

Meeting Notes Project 2010-17 Definition of Bulk Electric System – Phase 2

February 3, 2012 | 10:00 to 11:00 a.m. ET

Conference Call

Administration

1. Introductions

Pete Heidrich brought the meeting to order at 10:00 a.m. on Friday, February 3, 2012. Call participants were:

Drafting Team Members		
Pete Heidrich, FRCC, Chair	Barry Lawson, NRECA, Vice Chair	Ed Dobrowolski, NERC Coordinator
NERC Operating Committee		
Tom Bowe, PJM, Chair	Jim Castle, NYISO, Vice Chair	
NERC Planning Committee		
Jeff Mitchell, RFC, Chair	Ben Crisp, Progress Energy Florid, Vice Chair	
NERC		
Mark Lauby, Vice President and Director of Reliability Assessment and Performance Analysis		

2. NERC Antitrust Compliance Guidelines and Public Announcement

Ed Dobrowolski delivered the NERC Antitrust Compliance Guidelines and public announcement.

3. Review Meeting Agenda and Objectives

No changes were made to the agenda. The objective of the call was to set up a preliminary plan for addressing the Bulk Electric System (BES) definition technical justification issue for Phase 2 of the BES Definition Project.

Agenda

1. Update on Phase 2 Standard Authorization Request (SAR) – Pete Heidrich

The Phase 2 SAR is posted and comments are due by close of business today. It is possible that industry comments will cause a change in what is to be done in Phase 2 but the big ticket items mentioned in item 2 below are not expected to change. A similar problem could occur once FERC rules on the proposed definition. Therefore, the groups in question will need to anticipate some degree in flexibility with their assignments.

Phase 2 is not looking to change the proposed framework of the core definition or the inclusions/exclusions. It is designed to solely address the variables embedded in the definition (core definition, inclusions and exclusions) to date. The scope and timing of Phase 1 did not allow the Standard Drafting Team (SDT) to address those issues. When such discussions did take place during Phase 1, it was clear that all parties concerned, from FERC to the NERC Board of Trustees to the NERC Standards Committee, were going to insist on compelling technical justifications before they would entertain any thoughts of allowing changes to be made. And that technical justification must show that the over-all reliability of the BES could not be lessened by the changes. The SDT is looking to the committees for assistance in performing the needed studies to provide the technical justifications. It was noted that interconnection differences would probably be allowed as long as they are part of the established definition and not submitted as regional variances.

There is no Commission deadline for Phase 2 but the SDT wants to complete it in a timely fashion. Ideally, it should be complete before the two year implementation plan for Phase 1 comes to pass. The SDT wants to avoid any compliance confusion similar to what occurred with the multiple versions of the CIP standards.

2. Technical Justification Issues

Mr. Heidrich reviewed the four basic issues that the SDT is looking to the committees for assistance with:

- 100 kV bright-line
- Generation thresholds (Inclusions I2 and I4):
 - Single vs. multiple units
 - MW values
 - Voltage levels

- Reactive Power sizing parameters (Inclusion I5)
- Maximum value of Power flow out of local networks (Exclusion E3)

3. **Determine the Appropriate Method of Answering the Issue**

The group agreed that it is too early in the process to determine how to answer the questions. The SDT leadership needs to create a problem statement outlining what the SDT needs for each issue. Then the Operating and Planning Committees can organize their sub-groups appropriately and determine the best method for moving forward.

4. **Determine the Parameters/Assumptions Required**

The aforementioned problem statement should provide this information.

5. **Determine the Appropriate Committee to Perform Analysis**

Once the problem statement is complete, the Operating and Planning Committees can meet to decide which committee will lead the work effort for each issue. It is hoped that this can be accomplished during the joint committee meetings in March 2012.

SDT members are ready to volunteer to join the various sub-groups working on this effort.

Mark Lauby will draft an outline for the study work once he has received the problem statement.

6. **Next Steps**

Mr. Heidrich and Barry Lawson will draft a problem statement and distribute it to the group by February 17, 2012. Mr. Lauby will then draft an outline for the study work and distribute it to the Operating Committee/Planning Committee for discussion at their next joint meeting in March 2012. Following that meeting, the leadership of the affected groups will determine the next course of action.

7. **Future Meeting(s)**

No future meetings were scheduled at this time. Once the Operating Committee/Planning Committee joint meeting has been held, the leadership can decide if, and when, to hold a meeting or conference call. In general, meetings or calls will be held on an as needed basis as decided by the leadership. Everyone was encouraged to include all of the participants in this call on any e-mail threads on the topic. It is important that we all stay on the same page moving forward and that there is only one story being put forth on the topic.

8. **Action Item Review**

The following action items were developed during the call:

- Mr. Heidrich and Mr. Lawson will provide a problem statement detailing the information that the Operating Committee and Planning Committee will need to decide on how to proceed with the assignments. This is due by February 17, 2012.

- Mr. Lauby will develop an outline for the study work required to complete the assignment. This will be distributed to the Operating and Planning Committees for discussion at their joint meeting in March 2012.

9. **Adjourn**

Mr. Heidrich adjourned the meeting at 11:15 a.m. on Friday, February 3, 2012.