the development of the standard and will be removed when the standard becomes effective.

1. SAC approves SAR for posting (date)
2. Requestor posts SAR for comment (date)
3. Drafting team responds to comments & revises SAR (date)
4. SAR posted for comment (date)
5. Drafting team responds to comments & revises SAR (date)
6. SAC approves development of standard (date)
7. JIC assigns development of standard to NERC (date)
8. Drafting team posts draft standards for comment (date)
9. Drafting team responds to comments & revises standards (date)
10. Drafting team posts revised draft standards and implementation plan for comment (date)
11. Drafting team responds to comments & revises standards (date)

Description of Current Draft:

Future Development Plan:

Anticipated Actions

Anticipated Date

1. First ballot of standards.
2. Drafting team responds on first ballot.
3. Recirculation ballot of standards.
4. 30-day posting before board adoption.
5. Board adopts standards.
6. Proposed effective date.

Appendix G – Standard Template

A. Introduction

1. **Title:**
2. **Number:**
3. **Purpose:**
4. **Applicability**
 - 1.1. Text
5. **(Proposed) Effective Date:**

B. Requirements

- Text

C. Measures

- M1. Text

D. Compliance

Compliance Monitoring Process

Compliance Monitoring Responsibility

Text

1.2. Compliance Monitoring Period and Reset Timeframe

Text

1.3. Data Retention

Text

1.4. Additional Compliance Information

Text

Levels of Non-Compliance

Level 1: Text

Level 2: Text

Level 3: Text

Level 4: Text

E. Regional Differences

None

Version History

Version	Date	Action	Change Tracking
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Appendix H – Facilitator Checklist

Meeting Facilitator’s Checklist

- Submit Meeting Request Form.
- Draft meeting agenda.
- Obtain chair and other applicable approval on agenda.
- Submit draft meeting agenda to NERC staff for formatting and posting.
- Prepare for meeting.
- Obtain meeting arrangement details from NERC staff.
- Take meeting notes.
- Submit meeting follow-up report w/ sign-in sheet.
- Draft meeting notes.
- Obtain chair and other applicable approval on meeting notes.
- Submit draft meeting notes to NERC office for formatting and posting.
- Verify documents are posted as requested.

Appendix I - List of NERC-Approved Cities

NERC-Approved Cities For 2–4 day Meetings	
Atlanta, Georgia	Nashville, Tennessee
Baltimore, Maryland	New Orleans, Louisiana
Calgary, Alberta	Newark, New Jersey/New York City
Chicago, Illinois	Omaha, Nebraska (?)
Columbus, OH	Orlando, Florida
Cleveland, Ohio	Philadelphia, Pennsylvania
Dallas, Texas	Phoenix, Arizona (Expensive to fly to)
Denver, Colorado	Princeton, NJ
Detroit, Michigan (?)	Salt Lake City, Utah
Ft. Lauderdale, Florida	San Antonio, Texas
Halifax, NS	San Diego, California
Houston, Texas	San Francisco, California
Kansas City, Missouri	St. Louis, Missouri
Long Beach, California	Tampa, Florida
Memphis, Tennessee	Toronto, Ontario
Miami, Florida	Tulsa, Oklahoma
Minneapolis/St. Paul, Minnesota (Expensive to fly)	Vancouver, British Columbia
Montreal, Quebec	Washington, DC
Easy Access Cities For NERC 1–2 day Meetings at Airport	
Atlanta, Georgia	Philadelphia, Pennsylvania
Chicago, Illinois	Pittsburgh, Pennsylvania
Dallas, Texas	Tampa, Florida
Denver, Colorado	Toronto, Ontario
Houston, Texas	Washington, DC
Kansas City, Missouri	

Appendix J – NERC Meeting Requirements Form

North American Electric Reliability Council (NERC)
 Meeting Requirements Form

When completed, submit to meetings@nerc.com and save this form to submit along with a list of attendees for meeting verification.

<p style="text-align: center;">Details:</p> <p>Submitted By _____</p> <p>On-Site Contact _____</p> <p>Date Submitted _____</p> <p>Original Request <input type="checkbox"/></p> <p>Revision <input type="checkbox"/></p> <p>Verification <input type="checkbox"/></p>	<p style="text-align: center;">Location:</p> <p>1st Choice _____</p> <p>2nd Choice _____</p> <p>Downtown: <input type="checkbox"/></p> <p>Airport: <input type="checkbox"/></p> <p>Other Specify: _____</p> <p>Preferred Hotel: _____</p>	<p style="text-align: center;">Type of Event:</p> <p>Committee Name _____</p> <p>Workshop _____</p> <p>Other _____</p> <p>Joint Meeting With: _____</p>
--	--	--

Times and Set Up (Include breakout rooms):

Day/Date Start/End Time Break Lunch Break Room Set up (number of seats and style*)

Meeting room styles are U-shape, Modified U with classroom rows, classroom, hollow square, theater, rounds, and conference.

Sleeping Room Requirements: (10 room minimum)

Date: _____ Number of Rooms: _____ Date: _____ Number of Rooms: _____
 Date: _____ Number of Rooms: _____ Date: _____ Number of Rooms: _____

Miscellaneous Meeting Requirements:

- | | |
|--|--|
| <input type="checkbox"/> Working lunch in meeting room (Buffet not available at some hotels)
<input type="checkbox"/> Hot Buffet <input type="checkbox"/> Cold Buffet or Boxed Lunch
<input type="checkbox"/> Plated lunch <input type="checkbox"/> Vegetarian meal – Qty: _____
<input type="checkbox"/> Separate room for lunch (Buffet not available at some hotels)
<input type="checkbox"/> Hot Buffet <input type="checkbox"/> Cold Buffet or Boxed Lunch
<input type="checkbox"/> Plated lunch <input type="checkbox"/> Vegetarian meal – Qty: _____
<input type="checkbox"/> Water station in meeting room (no pitchers on tables)
<input type="checkbox"/> Other Room Needs – Explain: _____ | <input type="checkbox"/> 30” Wide tables <input type="checkbox"/> Registration tables
<input type="checkbox"/> Podium <input type="checkbox"/> Special room diagram attached
<input type="checkbox"/> Provide additional chairs around the room Qty: _____
<input type="checkbox"/> Table in back of room for meeting materials
<input type="checkbox"/> Table for our own LCD Projector |
|--|--|

Audio Visual Requirements:

- | | |
|---|--|
| <input type="checkbox"/> Flipchart with Markers – Qty: _____
<input type="checkbox"/> Screen Only
<input type="checkbox"/> Power Strips – Quantity: _____
<input type="checkbox"/> Speakerphone <input type="checkbox"/> Conference Phone <input type="checkbox"/> Polycom
Phone
<input type="checkbox"/> Wireless Handheld Mic– Qty: _____ on Stand Qty: _____

<input type="checkbox"/> Tabletop Microphones – Qty: _____
<input type="checkbox"/> Wireless Lavalier Microphone – Qty: _____
<input type="checkbox"/> VGA Cable- Qty: _____ | <input type="checkbox"/> Other AV Needs – Explain: _____ |
|---|--|

FOR NERC STAFF USE ONLY

NERC LCD projector:

Date in: _____

Type/Name: _____

Time in: _____

Date Out: _____

Time Out: _____

FOR NERC STAFF USE ONLY

Post Meeting Verification:

Number of attendees each day: _____

Attendees list submitted

Average

Number of sleeping rooms utilized: _____

Below Average

Received all food and beverage requested

Received all AV requested
specified?

the future? Yes No

Additional AV or catering was requested on-site – Explain in detail: _____

Additional Comments: _____

Please Rate This Hotel:

Excellent Above

Average

Poor

Was meeting room set as

Yes No

Should we book at this hotel in

Appendix L - Sample Field Testing Recommendation Letter

To: Dave Hilt
From: Phase III & IV Drafting Team
Date: October 1, 2005

The Phase III & IV Drafting Team has the following standards posted for public comment through October 15, 2005 and hopes to move these forward to balloting as soon as possible, with a target of posting these for a 30-day pre-ballot review on November 1, 2005.

- MOD-024 Verification of Generator Gross and Net Real Power Capability
- MOD-025 Verification of Generator Gross and Net Reactive Power Capability
- PRC-002 Define and Document Regional Disturbance Monitoring and Reporting
- PRC-003 Regional Requirements for Analysis of Protection System Misoperations
- PRC-004 Analysis and Mitigation of Protection System Misoperations
- PRC-005 Transmission and Generation Protection System Maintenance and Testing
- PRC-018 Disturbance Monitoring Equipment Installation and Data Reporting
- PRC-019 Coordination of Generator Voltage Regulator Controls with Unit Capabilities and Protection
- PRC-020 Undervoltage Load Shedding Program Database
- PRC-021 Undervoltage Load Shedding Program Data
- PRC-022 Undervoltage Load Shedding Program Performance

The drafting team needs your recommendation on which of these standards, if any, should undergo field testing prior to ballot. To help you with your decision, the drafting team has attached comments relative to field testing that were received from industry stakeholders, along with the drafting team's consideration of those comments. The drafting team does not believe that any of the above standards needs field testing. Most are modifications of Phase III Measures that have already been field tested.

If at all possible, the drafting team wants you to make your recommendation in time to be considered during the SAC's October 17 conference call. To meet the SAC's deadlines for agenda items requiring SAC action, your recommendation would need to be submitted to the SAC by October 10, 2005.

The drafting team expects to submit a second set of Phase III & IV standards to you for consideration in early October. There are some standards in that set that the drafting team feels should be field tested before being finalized.

Cc: Chair, SAC – Linda Campbell

Appendix M– Sample Request to Move Standards Forward to Balloting

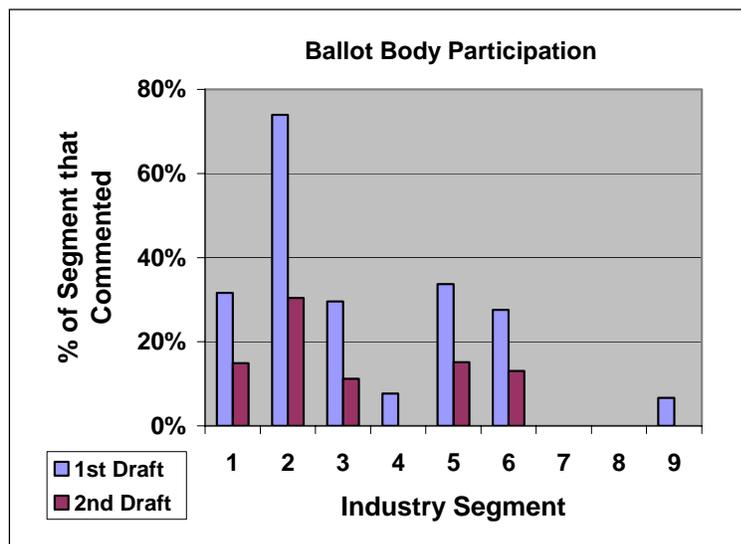
Request to Ballot the Coordinate Interchange Standards:

The six Version 1 Coordinate Interchange Standards and their Implementation Plan were last posted from September 1 through October 15, 2005:

- INT-005 IA Distributes Arranged Interchange
- INT-006 Response to IA
- INT-007 Interchange Confirmation
- INT-008 IA Distributes Confirmation Status
- INT-009 Implementation of Interchange
- INT-010 Interchange Coordination Exemptions

The Drafting Team considered the responses and finalized the Standards and the associated Implementation Plans, making mostly minor changes. All comments received and all responses have been posted, and all commenters have been advised that there is an appeals process.

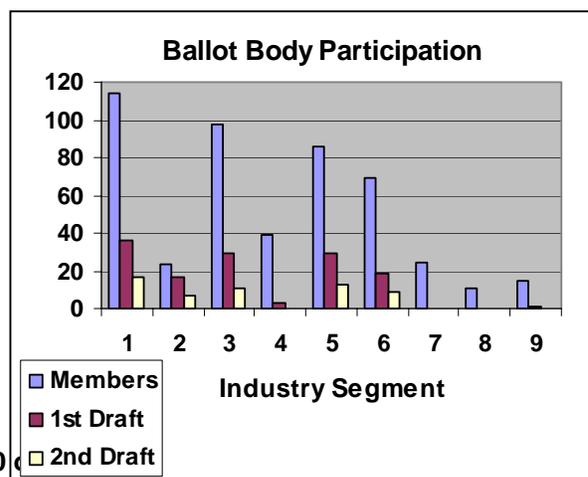
The Drafting Team believes that additional postings will not significantly improve consensus on the Standards or the Implementation Plan. The original Ballot Pool for these standards has been dissolved and no new Ballot Pool has been formed, so no conclusions can be drawn about the participation of members of the Ballot Pool. The following charts show the participation levels of the members of the Ballot Body in the first two comment periods used to refine these standards.



The chart on the left shows the percentage of each Industry Segment who participated in the two comment periods. The participation levels varied greatly, with very little participation in Industry Segments 4, 7, 8 and 9.

The chart below shows the total number of Ballot Body Members in each of the Industry Segments along with the total number of Members in each Segment who submitted comments on each of the two comment periods.

There are 478 members of the Ballot Body and most have not submitted any comments on these standards. Until the standards are balloted, the drafting team will have no way of identifying any concerns these balloters may have.



Milestones in the development of the standards:

First Drafts of Standards

The first draft of the Coordinate Interchange Standards was posted from December 15, 2003 – February 12, 2004. The first draft of the set of standards is publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_DRAFT_STD_01.pdf

Following the first posting, the drafting team delayed action in re-posting the standards pending finalization of Version 0 and then further delayed any re-posting while waiting for changes to the Functional Model. In May, 2005 the Standards Authorization Committee directed the Drafting Team to continue developing its standards without waiting any longer for the Functional Model to be revised.

All comments received on the first posting are publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_Std_Version_One_Comments.pdf

Every comment was considered and the responses to the comments associated with the first drafts of the Coordinate Interchange Standards have been publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_%20Considerationofcomments%20on%201st%20posting_Final.pdf

Second Drafts of Standards

The second draft of the Coordinate Interchange Standards was posted from September 1, 2005 through October 15, 2005. The second draft, along with the red lines to show changes from the first draft and an associated implementation plan, are publicly posted at the following sites:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_D2_Clean.pdf

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_D2_Redline.pdf

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_D2Implementation_Plan.pdf

All comments received on the second posting are publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_D2_Comments.pdf

Every comment was considered and the responses to the comments associated with the second drafts of the Coordinate Interchange Standards have been publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_Consideration_of_Comments_2nd_Posting.pdf

Third Draft of Standards

The drafting team did make minor changes to most of the standards following the second comment period. While most changes made between the second and third drafts were very minor, the drafting team did make changes to the requirements in INT-010 to better align the measures and requirements with the levels of non-compliance. The changes improve the clarity but don't change the intent of the requirements. The drafting team does not believe, given the large number of potential balloters that have not participated in the comment periods, that these changes warrant an additional posting.

The changes made to the standards between the second and third postings are highlighted for stakeholders to review. The third draft, along with the red lines to show changes from the second draft and an updated implementation plan, are publicly posted at the following sites:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_005-010-2_D3_Clean.pdf

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTRCHNG_005-010-1_D3_Redline.pdf

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_Plan_Pre-ballot.pdf

The Implementation Plan for the Version 1 Coordinate Interchange Standards recommends modification or deletion to requirements in the Version 0 Interchange Standards INT-001 through INT-004. The

Drafting Team Guidelines

Appendix M – Sample Request to Move Standards Forward to Balloting

drafting team posted a red line version of each of these standards (INT-001 through INT-004) to highlight the proposed changes. The Implementation Plan and the four red lines are publicly posted at the following site:

ftp://www.nerc.com/pub/sys/all_updl/standards/sar/COORD_INTERCHNG_001-004-1_D3_Redline.pdf

There were three minority views that were not resolved.

- Several entities from one Region recommended that the drafting team modify the requirements to align with the Functional Model by assigning responsibility for conducting a reliability analysis of Arranged Interchange to the TOP rather than the TSP:
 - The Drafting Team followed the SAC’s directives with respect to the Functional Model. The drafting team’s intent was to modify the standards so they could be implemented without modification to the systems in place in ‘today’s world’. In ‘today’s world’, the TSP does perform this function.
- Several entities from one Region recommended that the drafting team modify the sequence of validations to better align with real time practices by reorganizing the requirements throughout INT-005, INT-006 and INT-007.
 - The drafting team did rearrange some, but not all of the requirements. The proposed change is a ‘format’ change, rather than a ‘content’ change. The drafting team was concerned that people who are accustomed to the current sequence of requirements may become confused if the sequence is drastically changed. The requirements in INT-005 through INT-009 are linked to a ‘Timing Table.’ The drafting team modified its reference document’s explanation of the Timing Table to clarify that the requirements are not all sequentially ordered, and some of the validations of Arranged Interchange information that are required under Reliability Standard INT-007 may occur electronically before the Arranged Interchange is distributed under Reliability Standard INT-006.
- Several entities from one Region recommended that INT-003 and INT-004 be retired and the remaining content of those standards be moved into other associated INT standards.
 - The proposed change is a ‘format’ change, rather than a ‘content’ change. The drafting team was concerned that people who are accustomed to the current sequence of requirements may become confused if the sequence is drastically changed.

The Drafting Team recommends the SAC authorize posting the Standards and Implementation Plan for a 30-day pre-ballot review on January 17, 2006, followed by balloting on February 20, 2006. The drafting team wants these balloted as a single set with one ballot.

When completed, e-mail to: mark.ladrow@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Revision to Existing Standard MOD-001-0
Request Date	Revised February 15, 2006

SAR Requestor Information		SAR Type (Put an 'x' in front of one of these selections)	
Name	ATCT SAR Drafting Team atct_plus@nerc.com	<input type="checkbox"/>	New Standard
Primary Contact	Larry Middleton SAR Drafting Team Chair	<input checked="" type="checkbox"/>	Revision to existing Standard
Telephone	(317) 249-5447	<input type="checkbox"/>	Withdrawal of existing Standard
Fax			
E-mail	lmiddleton@midwestiso.org	<input type="checkbox"/>	Urgent Action

Purpose/Industry Need (Provide one or two sentences)

This request changes existing modeling standard(s) by adding a requirement for transmission providers to coordinate the calculation of TTC/ATC/AFC and requires that specific reliability practices be incorporated into the TTC/ATC/AFC calculation and coordination methodologies.

Such changes will enhance the reliable use of the transmission system without needlessly limiting commercial activity. This request adds a requirement for documentation of the methodologies used to coordinate TTC/ATC/AFC*. In addition, a requirement is added for the enhanced documentation of the calculation methodology.

The Standards Authorization Request (SAR) drafting team did not address the measures, compliance, and regional differences. Those will be reserved for the standard drafting team.

*TTC – Total Transfer Capability

*ATC – Available Transfer Capability

*AFC – Available Flowgate Capability

*the drafting team may also deem it appropriate to define TFC – Total Flowgate Capability

Reliability Functions

The Standard will Apply to the Following Functions <i>(Check box for each one that applies by double clicking the grey boxes.)</i>		
<input checked="" type="checkbox"/>	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
<input checked="" type="checkbox"/>	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
<input checked="" type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules
<input checked="" type="checkbox"/>	Planning Authority	Plans the bulk electric system
<input checked="" type="checkbox"/>	Resource Planner	Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.
<input checked="" type="checkbox"/>	Transmission Planner	Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.
<input checked="" type="checkbox"/>	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
<input checked="" type="checkbox"/>	Transmission Owner	Owens transmission facilities
<input checked="" type="checkbox"/>	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
<input type="checkbox"/>	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
<input checked="" type="checkbox"/>	Generator Owner	Owens and maintains generation unit(s)
<input checked="" type="checkbox"/>	Generator Operator	Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services
<input checked="" type="checkbox"/>	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
<input checked="" type="checkbox"/>	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
<input checked="" type="checkbox"/>	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability Principles (Check boxes for all that apply by double clicking the grey boxes.)	
<input checked="" type="checkbox"/>	1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input checked="" type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.
<input checked="" type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.
Does the proposed Standard comply with all of the following Market Interface Principles? (Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)	
1. The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes	
2. An Organization Standard shall not give any market participant an unfair competitive advantage. Yes	
3. An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes	
4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes	
5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes	

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

Definitions of Terms used in standard:

The standard drafting team should develop a definition for AFC (and TFC, if needed), and if necessary, revise the definitions for ATC and TTC. (some straw man definitions are contained in Appendix 2)

In those definitions, the standard drafting team should provide clarification (and differentiation) between the uses and application of the defined terms, particularly as the terms would be applied to either specific facilities or paths between two areas.

The standard drafting team should specify how criteria for determining flowgates would be used in an AFC/ATC process.

The standard drafting team should add a requirement for transmission providers to coordinate the calculation of TTC/ATC/AFC and require that specific reliability practices be incorporated into the TTC/ATC/AFC calculation and coordination methodologies.

The standard drafting team should add a requirement for the enhanced documentation of the TTC/ATC/AFC calculation methodology.

NOTE: Many of the specific recommendations for changes to the standard(s) from the SAR drafting team have been moved to Appendix 1 so as to not bind the hands of the standard drafting team.

Below is a list of issues/items that should be addressed in the revision to MOD-001.

The SAR drafting team does not believe any of the existing requirements should be eliminated during this revision; however, the SAR DT expects some existing requirements may be modified and/or re-organized during the revision.

The revisions to this standard should:

- Finalize definitions for TTC (possibly add a definition for TFC), ATC and AFC
- Address the issue of methodology documentation and review of the methodology where an ISO/RTO may span multiple NERC regions
- Include a requirement that will enhance the required documentation of TTC and ATC calculations, increasing transparency of those calculations to the marketplace; also ensure it clearly defines who is responsible for that documentation.
- Require that the methodology document(s) are available to the industry
- Include a list of required data that must be coordinated for TTC and/or ATC/AFC calculations; such as, but not limited to: generation dispatch, transmission and generation outage, load forecasts, flowgate definitions/criteria.
- Consider trying to develop common criteria for establishing flowgates.
- Include a requirement that addresses issues surrounding the need to assign responsibility for analysis of third-party flowgates in TTC/ATC/AFC calculations to avoid double and triple evaluating of the same reservation request.

- Consider adding requirements to address that parties need to ensure 'agreement' between the coordinated ATC/AFCs values and require documentation of a process to define how discrepancies will be handled. For example, TSP1 should be denying service for a path that impacts a flowgate in TSP2 if the data received from TSP2 shows no service is available.
- Ensure requirements exist to document consistency between operational and planning TTC/ATC/AFC calculations.
- Consider changing the current approach of referencing TTC/ATC/AFC requirements as one group and separating them into TTC requirement(s) and AFC/ATC requirement(s)
- Consider adding more description on what is considered a 'standard' methodology (at what level of detail does the 'standard methodology' document need to go and can there be variations/options allowed within the methodology document?);
- Ensure that any mention of a standard methodology clearly refers to TTC or ATC or AFC.
- Consider requiring that the regional document describe what data is being coordinated between what TSPs and why that 'set' of TSPs are coordinating such data. Set a guideline/criteria associated with who must coordinate.
- Ensure that all requirements are stated in such a way that they can be quantified and measured
- Provide clarification of how the standard(s) would apply to the Western and Eastern (also ERCOT) Interconnections. (For example, WECC uses “committed uses or existing transmission commitments”).
- Establish a consistent set of definitions across the Western, Eastern, and ERCOT Interconnections, considering aspects of each.
- Establish a baseline set of equations for ATC and AFC and any appropriate component, which would include margins such as those specified in MOD 2, MOD 3, MOD 4, MOD 5, MOD 6, MOD 8, and MOD 9, that will incorporate the set of definitions referred to above, allowing for a zero value for a variable that is not used in a specific interconnection. E.g. : $ATC = TTC - \text{committed uses} - CBM - TRM$. (committed uses may be referred to as base flow or existing transmission commitments.)

This SAR lists items that the Long Term AFC/ATC Task Force (LTATF) and the SAR drafting team believe are required to be addressed in the standard revision. However, this list does not prevent the standard drafting team from proposing additional requirements to ensure the objectives of this standard revision are met.

The SAR drafting team has included suggested changes related to these issues as Appendix 1 to this SAR. These are a result of discussions during the SAR drafting and are provided as information that may aide the Standard drafting team during their work.

If during the development of changes to MOD-001, corresponding changes are required to MOD-002 and MOD-003 for consistency the Standard DT should propose such changes to those standards.

A. Introduction

- 1. Title: Development and Documentation of Total Transfer Capability and Available Transfer Capability Calculation Methodologies**
- 2. Number: MOD-001-0**

3. **Purpose:** The purpose of the standard is to promote the consistent and uniform application of Transfer Capability calculations among Transmission Service Providers. The standard will require methodologies to be developed and documented for calculating Total Transfer Capability (TTC), Available Transfer Capability (ATC), and Available Flowgate Capability (AFC) that comply with NERC definitions for TTC, ATC, and AFC; NERC Reliability Standards; and applicable Regional Reliability Organization criteria.
4. **Applicability:**
 - 4.1. Transmission Service Providers and Regional Reliability Organizations
 - 4.2. Others as may be deemed appropriate by the standard drafting team
5. **Effective Date:** t.b.d.

Related Standards

Standard No.	Explanation
MOD-002-0	Review of TTC and ATC Calculations and Results
FAC-005-0	Electrical Facility Ratings for System Modeling
MOD 003-0	Procedure for Input on TTC and ATC Methodologies and Values

Related SARs

SAR ID	Explanation
T.B.D	SAR for TRM and CBM (submitted with this SAR)
R05004	<p>NAESB proposed Business Practice for a single Business Practice Standard to be developed related to:</p> <p>modifying NAESB Business Practice for Open Access Same-time Information Systems (OASIS) WEQ BPS-001-000, WEQSCP-001-000, and WEQDD-001-000 be modified or developing a new business practice standard(s) as required:</p> <p>1) the processing of transmission service requests, which use TTC/ATC/AFC, in coordination with NERC changes to MOD 001,</p> <p>2) 1) the processing of transmission service requests, which use CBM/TRM.</p>
FAC-010-1	Determine Facility Ratings, Operating Limits, and Transfer Capabilities

Regional Differences – to be determined by standard drafting team

Region	Explanation
ECAR	
ERCOT	
FRCC	
MRO	

NPCC	
RFC	
SERC	
SPP	
WECC	

Related NERC Operating Policies or Planning Standards

ID	Explanation

Appendix 1

B. Requirements

R1. All Transmission Service Providers within a RRO, shall jointly develop and document a TTC, ATC, and/or AFC methodology that is approved by the RRO.

A Transmission Service Provider that crosses multiple RRO boundaries shall get approval for its TTC, ATC, and/or AFC methodology either from each of the respective RROs, or from NERC.

This methodology shall be available to NERC, the Regions, and the stakeholders in the electricity market.

Each TTC and ATC/AFC methodology shall address each of the items listed below:

- R1.1 Include a narrative explaining how TTC and ATC/AFC values are determined and used in evaluating transmission service requests. In addition, an explanation for all items listed here must also include any process that produces values that can override the TTC and ATC/AFC values.
- R1.2 Account for how the reservations and schedules for Firm (non-recallable) and Non- firm (recallable) Transmission Service, both within and outside the Transmission Service Provider's system, are included. An explanation must be provided on how reservations that exceed the capability of the specified source point are accounted for. (i.e. how does the Transmission Service Provider's calculation account for multiple concurrent requests for transmission service in excess of a generator's capacity or in excess of a Load Serving Entity's load).
- R1.3 Account for the ultimate points of power injection (sources) and power extraction (sinks) in TTC and ATC calculations. Source and sink points are further defined in the Source and Sink Points white paper contained in Appendix B of the Final LTATF Report.
- R1.4 Describe how incomplete or so-called partial path transmission reservations are addressed. (Incomplete or partial path transmission reservations are those for which all transmission reservations necessary to complete the transmission path from ultimate source to ultimate sink are not identifiable due to differing reservation priorities, durations, or that the reservations have not all been made.)

R1.5 Require that TTC/ATC/AFC values and postings be reviewed at a minimum frequency and updated if changed to assure proper representation of the transmission system. These values will be made available to stakeholders at a similar frequency.

R1.6 Indicate the treatment and level of customer demands, including interruptible demands.

R1.7 Require that the data listed below, and other data needed by transmission providers for the calculation of TTC and ATC/AFC values are shared and used between Transmission Service Providers. Transmission Service Providers requiring data should request the data as needed. In addition, specify how this information is coordinated and used to determine TTC and ATC/AFC values. If some data is not used or coordinated, provide an explanation. The required minimum update frequency¹ for each item is listed below:

R1.7.1 Generation Outage Schedules: Minimum 13 month time frame includes all generators (for 20 MW or more) used in the ATC/AFC calculation). The update frequency is daily. The information exchanged shall differentiate between pending and approved outages.

R1.7.2 Generation dispatch order: Generic dispatch participation factors on a control area/market basis. The update frequency is as required.

R1.7.3 Transmission Outage Schedules: Minimum 13 month time frame, updated daily for all bulk electric system facilities that impact ATC/AFC calculations; updated once an hour for unscheduled outages. The information exchanged shall differentiate between pending and approved outages.

R1.7.4 Interchange Schedules : The update frequency is hourly.

R1.7.5 Transmission Service Requests: The update frequency is daily. This will include all requests, regardless of status, for all future time points.

R1.7.6 Load Forecast: supplied via the SDX (or similar method), includes hourly data or peak with profile for the next 7-day time frame. The update frequency is daily. In addition, daily peak for day 8 to 30 updated at least daily, and monthly for next 12 months updated at least monthly.

R1.7.7 Flowgate AFC data exchange: For transmission service providers in the Eastern Interconnection, firm and non-firm AFC values will be exchanged. The minimum update frequency is as follows: Hourly AFC once-per-hour, Daily AFC once-per-day and Monthly AFC once-per-week. [Note to standard drafting team. See Appendix A from LTATF Final Report section 2.1].

R1.7.8 Flowgate rating: Seasonal flowgate ratings will also be provided and exchanged. Users of the flowgate should have the same rating in their calculation as the owner of the facility. Updated as required. [The standard drafting team will need to clarify what

¹ The update frequency specified should allow for improvements in technology, communication, etc, that might better represent actual system conditions.

definitions are used. Would this be TFC, thermal or stability?] [The Standard Drafting team will need to define seasonal.]

- R1.7.9 **Calculation model:** Updated models will be made available to neighboring/affected calculators. Changes/upgrades to facilities that would change the rating of the facilities that are limiting facilities should be included the models [joint modeling results can be utilized where applicable]
- R1.7.10 **Criteria and definitions:** Flowgates and flowgate definitions/criteria should be exchanged with neighboring/affected calculators on a seasonal basis, or more often as required to represent actual system conditions.
- R1.8 Describe how the assumptions for and the calculations of TTC and ATC/AFC values change over different time (such as hourly, daily, and monthly) horizons.
- R1.9 Describe assumptions used for positive impacts and counterflow of transmission reservations, and /or schedules, including the basis for the assumptions.
- R1.10 Describe assumptions used for generation dispatch for both external and internal systems for base case dispatch and transaction modeling, including the basis for the assumptions.
- R1.11 Ensure that the TTC/ATC/AFC calculations are consistent with the Transmission Owner's/Transmission Planner's (leave Functional Model designation to Standard DT) planning criteria and operating criteria [The standard drafting team will need to be more specific regarding time frames].
Note: this regards, for example 1) TSR studies not being subjected to more stringent criteria than what is in the planning studies, and 2) negative ATC/AFC are shown over long periods of time on an operating basis, but planning studies show no anticipated remedies.
- R1.12 Describe the formal process for the granting of any variances to individual transmission service providers from the TTC/ATC/AFC methodology. (Standard Drafting team will describe who is responsible.)
➤ Any variances must be approved by NERC or its designate

R2. The most recent version of the documentation of each TTC, ATC, and AFC methodology shall be available on a web site accessible by NERC, the Regions, and the stakeholders in the electricity market. [standard drafting team: NEED to add a description how this would apply in WECC for TTC.]

C. Measures.

(standard drafting team to develop procedures for audit to ensure adherence to stated methodology – see Appendix 3)

Appendix 2

Strawman Definitions from LTATF:

Total Transfer Capability (TTC):

TTC and ATC are defined in standard 1E1
Existing Transmission Commitments (ETC)
ATC is expressed as:

$$\text{ATC} = \text{TTC} - \text{Existing Transmission Commitments} - \text{CBM} - \text{TRM}$$

Flowgate is the name given to the transmission element(s) and associated contingency(ies) if any, that may limit transfer capability.

Flowgate Criteria – to be determined by SDT

Available Flowgate Capability (AFC)

AFC is expressed as:
AFC = [to be finalized by SDT]

The relationship between ATC and AFC is as follows:

$$\text{ATC}_{(\text{Path A-B})} = \text{AFC}_{(\text{Most Limiting Flowgate for Path A-B})} / \text{Distribution Factor}_{(\text{Path A-B on Limiting Flowgate})}$$

Daily, Monthly, Yearly TTC
Daily, Monthly, Yearly ATC
Daily, Monthly, Yearly TRM
Daily, Monthly, Yearly CBM

Appendix 3 LTATF Suggested Audit Methodology

M1. Each group of transmission service providers within a region, in conjunction with the members of that region, shall jointly develop and implement a procedure to review periodically (at least annually) and ensure that the TTC and ATC/AFC calculations and resulting values of member transmission providers comply with the Regional TTC and ATC/AFC methodology, the NERC Planning Standards, and applicable Regional criteria.

M2. A review to verify that the ATC/TTC/AFC calculations are consistent with the TO's/TP's planning criteria is also required. The procedure used to verify the consistency must also be documented in the report. Documentation of the results of the most current reviews shall be provided to NERC within 30 Days of completion.

M3. Each entity responsible for the TTC and ATC/AFC methodology, in conjunction with its members and stakeholders, shall have and document a procedure on how stakeholders can input their concerns or questions regarding the TTC and ATC/AFC methodology and values of the transmission provider(s), and how these concerns or questions will be addressed. Documentation of the procedure shall be available on a web site accessible by the Regions, NERC, and the stakeholders in the electricity market.

M4. The RRO must review and approve the ATC/TTC/AFC methodology to ensure it is consistent with the RRO's Planning and Operating Criteria.

The RRO is responsible for ensuring that TTC and ATC/AFC calculations are consistent with the individual TOs/TPs planning criteria.

Each procedure shall specify:

- a) The name, telephone number, and email address of a contact person to whom concerns are to be addressed.
- b) The amount of time it will take for a response.
- c) The manner in which the response will be communicated (e.g., email, letter, telephone, etc.)
- d) What recourse a customer has if the response is deemed unsatisfactory.

When completed, e-mail to: gerry.cauley@nerc.net

Standard Authorization Request Form

Title of Proposed Standard	Revision to Standards MOD 004, MOD005, MOD006, MOD 008, and MOD 009
Request Date	revised February 15, 2006

SAR Requestor Information	SAR Type (Put an 'x' in front of one of these selections)
<u>Name</u> ATCT SAR Drafting Team atctdt_plus@nerc.com	<input type="checkbox"/> New Standard <input type="checkbox"/>
<u>Primary Contact</u> Larry Middleton SAR Drafting Team Chair	<input type="checkbox"/> Revision to existing Standard(s) <input checked="" type="checkbox"/>
<u>Telephone</u> (317) 249-5447 <u>Fax</u>	<input type="checkbox"/> Withdrawal of existing Standard <input type="checkbox"/>
<u>E-mail</u> lmiddleton@midwestiso.org	<input type="checkbox"/> Urgent Action <input type="checkbox"/>

Purpose/Industry Need (Provide one or two sentences)

The existing standards on TRM should be revised to require crisp and clear documentation of the calculation of TRM and make various components of the methodology mandatory so there is more consistency across methodologies.

The existing standards on CBM should be revised to require crisp and clear documentation of the calculation of CBM and make various components (zero values could be acceptable, if applicable) of the methodology mandatory so there is more consistency across methodologies. The Standard drafting team should identify and clarify the various definitions of CBM.

The SAR drafting team will not be addressing the measures, compliance, and regional differences. Those will be reserved for the Standard Drafting Team. The Standard Drafting Team should also consider whether the definitions of CBM and TRM should be revised.

The Standard Drafting Team should coordinate its work with the related proposal for the draft NAESB business practice R05004.

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft, modify, or withdraw a Standard based on this description.)

Below is a list of issues/items that should be addressed in the revision to MOD-004, 5, 6, 8, and 9. The SAR drafting team does not believe any of the existing requirements should be eliminated during this revision; however, the SAR drafting team expects some existing requirements may be modified and/or re-organized during the revision.

In addition to the specific changes suggested in the SAR Appendix 1, the revisions to these standards should address these additional issues:

- Cataloging of various uses and interpretations of CBM
 - How should they be differentiated?
- Should CBM be an explicit reservation?
 - How and if it would be made a requirement
 - Would it be source to sink or partial path?
- How it might impact systems that use CBM for resource adequacy?
- Whether there should be a reciprocal agreement for the use of CBM.
- Should CBM be based on required or recommended planning reserve.
- Whether entities should plan and reinforce their systems for the amount of CBM being reserved.
- How would RRO (and NERC?) approve CBM/TRM methodologies
- How should TRM be made consistent with applicable planning criteria?

The SAR drafting team has included suggested changes related to these issues in Appendix 1 to this SAR. These are a result of discussions during the SAR drafting and are provided as information that may aide the standard drafting team during their work.

Reliability Functions

The Standard will Apply to the Following Functions (Check box for each one that applies by double clicking the grey boxes.)		
<input checked="" type="checkbox"/>	<u>Reliability Authority</u>	<u>Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.</u>
<input checked="" type="checkbox"/>	<u>Balancing Authority</u>	<u>Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time</u>
<input checked="" type="checkbox"/>	<u>Interchange Authority</u>	<u>Authorizes valid and balanced Interchange Schedules</u>
<input checked="" type="checkbox"/>	<u>Planning Authority</u>	<u>Plans the bulk electric system</u>
<input checked="" type="checkbox"/>	<u>Resource Planner</u>	<u>Develops a long-term (>1year) plan for the resource adequacy of specific loads within a Planning Authority area.</u>
<input checked="" type="checkbox"/>	<u>Transmission Planner</u>	<u>Develops a long-term (>1 year) plan for the reliability of transmission systems within its portion of the Planning Authority area.</u>
<input checked="" type="checkbox"/>	<u>Transmission Service Provider</u>	<u>Provides transmission services to qualified market participants under applicable transmission service agreements</u>
<input checked="" type="checkbox"/>	<u>Transmission Owner</u>	<u>Owns transmission facilities</u>
<input checked="" type="checkbox"/>	<u>Transmission Operator</u>	<u>Operates and maintains the transmission facilities, and executes switching orders</u>
<input type="checkbox"/>	<u>Distribution Provider</u>	<u>Provides and operates the “wires” between the transmission system and the customer</u>
<input checked="" type="checkbox"/>	<u>Generator Owner</u>	<u>Owns and maintains generation unit(s)</u>
<input checked="" type="checkbox"/>	<u>Generator Operator</u>	<u>Operates generation unit(s) and performs the functions of supplying energy and Interconnected Operations Services</u>
<input checked="" type="checkbox"/>	<u>Purchasing-Selling Entity</u>	<u>The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required</u>
<input checked="" type="checkbox"/>	<u>Market Operator</u>	<u>Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.</u>
<input checked="" type="checkbox"/>	<u>Load-Serving Entity</u>	<u>Secures energy and transmission (and related generation services) to serve the end user</u>

Applicability to be determined by standard drafting team.

Reliability and Market Interface Principles

Applicable Reliability Principles (Check boxes for all that apply by double clicking the grey boxes.)	
<input checked="" type="checkbox"/>	<u>Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.</u>
<input type="checkbox"/>	<u>The frequency and voltage of interconnected bulk electric systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.</u>
<input checked="" type="checkbox"/>	<u>Information necessary for the planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably.</u>
<input type="checkbox"/>	<u>Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented.</u>
<input checked="" type="checkbox"/>	<u>Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems.</u>
<input checked="" type="checkbox"/>	<u>Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions.</u>
<input type="checkbox"/>	<u>The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis.</u>
Does the proposed Standard comply with all of the following Market Interface Principles? (Select 'yes' or 'no' from the drop-down box by double clicking the grey area.)	
<u>The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes</u>	
<u>An Organization Standard shall not give any market participant an unfair competitive advantage. Yes</u>	
<u>An Organization Standard shall neither mandate nor prohibit any specific market structure. Yes</u>	
<u>An Organization Standard shall not preclude market solutions to achieving compliance with that Standard. Yes</u>	
<u>An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes</u>	

Related Standards

Standard No.	Explanation
t.b.d _____	<u>LTATF SAR for ATC/AFC and TTC (submitted with this SAR).</u>
R05004	<u>NAESB proposed Business Practice for a single Business Practice Standard.</u>
_____	_____
_____	_____

Related SARs

SAR ID	Explanation
_____	<u>Resource Adequacy SAR/Standard</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Regional Differences

Region	Explanation
<u>ECAR</u>	_____
<u>ERCOT</u>	_____
<u>FRCC</u>	_____
<u>MRO</u>	_____
<u>NPCC</u>	_____
<u>RFC</u>	_____
<u>SERC</u>	_____
<u>SPP</u>	_____
<u>WECC</u>	_____

Related NERC Operating Policies or Planning Standards

ID	Explanation
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Appendix 1

proposed changes are highlighted in green

SUGGESTED REVISIONS to MOD-004-0

R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and document a CBM methodology that is approved by the RRO. A Transmission Service Provider that crosses multiple RRO boundaries shall get approval for its CBM methodology either from each of the respective RROs, or from NERC.

Each CBM methodology shall :

- R1.1 Specify that the method used to determine generation reliability requirements as the basis for CBM shall be consistent with the respective generation planning criteria.
- R1.2 Specify the frequency of calculation of the generation reliability requirement and associated CBM values.
- Require that the calculations must be verified at least annually.
 - Require that the dates seasonal CBM values apply must be specified.
- R1.3 Require that generation unit outages considered in a transmission provider's CBM calculation be restricted to those units within the transmission provider's system.
[The standard drafting team should discuss whether CBM should be an explicit reservation and how it would be made a requirement.]
- R1.4 Require that CBM be preserved only on the transmission provider's system where the load serving entity's load is located (i.e., CBM is an import quantity only).
[The standard drafting team should discuss whether there could be a reciprocal agreement for the use of CBM.]
- R1.5 Describe the inclusion or exclusion rationale in the CBM calculation for generation resources of each LSE including those generation resources not directly connected to the transmission provider's system but serving LSE loads connected to the transmission provider's system. The following rationale must be included in all methodologies:
- R1.7.1 All generation directly connected to the transmission provider's system being used to serve load directly connected to that system will be considered in the CBM requirement determination.
 - R1.7.2 The availability of generation not directly connected to the transmission provider's system being used to serve load directly connected to that system would be considered available per the terms under which it was arranged.
- R1.6 Describe the inclusion or exclusion rationale for generation connected to the transmission provider's system. The following rationale must be included in all methodologies:
- R1.7.1 The following units shall be included in the CBM requirement determination because they are considered to be the installed generation capacity, committed to

serve load, directly connected to the transmission system for which the CBM requirement is being determined:

- i. Generation directly connected to the transmission provider's system but not obligated to serve load directly connected to that system, will be incorporated into the CBM requirement determination as follows:
 1. Generation directly connected to the transmission provider's system, but committed to serve load on another system, will not be included in the CBM requirement determination for the transmission system to which the generator is directly connected.)
 2. Generation directly connected to the TSP's system, but not committed to serve load on any system, will be included in the CBM requirement determination for the transmission system to which the generator is directly connected as follows:

The TSP will use the best information available to them (i.e. confirmed or requested transmission service/no service) to determine how these units should be considered in the CBM requirement determination. All assumptions made must be documented and approved by the entity responsible for the methodology.

R1.7 Describe the formal process and rationale for the RRO to grant any variances to individual transmission providers from the Regional CBM methodology.

R1.7.1 Require any variances must also be approved by NERC or its designate.

R1.8 Specify the relationship of CBM to the generation reliability requirement and the allocation of the CBM values to the appropriate transmission facilities. The sum of the CBM values allocated to all interfaces shall not exceed that portion of the generation reliability requirement that is to be provided by outside resources.

R1.9 Describe the inclusion or exclusion rationale for the loads of each LSE, including interruptible demands and buy-through contracts (type of service contract that offers the customer the option to be interrupted or to accept a higher rate for service under certain conditions).

R1.10 Describe any adjustments to CBM values to account for generation reserve sharing arrangements (i.e. Use of CBM and a reserve sharing event simultaneously occurring that is not planned for). Explain how the simultaneous application of CBM and TRM amounts being implemented in the ATC calculations are being taken into consideration during the planning process.

[The standard drafting team should consider paragraph below:]

R1.11 Require that CBM be based on the required or recommended planning reserve. In other words, a load serving entity that does not arrange for resources at least equal to the recommended or required planning reserve levels does not benefit by causing a higher CBM.

[The standard drafting team should consider the option below:]

R1.12 Require that the appropriate entities will plan and reinforce the transmission system for the amount of CBM being preserved.

R2. The RRO's most recent version of the documentation of each entity's CBM methodology shall be available on a web site accessible by NERC, the RROs, and the stakeholders in the electricity market.

M3. Each RRO, in conjunction with its members, shall develop and implement a procedure to review the CBM calculations and values of member transmission providers to ensure that they comply with the Regional CBM methodology and are periodically updated (at least annually) and available to stakeholders. Documentation of the results of the most current Regional reviews shall be provided to NERC or its designate within 30 days of completion.

- The RRO must review and approve the TSP methodology to ensure it is consistent with the RRO's Planning Criteria. The TSP is responsible for ensuring that CBM calculations are consistent with the individual TOs planning criteria.

SUGGESTED REVISIONS to MOD-005-0

R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and implement a procedure to review (at least annually) the CBM calculations and the resulting values of member Transmission Service Providers. The CBM review procedure shall:

R1.1 Indicate the frequency is at least annual, under which the verification review shall be implemented.

R1.2 Require review of the process by which CBM values are updated, and their frequency of update, to ensure that the most current CBM values are available to stakeholders.

R1.3 Require review of the consistency of the transmission provider's CBM components with its published planning criteria. A CBM value is considered consistent with published planning criteria if the same components that comprise CBM are also addressed in the planning criteria. The methodology used to determine and apply CBM does not have to involve the same mechanics as the planning process, but the same uncertainties must be considered and any simplifying assumptions explained. It is recognized that ATC determinations are often time constrained and thus will not permit the use of the same mechanics employed in the more rigorous planning process. The procedure must specify how the consistency would be verified.

R1.3.1 Require verification that the appropriate entities are planning and reinforcing the transmission system for the amount of CBM being preserved. The procedure must specify how the verification would be determined. Transmission service providers must also perform this verification and report on the findings as specified below.

R1.4 Require CBM values to be updated at least annually and available to the Regions, NERC, and stakeholders in the electricity markets.

R2. The documentation of the Regional CBM procedure shall be available to NERC on request (within 30 days).

R3. Documentation of the results of the most current implementation of the procedure shall be sent to NERC within 30 days of completion.

SUGGESTED REVISIONS to MOD-008-0

R1. Each RRO in conjunction with its members, shall jointly develop and document a TRM methodology. This methodology shall be available to NERC, the Regions, and the transmission users in the electricity market. If a RRO's members TRM values are determined by a RTO or ISO, than a jointly developed regional methodology is not required for those members. RRO members not covered by an RTO/ISO would be required to have a regional methodology.

Each TRM methodology shall:

R1.1 Specify the update frequency of TRM calculations.

- Require that calculations be verified at least annually if determined to be required
- Require that dates that seasonal TRM values apply must be specified

R1.2 Specify how TRM values are incorporated into ATC calculations.

R1.3 Specify the uncertainties accounted for in TRM and the methods used to determine their impacts on the TRM values. The following components of uncertainty, if applied, shall be accounted for solely in TRM and not CBM:

R1.3.1 aggregate load forecast error (not included in determining generation reliability requirements).

R1.3.2 load distribution error.

R1.3.3 variations in facility loadings due to balancing of generation within a Balancing Authority Area.

R1.3.4 forecast uncertainty in transmission system topology.

R1.3.5 allowances for parallel path (loop flow) impacts.

R1.3.6 allowances for simultaneous path interactions.

R1.3.7 variations in generation dispatch

R1.3.8 short-term operator response (operating reserve actions not exceeding a 59-minute window).

R1.3.9 Any additional components of uncertainty shall benefit the interconnected transmission systems, as a whole, before they shall be permitted to be included in TRM calculations.

R1.3.10 Additional detail on how variations in generation dispatch are handled from intermittent generation sources such as wind and hydro, need to be provided.

R1.4 Describe the conditions, if any, under which TRM may be available to the market as Non-Firm Transmission Service.

R1.5 Describe the formal process for the granting of any variances to individual transmission service providers from the regional TRM methodology.

R1.5.1 Any variances must also be approved by NERC or its designate

R1.6 Describe the methodology and conditions thereof that are used to reflect if TRM is reduced for the operating horizon.

R1.7 Explain how the simultaneous application of CBM and TRM amounts being implemented in the ATC calculations are being taken into consideration during the planning process.

R1.8 Specify TRM methodologies and values must be consistent with the approved planning criteria.

R1.8.1 Require that the appropriate entities will plan and reinforce the transmission system for the amount of TRM being preserved. The methodology must specify how the verification of the consistency would be determined.

R1.8.2 Each TRM methodology shall address each of the items above and shall explain its use, if any, in determining TRM values. Other items that are entity specific or that are considered in each respective methodology shall also be explained along with their use in determining TRM values.

SUGGESTED REVISIONS to MOD-009-0

R1. Each group of transmission service providers/and or AFC/ATC/TTC calculators within a region, in conjunction with the members of that region, in conjunction with its members, shall develop and implement a procedure to review the TRM calculations and resulting values of member transmission providers to ensure that they comply with the regional TRM methodology and are updated at least annually and available to transmission users.

- The RRO must review and approve the transmission service provider(s)' methodology to ensure it is consistent with the RRO's Planning Criteria. The RRO is responsible for ensuring that TRM calculations are consistent with the individual TOs planning criteria.

The TRM review procedure shall:

R1.1 Indicate the frequency is at least annual, under which the verification review shall be implemented.

R1.2 Require review of the process by which TRM values are updated, and their frequency of update, to ensure that the most current TRM values are available to stakeholders.

R1.3 Require review of the consistency of the transmission service provider's or Transmission Owner's TRM components with its published planning criteria. A TRM

value is considered consistent with published planning criteria if the same components that comprise TRM are also addressed in the planning criteria. The methodology used to determine and apply TRM does not have to involve the same mechanics as the planning process, but the same uncertainties must be considered and any simplifying assumption explained. It is recognized that ATC determinations are often time constrained and thus will not permit the use of the same mechanics employed in the more rigorous planning process. The review process used by a transmission service provider or transmission owner also needs to be documented.

R1.3.1 Explain how the simultaneous application of CBM and TRM amounts being implemented in the ATC calculations are being taken into consideration during the planning process.

R1.4 TRM methodologies and values must be consistent with the applicable planning criteria

➤ The methodology must specify how the verification of the consistency would be determined

R2. The documentation of the regional TRM procedure shall be available to NERC on request (within 30 days). Documentation of the results of the most current implementation of the procedure shall be available to NERC within 30 days of completion.

R3. Documentation of the results of the most current regional reviews shall be provided to NERC within 30 days of completion.

R4. Require TRM values to be verified at least annually and made available to the RROs, NERC, and stakeholders.

R05004

Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions

Page 1

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

or

Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

Instructions:

1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.
2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.
3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067

by either mail, fax, or to NAESB's email address, naesb@naesb.org.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

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Request for Enhancement of a NAESB Standard for Electronic Business Transactions

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North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

or

Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

Date of Request: ___ December 12, 2005_____

1. Submitting Entity & Address:

__ATCT_SAR_Drafting_Team_____

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : _____

Title : _____

Phone : _____

Fax : _____

E-mail : _ atct_plus@nerc.com_____

3. Description of Proposed Standard or Enhancement:

It is proposed that the following items be addressed by either modifying NAESB Business Practice for Open Access Same-time Information Systems (OASIS) WEQ BPS-001-000, WEQSCP-001-000, and WEQDD-001-000 be modified or developing a new business practice standard(s) as required:

- 1) the processing of transmission service requests, which use TTC/ATC/AFC, in coordination with NERC changes to MOD-001, such as:
 - a. where the allocation of flowgate capability based on historical Network Native Load impacts the evaluation of transmission service requests, requiring the posting of those allocation values in conjunction with queries of service offerings on OASIS (new requirement)
 - b. granting of partial service by capacity requested, both partial period and partial MW (for example WEQSCP-001-4.2.13.2)

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- c. defining methodology for determining prioritization of competing requests for bumping and matching (for example WEQBPS-001-4.18 and WEQSCP-001-4.2.13.6)
 - d. defining whether contract path (for systems using flow-based analysis) is between control areas or between Transmission Service Providers (new requirement, would not apply to Western or ERCOT interconnections).
 - 2) the processing of transmission service requests, which use CBM/TRM
 - a. including the amount of CBM to be made available as Non-firm Transmission Service (for example, WEQSCP-001-4.5).
- 4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):
 - a. The proposed standard will be applicable to transmission service providers to ensure that consistent practices are employed among transmission service providers when processing requests for transmission service,
 - b. Each Transmission Service Provider TSP should, assure comparability of service for long term firm point to point and network service customers; and
 - c. The proposed standard will be applicable to transmission service providers to ensure that details of the practices and procedures are available to market participants.
- 5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

Providing increased standardization of procedures and better informing market participants of these procedures would enhance market liquidity.

Additionally, this should result in better utilization of the transmission system.
- 6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

t.b.d.

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7. Description of Any Specific Legal or Other Considerations:

Development of this Business Practice needs to be closely coordinated with any work undertaken by NERC that impacts the calculation and coordination of AFC/ATC.

NERC's Long Term ATC/AFC TF (LTATF), which included NAESB participation, has identified a number of issues related to the calculation and coordination of ATC and AFC. .

It is recommended that NAESB develop a Business Practice Standard that would ensure full disclosure by which Transmission Service Providers (TSPs) determine the quantity of transmission service to be made available for sale to market participants.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

N/A

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:

N/A

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

Please see final Long Term AFC/ATC Task Force report on the NERC website at:

ftp://www.nerc.com/pub/sys/all_updl/mc/ltatf/LTATF_Final_Report_Revised.pdf