

Notes

Project 2010-17 Definition of Bulk Electric System

March 28, 2011 | 10:00 a.m. - 2:00 p.m. ET

Meeting Location: Conference Call

Administration

1. Introductions and Quorum

The Chair brought the call to order at 1:00 p.m. ET on Monday, March 28, 2011. Call participants were:

Members		
Jennifer Dering, NYPA	Brian Evans-Mongeon, Utility Services	Phil Fedora, NPCC
Ajay Garg, Hydro One	Pete Heidrich, FRCC, Chair	John Hughes, ELCON
Barry Lawson, NRECA, Vice Chair	Jeff Mitchell, RFC	Jerry Murray, OR PUC
Rich Salgo, Sierra Pacific	Jason Snodgrass, GTC	Jennifer Sterling, Exelon
Jonathan Sykes, PG&E	Ed Dobrowolski, NERC	
Observers		
Paul Cummings, City of Redding	Frank Cumpton, BGE	Richard Dearman, TVA
Chris de Graffenried, Con Edison	Carter Edge, SERC	Jeff Gindling, Duke
Bill Harm, PJM	Joharath Kutty, NYPA	John Martinsen, Snohomish
Susan Morris, FERC	David O'Connor, FERC	Alain Pageau, HQTE
Maggy Powell, Constellation	Ken Shortt, Pacificorp	Bob Snow, FERC
Tim Soles, Occidental	Bob Stroh, FERC	Phil Tatro, NERC
Pete Yost, Con Edison		

2. NERC Anti-trust Guidelines and Conference Call Warning – Ed Dobrowolski

The NERC Anti-trust Guidelines were presented and no questions were raised. Ed delivered the warning about holding discussions on an open conference line.

3. Review Agenda and Meeting Objectives – Pete Heidrich

The objective of the call was to finalize the points needed to allow the SDT to submit the documents for the first posting.

Agenda

1. Review of Order 743a – Pete Heidrich

There wasn't any new information in the order; it simply provided a number of clarifications. Several key points were re-iterated:

- Eliminate regional discretion
- Local distribution should be excluded
- Clear distinction between transmission and distribution
- General exclusions should be part of the bright-line definition
- Special exemptions should be through a separate exemption process
- 18 months for transition may not be enough in certain jurisdictions

Alain Pageau pointed out that the Order allowed for alternative solutions if they are technically justified.

Ajay Garg stated that he did not feel that the SDT was looking at an alternative to the 20 MVA/75 MVA limits for generation. Pete pointed out that the SDT had discussed these limits in the face-to-face meetings and concluded that no technical justification had been provided for making a change. Pete stated that if the comments on the first posting came back with an indication that those limits needed to be changed and appropriate technical justification was provided supporting different numbers that the SDT would review the suggestions and consider changing the limits. Pete pointed out that any such change must be on a continent-wide basis. Such changes may or may not require a change to the NERC Compliance Registry Criteria. Another possibility is that the numbers would remain the same due to not having a continent-wide change to be made and anyone seeking a different limit would go through the exemption process.

Jerry Murray asked if the bright-line definition represented a jurisdictional limit for NERC or FERC. Pete restated the goal of the SDT was to provide a bright-line definition and that the SDT wouldn't be getting involved with any potential jurisdictional issues. That doesn't mean that standards and requirements can't be written for equipment that isn't included in the bright-line definition such as

protection systems. If anyone wants a specific answer to a jurisdictional issue there is an established process for requesting that from FERC.

2. Discuss Small Utility Exclusion – Brian Evans-Mongeon

Brian revised his original proposal, deleting the 4,000,000 MWh limit as well as any reference to the Small Business Administration's definition.

The SDT is still leery about the lack of disconnect capability in the proposal and feels that this could present an adverse reliability impact on the BES. Brian pointed out that breakers would be expected to provide isolation capability for faults and that other upstream protection provided by the Transmission Operator should take out the tap.

The SDT is also not comfortable with the dichotomy presented between this proposal and the radial exclusion which requires protection. A question was raised as to whether this wouldn't be better served by a process similar to the present GOTO effort.

The SDT agreed that it would be beneficial to hear from the industry on this topic and a question will be asked on the first posting to allow for feedback.

AI – Ed Dobrowolski & Brian will work on crafting a question for the first posting on the need for a small utility exclusion.

3. Discuss Canadian Provincial Issues Proposal – Ajay Garg

Ajay has a draft proposal but it hasn't been distributed to the SDT as yet.

It was stated that not all the provinces are in agreement with this proposal; at least one province has voiced opposition.

The proposal was sent to NERC Legal for an opinion on whether it would be acceptable in a definition.

It was pointed out that the tie line bullets seem to be extraneous given the proposed bright-line definition. However, Ajay feels that there is historical precedent within Canada for the explicit inclusion.

It was questioned as to why this should be part of the bright-line and not just handled through the Rules of Procedure (RoP) process.

The SDT also asked why the bright-line definition couldn't remain exactly as agreed to and the Canadian utilities could submit comments to the first posting for the SDT to consider. This would be the normal process mechanism for presenting problems such as described.

It was also mentioned that there are existing Memorandums of Understanding (MOU) between all of the Canadian provinces and NERC. Perhaps this issue should be handled through changes to the MOUs. This will have to be checked at NERC.

AI – Ed Dobrowolski will ask NERC staff about the possibility of the Canadian issues with the BES definition being handled through changes to the MOUs.

There is a generic question on regulatory issues that is included in any first posting. The SDT will let the comments to that question drive their future efforts on this topic.

AI - Ed Dobrowolski will send a copy of the generic question on regulatory issues to Ajay and Alain.

4. Discuss Local Distribution Facilities Issue – Chris de Graffenried

There was no formal proposal for this item, just the e-mail from Chris on the topic.

AI – Ed Dobrowolski will forward Chris’ e-mail on local distribution to the SDT.

Chris provided numerous references to Order 743 and Order 743a speaking to this issue. The Orders state that the current 7-factor test could be used as a starting point for determining distribution.

The simple exclusion statement suggested for local distribution is not a bright-line. Local distribution is undefined and using a test to determine it doesn’t fit within the concept of a bright-line.

The SDT believes that the new definition with a definitive bright-line and specific inclusions and exclusions covers the topic of local distribution. If it isn’t in the definition then it is out. However, the SDT wants to make certain that the industry agrees and will ask a question in the first posting to see if industry has the same belief concerning local distribution.

5. Review Draft Posting Comment Form – Pete Heidrich

This document was not distributed prior to the call.

Ed Dobrowolski provided a high-level overview of the document and the thinking that went into developing it.

The questions noted above will be added to the document and then it will be distributed to the SDT for review.

AI – Ed Dobrowolski will add the questions agreed to in today’s call to the Draft Comment Form and distribute it to the SDT for review.

6. Review Point of Demarcation Diagrams – Pete Heidrich & Brian Evans-Mongeon

This item was deferred due to time constraints. It isn’t necessary for the first posting but should be provided for the second posting as a reference document.

The question of BES contiguity was raised during this discussion. The concept of a contiguous BES is not one of the basic assumptions of the BES and the new I5 moves away from this concept. A specific statement on the issue won’t be made. The SDT will receive feedback on the concept from the comments on I2, I3, and I5.

7. Next Steps – Pete Heidrich

The NERC Standards Committee accepted the revised SAR and approved moving to development. The definition is ready to go but the comment form needs to be vetted by the SDT.

Comments on the SAR suggested that the SDT should be the body developing the criteria for the RoP process. This issue was discussed on the NERC Standards Committee conference call last week. On another call last week, the Regional Managers discussed this issue as well. Both groups agreed that the criteria should be developed by the SDT. There is a conference call between the leadership of the various groups involved immediately following the SDT call where this issue will be resolved. It is anticipated that the resolution will be to move this work effort to the SDT. If this occurs the SAR will need to be revised to change the scope of the SDT work. Additional conference calls and/or meetings will need to be scheduled to fit this work into the SDT's schedule. It is not clear at present if this work can be bundled into the first posting.

8. Future Meetings

- a. Based on the understanding that the RoP criteria effort will be moved to the SDT, a conference call has been scheduled for Friday, April 8, 2011 from 1:00 p.m. to 4:00 p.m. to kick-off the effort. Details will follow.
- b. A face-to-face meeting is anticipated in early May to allow the SDT to finalize the RoP criteria for posting. It was suggested that this meeting would be held in Tampa, FL. Details will follow.
- c. A face-to-face meeting has been scheduled for June 7-9, 2011 based on the proposed posting dates in the schedule. The location is San Francisco, CA. Details to follow. There is a size problem with the room for one of the days of this meeting. Jonathan Sykes is trying to resolve this problem. If no resolution is reached by April 1, 2011, the meeting announcement will be sent out with the size constraint limiting the number of observers who can attend.
- d. A face-to-face meeting is scheduled for June 21 – 23, 2011 at Exelon in Philadelphia.

9. Action Items & Schedule – Ed Dobrowolski

The following action items were developed during this call:

- Ed Dobrowolski & Brian will work on crafting a question for the first posting on the need for a small utility exclusion.
- Ed Dobrowolski will ask NERC staff about the possibility of the Canadian issues with the BES definition being handled through changes to the MOUs.

- Ed Dobrowolski will send a copy of the generic question on regulatory issues to Ajay and Alain.
- Ed Dobrowolski will add the questions agreed to in today's call to the Draft Comment Form and distribute it to the SDT for review.
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At the present time, the first posting is still on schedule.

10. Adjourn

The Chair adjourned the call at 2:00 p.m. ET.