

Final Meeting Notes Coordinate Interchange SDT — Project 2008-12

May 5, 2009 | 8:00 a.m. – 5:00 p.m. EDT
Meeting and Conference Call
SERC Offices
Charlotte, NC

1. Administration

a. Antitrust Guidelines

Andy Rodriquez reviewed the anti-trust guidelines with meeting participants.

b. Introduction of Attendees

The following members and guests were in attendance:

- Joe Gardner, Chair
- Clint Aymond
- Kelly Bertholet
- Jim Hansen
- Bob Harshbarger
- Pete Harris
- Don Lacen
- Dave Mcree
- Joel Mickey
- Mike Oatts
- Chris Pacella
- Bob Schwermann
- Steve Crutchfield
- Maureen Long
- Andy Rodriquez

c. Approval of Agenda

The drafting team reviewed the Agenda and approved it unanimously.

2. Review of NERC Process and SC Expectations

Maureen Long and Andy gave various presentations and reviews regarding the drafting team guidelines, drafting team scope, and other administrative materials.

Andy was asked to send Maureen's presentation to the group, to verify the roster and send it out to the team, to send the SC roster out to the team, and to send out the nominating matrix so everyone can understand the constituency they are representing.

Link to SDT Roster:

http://www.nerc.com/docs/standards/sar/Drafting_Team_Roster_External_Version.pdf

Link to SC Roster:

<http://www.nerc.com/files/roster.pdf>

Other items to be sent out separately.

3. Coordinate Interchange

a. Review of SAR

The SDT reviewed the SAR and its assignments.

b. Discussion of Development Strategies

The team discussed developing the first phase by only changing the word "Interchange Authority" to "Load Balancing Authority." However, several entities believed this would not be acceptable, as it was not necessarily who was assigned – it was the responsibility.

The team agreed on a general work strategy based on the following:

Phase 1 – Short term fixes, dealing with a baseline minimum and normal operations

Phase 2 – Address any outstanding 693 issues

Phase 3 – Address Dynamic Transfers, if needed

c. Development of Initial Work Breakdown Structure

Andy was assigned to develop a WBS and initial schedule based on the above.

4. Work on Initial Drafting of Standards

Steve Crutchfield provided an overview of the work at the FMWG. It appears that the IA is going to be changed to an "Interchange Coordinator." It was suggested that Joe Gardner and the FMWG chair might want to get on the phone together to discuss the IA issue. Steve encouraged members of the team to submit comments on the functional model when it is posted (around July).

Following this discussion, the team talked about several Interchange topics. It was mentioned that there is some discussion around RFC, MRO, and SERC to “certify” a 3rd party to provide services in such a way that by virtue of using a certified entity, audit requirements are assumed to be addressed through the certification of that entity. It was questioned if the standards should require adherence to the E-Tag spec (currently being moved to NAESB). The team talked about simplifying the standard and removing many of the requirements, but there was concern expressed that those requirements were critical for operators to understand what was expected of them. There was some question whether these items belong in INT, or if they should be rolled into the BAL or TOP standards? Some entities asked if we even need any standard for these (i.e., do the BAL standards cover this enough)? Questions were raised related to outsourcing, CIP compliance, and whether or not there was value in phasing in the development of IAs.

The team talked about starting with a clean slate, and distilling this down to the core needs. It was suggested that we develop these standards as if we were doing only one transaction, and then use the tool (e-tag) to allow us to implement that process at high volume. However, some raised questions that if we don’t talk about the tool, how will entities know what to do if the tool is not available? The tag seemed to be key; has e-tag become a reliability element in and of itself?

The team decided to review the standards and attempt to strip down the standards into their core elements. The purposes of the standards did not always seem to align with the perceived goal of the requirements. In general, the standards seem to distill into:

- RCs must be told about interchange
- Dynamic Schedules need to be accounted for
- Schedules initiated by BAs need to be accounted for
- Inadvertent payback needs to be accounted for
- Marketer schedules need to be accounted for
- DC Tie Operators need to be coordinated with

Given some of the statements in Order 693, FERC seems to think RCs and TOPs should be doing some sort of studies on an ongoing basis – perhaps based on net interchange, perhaps day ahead and then on an hourly basis. The team will need to revisit when we get to the second phase of development.

The team settled down on an initial attempt at a first phase that started with the primary requirement that “BAs must have agreed upon interchange prior to scheduling,” and then specify that certain kinds of entities needed tools that could perform certain functions. For example:

TAG AUTHORITY – The Sink BA shall have a system that:

- Accepts arranged interchange
- Accepts change requests
- Distributes Arranged Interchange
- Collects approvals/denials
- Monitors timelines to ensure everything is done on time
- Validates reliability data completeness
- Transitions from Arranged to Confirmed if approvals collected
- Distributes Confirmed Interchange

TAG APPROVAL – All BAs and TSPs and TOPs shall have a system that:

- Receives Arranged Interchange or changes
- Communicate Approval and/or Denial to distributing system
- Receives Confirmed interchange or changes
- Request changes to Confirmed Interchange

TAG AGENT – All submitting PSEs must have a system that:

- Request Arranged interchange
- Receives Confirmed interchange or changes
- Request changes to Confirmed Interchange

IDC – All RCs shall have a system that:

- Receives Confirmed interchange or changes
- Request changes to Confirmed Interchange

If this works, then we can wrap any other necessary issues around these fundamental principles.

Andy was tasked with attempting to assemble a first draft based on these concepts.

5. Assignments and Action Items

6. Future Meetings (*Italics not confirmed*)

June 17–18 — ERCOT – Austin, Texas at 8 a.m.–5 p.m. and 8 a.m.–noon

August 5 in Vancouver (Jim Hansen working to confirm with Powerex)

November – New York?

7. Adjourn

The drafting team adjourned at approximately 5:00 p.m. on May 5, 2009.