

Meeting Notes Project 2010-17 Definition of Bulk Electric System

October 18-20, 2011 | 8:00 a.m.–5:00 p.m. ET

Wyndham Westshore Hotel
Tampa, FL

Introductions

Pete Heidrich (Chair) brought the Standard Drafting Team (SDT) meeting to order at 8:00 a.m. ET on Tuesday, October 18, 2011 at the Wyndham Westshore Hotel in Tampa, FL. Attendance at the meeting was as follows:

Members		
Brian Evans-Mongeon, Utility Services	Phil Fedora, NPCC	Pete Heidrich, FRCC, Chair
John Hughes, ELCON	Barry Lawson, NRECA, Vice Chair	Joel Mickey, ERCOT
Jeff Mitchell, RFC	Jerry Murray, OR PUC	Rich Salgo, Sierra Pacific
Jason Snodgrass, GTC	Jennifer Sterling, Exelon	Jonathan Sykes, PG&E
Ed Dobrowolski, NERC Coordinator		
Observers		
Frank Cain, LCEC	Paul Cummings, Redding	Tom Duffy, CHG&E
Jeff Gindling, Duke	Bill Harm, PJM	Jonathan Hayes, SPP
Ken Lotterhos, Navigant	Susan Morris, FERC	Alain Pageau, HQ
Tim Soles, Occidental	Bob Stroh, FERC	Phil Tatro, NERC

NERC Antitrust Compliance Guidelines and Public Announcement

The NERC Antitrust Compliance Guidelines and public announcement were delivered. No questions were raised.

Chair's Remarks

The Chair stated that the goal of the meeting was to finalize the responses to industry and ballot comments on the Bulk Electric System (BES) definition and the exception process request form in order to support the movement to recirculation ballot or successive ballot as quickly as possible.

An item was added to the published agenda to accommodate a report on the recent NERC Standards Committee meeting.

Agenda

1. **September 28, 2011 Webinar — Pete Heidrich**

The webinar was viewed as a success. Attendance was large and feedback was positive. It would seem that the industry is well aware of this project and what is going on.

Pete also reported that he will be speaking at the upcoming NERC Standards and Compliance Workshop and that he is on the agenda to report to the NERC Member Representatives Committee/Board of Trustees at their next meeting.

2. **Voting Results — Pete Heidrich**

a. Definition

The definition achieved quorum and passed the initial ballot.

b. Exception Application

The exception request form achieved quorum but narrowly missed acceptance.

The SDT needs to be responsive to industry comments but to keep in mind that substantive comments are not allowed when moving to a recirculation ballot. The SDT doesn't want to alienate positive voters with changes made to the documents and will need to keep this fact in mind when contemplating any changes.

3. **Standards Committee Meeting Report — Pete Heidrich**

Pete reported that his goal is to move both documents to recirculation if at all possible and that he stated this fact to the NERC Standards Committee at their meeting last week. Everyone is pushing to meet the January 25, 2012 filing deadline and recirculation is the best bet for allowing that to occur. There is some risk in that tactic as if the recirculation ballot fails, the SDT will essentially be back to square one with no chance of making the filing deadline. The NERC Standards Committee authorized an exception to the successive ballot process that would allow for a 15-day posting instead of the normal 30-day posting. Such a move would make it theoretically possible to complete the eventual recirculation ballot on January 12, 2012.

Barry Lawson reminded the SDT that if an expedited process is utilized, then the issue needs to be re-balloted in a normal timeframe within two years.

The Standard Authorization Request (SAR) still needs to be officially posted for comment but everything is in place to get Phase II rolling as soon as Phase I is complete.

4. Response to Comments for Definition

Each team member who was assigned a question to respond to led the SDT through a discussion of industry concerns on their particular question.

a. Q1 — Jennifer Sterling

- The SDT believes that the sentence on local distribution needs to stay. Previous industry comments made it clear that simply stating what was in the BES and that anything that wasn't mentioned was out was not sufficient.
- All threshold values will be subject to review in Phase II.
- Exclusions take precedence. This needs to be explicitly spelled out in the responses.
- Responses for comments pointing to other questions should direct the commenter to those questions for specific responses.
- Non-retail generation is the generation on the system (supply) side of the retail meter.
- The SDT developed a generic response on the topic of providing additional guidance in the exception request form.
- Clarifying language was added to the Implementation Plan on compliance obligations.
- The topic of a contiguous BES will be covered in Phase II. For now, the response provided in the first posting consideration of comments should be used.
- There was a suggestion to re-format the definition to provide more clarity as to the "ranking" of inclusions versus exclusions. In general, the SDT thought this suggestion had merit but decided not to pursue it until Phase II for fear of creating confusion late in the Phase I process.
- There were numerous references to the actual exception process which should be directed to the Rules of Procedure (ROP) team.
- Exclusions E1 & E3 are about distinguishing transmission from distribution and have nothing to do with generation inclusions. Generation is handled in Inclusions I2 & I4. The references to generation in Exclusions E1 & E3 are qualifiers on the size of generation allowed in radial systems and local networks. The voltage level that the generation is connected at is not relevant.

- b. Q2 — Jeff Mitchell
 - Voltage threshold levels will be investigated in Phase II.
 - A suggestion to add wording that would also say within the definition what was not in the BES was rejected as being too confusing.
 - In general, redundancy is to be avoided in a definition just as it should be avoided in a standard or requirement.
 - The GSU is covered in Inclusion I2 so it is not needed in Inclusion I1.
- c. Q3 — Phil Fedora
 - Threshold levels will be investigated in Phase II.
 - Coordination between the definition and MOD standards will be handled in Phase II.
 - Several commenters complained about the included reference to the ERO Statement of Compliance Registry Criteria (SCRC). The comments covered several areas of concern such as the possibility of the SCRC being changed without SDT involvement as it is part of the ERO ROP as well as the fact that commenters thought the definition should drive the SCRC and the inclusion made it seem as if things were the other way around. To accommodate these concerns, the SDT made a clarifying change to Inclusion I2 by putting the 20/75 MVA values back in the wording and deleting the SCRC reference.
- d. Q4 — Jennifer Dering (remote)
 - Cranking Paths have been deleted and the SDT is not going to restore them to the definition. The first posting response to this issue is still pertinent.
 - The SDT does not consider EOP-005 sufficient in itself to cover the issue.
 - Adding language such as “material to” does not provide clarity as it is unmeasurable.
- e. Q5 — Phil Fedora
 - Collector systems are not included and the response should state this explicitly.
 - Understanding Inclusion I4 is seen as more of an education issue. The responses need to spell things out.
- f. Q6 — Jason Snodgrass
 - The SDT decided to add the phrase “excluding generators” to provide clarity as to the SDT’s intent. Small generators should not be brought in to the BES based solely on supplying Reactive Power.
 - Synchronous condensers are part of the BES based on the Glossary definition of Reactive Power.

- Sizing issues will be considered in Phase II due to the need for a technical justification.
 - The dedicated transformer and Inclusion I1 references should help keep small units out of the picture.
- g. Q7 — Jonathan Sykes
- Exclusion E1 is about distinguishing transmission from distribution and has nothing to do with generation inclusions. Generation is handled in Inclusions I2 & I4. The references to generation in Exclusion E1 are a qualifier on the size of generation allowed in radial systems. The voltage level that the generation is connected at is not relevant.
 - The SDT confirmed that they did not believe that an automatic interrupting device was required as was pointed out in the first posting consideration of comments. A radial system starts at the tap point.
 - The Inclusion I3 reference was explained in the first posting consideration of comments and the SDT still believes this is correct. Blackstart Resources are too important to be excluded.
 - The SDT verified that the normally open switch reference is correct as stated. Operational control and the duration of switch closing are local issues and the responsibility of the owner and operator. Those issues are not within the scope of this definition. The present wording allows for maximum flexibility for applicable entities. The statement is not a measure – it is part of the definition. The term “affect” is the correct terminology. There is no need to pluralize switch – the current language does not preclude multiple switches.
 - The “t” in transmission and the “E” in Elements are correct and reflect the intent of the SDT. Small “t” transmission is meant as a qualifier to Elements and thus brings in the Glossary definition of Elements while limiting it to just transmission.
 - There is but one single point of connection for Exclusion E1 and that is the tap point. Anything else would be handled under Exclusion E3.
- h. Q8 — John Hughes
- The SDT corrected a grammatical error and is now consistent with the use of the term “retail Load”.
 - The SDT rearranged the sentence structure for clarity.
 - The standby, etc. language is correct and the first posting response on this issue should be used for consistency.
 - The 75 MVA limit is consistent with the limits in Exclusions E1 & E3. Any change to that limit will be discussed in Phase II.
 - Behind the meter generation has no effect on Exclusions E1c or E3.
- i. Q9 — Rich Salgo

- Exclusion E3 is about distinguishing transmission from distribution and has nothing to do with generation inclusions. Generation is handled in Inclusions I2 & I4. The references to generation in Exclusion E3 are a qualifier on the size of generation allowed in local networks. The voltage level that the generation is connected at is not relevant.
- The SDT made a slight change to E3b to provide additional clarity.
- Any threshold questions will be addressed in Phase II.
- The Cranking Path issue will be discussed in Phase II. For now, the same response will be made here as for Exclusion E1.

j. Q10 — Jason Snodgrass

- The definition is applied in the following order: core, inclusions, then exclusions.
- The SDT retained “retail” as it believes the distinction is important and correct.
- The SDT retained “solely” and did not choose to revise the wording to “primarily”.
- The SDT did not see any reason to reference Inclusion I5 in Exclusions E1 or E3.

k. Q11 — Pete Heidrich

- The SDT does not believe that system state affects the definition and therefore there is no need to declare that the definition only applies to normal state.
- If a piece of mobile equipment is installed in the system, it comes under the definition when it is installed.

5. Response to Comments for Exception Application (Discussion)

Each team member who was assigned a question to respond to led the SDT through a discussion of industry concerns on their particular question.

a. Q1 — Paul Cummings

- There is a basic criterion for the evaluations as spelled out in the proposed ERO Rules of Procedure. Necessary for the Reliable Operation of the interconnected bulk power transmission system, is the criteria and this wording is taken directly from language in the FERC Orders. Reliable Operation is outlined on page 7 of the ROP.
- Clarity on guidance will be answered by the generic response developed by the SDT.
- An entity does not need to perform TPL studies. The document only calls for the TPL methodology to be employed.
- The present wording is seen by the SDT as allowing for maximum flexibility for the submitting entity.

- Protection system diagrams are just one piece of the information involved in the evaluation. They are not a determining factor just as any other single piece of information is a determining factor in and of itself. This information just helps the panel in determining how an element is configured and used.
 - In general, the SDT made clarifying changes to the language as per the comments received and corrected any ambiguity or inconsistencies.
 - The use of interface point was reviewed and verified by the SDT as correct.
- b. Q2 — Ken Lotterhos
- Clarity on guidance will be answered by the generic response developed by the SDT.
 - The definition is bright-line but the form is not. This is not a yes/no bright-line situation but an evaluation based on numerous pieces of data.
 - The Cranking Path issue will be discussed in Phase II. For now, the same response will be made here as for Exclusion E1.
 - There is no need to adopt a cluster approach to the evaluations as the elements are not being taken out of service.
 - Permanent flowgate is the correct terminology. Flowgates are rarely, if ever, deleted. The list is simply expanded on a temporary basis for maintenance issues.
 - Question 7 is not the same as Exclusion E3.
 - The SDT does not believe that two years of data is a burdensome issue when audit data is quite often retained for longer periods of time.
 - If an entity can't get the data it needs for the submittal, the SDT expects the entity to work with its Regional Entity to come to a resolution on the matter.
 - An entity can always submit more than what is shown in the form and should be submitting whatever information it feels is necessary to support its request.
- c. Q3 — Frank Cain
- If an entity can't get the data it needs for the submittal, the SDT expects the entity to work with its Regional Entity to come to a resolution on the matter.
 - The SDT added the phrase "reliability related" to clarify the intent of what is required.
 - TPL standards explain the concept of most severe contingency and should be utilized as the starting point for this type of information.
- d. Q4 — Brian Evans-Mongeon
- "Application" was changed to "request" for consistency.

- An entity does not need to perform TPL studies. The document only calls for the TPL methodology to be employed.
 - Any cost analysis will be discussed in Phase II. For now, Pete Heidrich will develop a response that can be used in all questions where this topic is raised.
- e. Q5 — Barry Lawson
- Clarity on guidance will be answered by the generic response developed by the SDT.
 - The 7 factor test can be used and will be given due consideration. However, there is a basic criterion for the evaluations as spelled out in the proposed ERO Rules of Procedure. Necessary for the Reliable Operation of the interconnected bulk power transmission system, is the criteria and this wording is taken directly from language in the FERC Orders. Reliable Operation is outlined on page 7 of the ROP.
 - The “must run” wording was clarified.
 - One can always submit additional tests or addition data if a submitter feels it is necessary to support their request.
- f. Q6 — Jerry Murray
- Ajay Garg provided a response that can be used for the questions from Canadian commenters.
 - If an entity can’t get the data it needs for the submittal, the SDT expects the entity to work with its Regional Entity to come to a resolution on the matter.
 - Local distribution issues were covered in question 2 and commenters should be directed to that question for detailed responses.
- g. Q7 — Barry Lawson
- If an entity can’t get the data it needs for the submittal, the SDT expects the entity to work with its Regional Entity to come to a resolution on the matter.
 - Clarity on guidance will be answered by the generic response developed by the SDT.
 - The exception process can’t be delayed until Phase II as it is an Order 743 directive.
 - The final form may be re-formatted when it is posted on the web.
 - There is no list of items that are automatically excluded no matter what. The process allows for maximum flexibility and all requests will be considered and resolved on a case-by-case basis.
 - Several comments were received that refer to the ROP changes. These comments will be forwarded to the ROP team.
 - The SDT cannot provide guidance on specific cases.

6. **Next Steps — Pete Heidrich**

The SDT reviewed the changes made to the definition and exception form and verified that all of the changes were clarifications and that no content or intent was altered in any way. Therefore, the SDT will be requesting that both documents be moved to recirculation ballot as quickly as possible.

7. **Schedule — Ed Dobrowolski**

Responses to all comments are due no later than close of business on Friday, October 28, 2011. Ed Dobrowolski will correlate all of the responses and distribute to the SDT no later than close of business on Friday, November 4, 2011. The documents will be submitted to NERC staff for posting during the week of November 7, 2011 with the goal of posting no later than Monday, November 14, 2011. These actions will keep the project on schedule.

Work on the SAR and miscellaneous items such as guidance documents could begin during the period between the end of recirculation and the filing.

8. **Future Meetings — Pete Heidrich**

There is a tentative webinar and conference call scheduled for Tuesday, November 8, 2011 for any final reviews. Pete Heidrich and Barry Lawson will decide on whether this call is needed and will notify the SDT accordingly.

9. **Action Items — Ed Dobrowolski**

Responses to all comments are due no later than close of business on Friday, October 28, 2011.

Adjournment

The Chair thanked FRCC for its hospitality and adjourned the meeting at 3:00 p.m. ET on Thursday, October 20, 2011.