

Notes

Assess Transmission Future Needs SDT—Project 2006-02

April 6-8, 2010

1. Administrative Items

a. Introductions and Quorum

The Chair called the meeting to order at 8:00 EDT on Tuesday, April 6, 2010 at the FRCC office in Tampa, FL. Meeting participants were:

Bill Harm	Doug Hohlbaugh, Vice Chair	Julius Horvath
Bob Jones	Brian Keel	Ron Mazur
John Odom, Chair	Bernie Pasternack	Bob Pierce
Chifong Thomas	Dana Walters	Eugene Blick, FERC Observer
Charles Long, Observer	Ray Kershaw, Observer	Charles Long, Observer
Steve Rueckert, Observer	Hari Singh, Observer	Guy Zito, Observer
Ruth Kloecker, ITC, Guest	Ed Dobrowolski, NERC	

b. NERC Antitrust Compliance Guidelines — Ed Dobrowolski

There were no questions on the NERC Antitrust Compliance Guidelines.

c. Agenda and Objectives — John Odom

Item 2'c' was added to the agenda.

The main objective of the meeting was to decide on a path of action for responding to FERC Order RM-06-16-009 while taking into account the imposed schedule and then resolving the matter as decided.

Eugene reminded the SDT that he didn't speak for the Commission and that he couldn't speak on any issues contained in a NOPR (PacifiCorp interpretation) but that he could discuss the footnote 'b' order since that is just a re-iteration of Order 693 directives as long as the discussion was limited to Order 693 issues and no new items were brought up.

2. Discuss recent FERC Orders — John Odom

a. RM06-16-009 (Order on Table 1, Footnote ‘b’)

There is nothing new in this order. It is just a re-statement of what was in Order 693 to clarify footnote ‘b’. The Commission was unhappy with the 3 year delay in getting this done. The preferred approach was to perform the clarification through the continuing work on TPL-001-1 but if that wasn’t possible then TPL-002-0 should be clarified. The SDT should review the historical record of all pertinent orders and directives before proceeding.

The resolution of this issue may impact the proposed TPL-001-1 where Non-Consequential Load Loss is mentioned.

b. RM10-6-000 (NOPR on PacifiCorp Interpretation)

A sub-team of the SDT drafted this interpretation and it received overwhelming support from the industry. However, the Commission has stated that the proposed interpretation invalidates Requirement R1.3.10 and has asked for comments on this position within 45 days. NERC staff is researching the issue and will be responsible for any formal response. The SDT was polled for comments and those comments have been supplied to NERC staff. There is no further action required of the SDT at this time.

Concerns were raised on the impact of this NOPR on the proposed TPL-001-1, particularly with regard to events P1, P2, P3, and P5.

c. RM09-18-000 (NOPR on BES definition)

The NOPR proposes to set the BES at 100 KV (or lower as necessary for BES reliability) on a continent-wide basis with no regional differences. This NOPR is also in a 45 day comment period. This could affect how some entities view the proposed TPL-001-1 as many questions have been raised during the various comment periods on what constitutes the BES in the proposed standard.

3. Discuss Initial Ballot Comments & Determine Action Plan to meet 06/30/2010 Deadline

There were 463 comments received with 7 major themes:

- Implementation Plan timeframe – 53 comments
- Local area Load issue – 29
- Definition of Protection System – 21

- Year One definition – 18
- Spare equipment strategy – 18
- Protection System modeling – 15
- Number of near-term studies - 13

Prior to the March 18, 2010 orders, the plan was to tackle the 7 big hitters at this meeting and then take on the remaining issues as time permitted. Those issues not covered during the meeting would be picked up by a sub-team and submitted for the entire SDT to review at a later date. Once the review was completed and the standard revised accordingly, a fifth posting would be made for industry review and comment. The hope was that one additional posting would be all that was required and following that posting the project could go back to pre-ballot review for an eventual 'second' initial ballot.

The question before the SDT was whether this could all be accomplished in time to meet the FERC ordered June 30, 2010 deadline. Some SDT members questioned whether the FERC Order on the standards development process might change the way the SDT is supposed to proceed. Ed responded that for the present time, the marching orders for SDTs remain the same. NERC staff is researching how to respond to the order on the development process.

The SDT had major concerns that the Pacificorp interpretation and the footnote 'b' clarification could have a major impact on how the industry views the next posting of the proposed TPL-001-1 and that this could cause delays in receiving industry approval. When accompanied with all of the other issues that still need to be answered, the feeling of the SDT was that there was no way to revise the proposed TPL-001-1 within the deadline. Therefore, the SDT voted unanimously to clarify TPL-002-0, footnote 'b' even if it meant delaying the work on the proposed TPL-001-1.

4. **Review Order 693 Concerning Directives for TPL-002-0 (Paragraphs 1771-1797)**

John distributed a document containing all of the directives from Order 693 concerning TPL-002-0 with other historical documentation as background information for the SDT's consideration. The point was that the documents needed to be reviewed in context. The key directives with respect to footnote 'b' were seen as residing in paragraphs 1794 and 1796.

Upon reviewing the material, four main issues were identified as key elements in crafting a clarification to footnote 'b':

- The SDT needed to adhere to the directive.

- The SDT could consider the comments from Northern Indiana and Entergy.
- The SDT needed to consider the industry comments from the initial ballot of the proposed TPL-001-1.
- The eventual resolution could not be a least common denominator approach.

5. Develop Revisions to TPL-002-0a Regarding Footnote ‘b’

As part of the preparation for responding to industry comments on the proposed TPL-001-1, Doug, Ed, and John had developed straw man responses to the 7 big hitters cited above in item 3 for SDT review including Non-Consequential Load Loss and the local area Load issue. Part of the prepared material was a Power Point presentation on Local Network Load. This Power Point was developed based on industry comments from the initial ballot and the thought was that it could be utilized in the footnote ‘b’ discussion.

The SDT developed a revised footnote ‘b’ that in their opinion met the FERC Order 693 directive, considered the comments from Northern Indiana and Entergy (and commenters to the proposed TPL-001-1) and was not least common denominator. The solution was deemed as an equal and effective approach to that cited in the order with the clarifications and constraints placed in the footnote.

The SDT decided on a 60 month implementation timeframe for the revised footnote. The timing was selected due to the fact that this will represent a significant raising of the bar for some entities.

While the order only specifically referred to TPL-002, the same table and footnote appears in TPL-001, TPL-003, and TPL-004. The revised footnote will need to be inserted in all 4 of these standards. Due to the numbering procedure for standard revisions, this will necessitate a change to the number of the proposed TPL-001 in Project 2006-02. The footnote ‘b’ revised version of TPL-001 will be numbered as TPL-001-1 and the proposed standard in Project 2006-02 will now be TPL-001-2.

The SDT will request an Urgent Action SAR approval from the Standards Committee so that the timeline imposed in the order can be met.

FERC staff asked for clarification on specific configuration examples of when Non-Consequential Load could be dropped. The SDT revised the original Power Point developed for the initial ballot comment discussion to be specific to the footnote ‘b’ clarification and distributed it to the plus list so that FERC staff would have a visual copy of the concepts written up in the revised footnote.

FERC staff then asked for clarification on the timeframes and magnitude of the allowed Non-Consequential Load Loss in the revised footnote. The feeling of staff was that without limits on these variables problems could ensue. The SDT responded that there were no time limits or magnitude constraints in the original footnote. The SDT also didn't feel that the variables needed to be set in the footnote as they were self-defining due to the nature of the configurations resulting after the initial Faults. It was believed that placing hard limits on either variable would create more problems than it resolved. Planners would then spend needless time and resources planning to meet the limits to avoid compliance violations with no perceived increase on BES reliability. Any exposure to the BES would be no more than that created by the loss of the entire circuit. It was also pointed out that interveners could use the limits against entities who were trying to build lines. Thus, any bright line limits could end up being extremely counterproductive.

FERC staff also expressed the opinion that the proposed clarification was a least common denominator approach. The SDT did not agree with that sentiment as the footnote has been tightened significantly over existing interpretations and practices. Many commenters expressed concern with the approach of TPL-001-1 on this issue citing the need for some flexibility in order to avoid unintended consequences. It was pointed out in multiple comments throughout the life of Project 2006-02 that if the proposed TPL-001-1 approach to Non-Consequential Load Loss was to be invoked that entities could simply start changing their system configurations, making more lines radial in order to meet the requirement. This would not be a good practice for the over-all reliability of the BES. Sometimes the best thing for the over-all reliability of the BES is to drop Load in a local network and bright line rules prohibiting such actions would be counter-productive. It was also pointed out that local regulatory scrutiny and public opinion would still be in place and both would be major factors in any entities' design considerations.

6. Develop Action Plan for SDT to Address Remaining Initial Ballot Concerns

The SDT agreed to start with the 7 big hitters as shown in item 3 above and outlined in item 7 below. The SDT also agreed to set up a small sub-team to address creating actual straw man responses to the initial ballot comments after the generic responses to the 7 big hitters are determined.

7. Resolve Draft Responses to Initial Ballot Comments

a. Implementation timeframe

Based on the proposed two year timeframe for getting studies up to par with the proposed TPL-001-2, the SDT wanted to provide 60 months after that for entities to ramp up to the new requirements. This is because an entity may not find a problem until after the studies are completed. Therefore, the SDT decided to bump the items shown as 60 months to 84 months.

Note that the first two bullet items in the plan are going to be covered now in the footnote 'b' resolution. Therefore, the effective date for those items needs to be coordinated with the effective date established in the final approval for footnote 'b'.

b. Year One definition

The 'end of the current calendar year' phrasing was seen as the main problem with the definition by numerous commenters. The SDT revised the definition to remove the offending phrase.

This will also need to be reflected in the Implementation Plan.

c. P5 event wording

The SDT approached this issue under the assumption that the Pacificorp interpretation is correct. If that assumption proves invalid, then the SDT will need to go back to this item to make the event correspond to the final ruling on the Pacificorp interpretation.

Many commenters thought that the requirement language when combined with the NERC definition of Protection System was overly broad, even though the SDT had provided responses to comments that only a single Protection System scheme was the intent of the requirement. The SDT revised the wording in the table. Charles suggested adding specific relay numbers to the event description. The fifth posting will incorporate this suggestion while asking a question of industry as to whether the revision adds the needed clarity to this item.

d. Load modeling (Part 2.4.1)

The SDT added 'expected' to the text in response to requests for additional clarity. It was felt that this qualifier would provide the industry with the guidance needed to meet the requirement.

e. Relay modeling (Parts 3.3.1 & 4.3.1)

Many commenters thought that the requirement language required the explicit modeling of relays, even though the SDT had provided responses to comments that that was not the intent of the requirement. The SDT made clarifying changes to both steady state and Stability to accommodate the concerns raised in the industry comments.

f. Spare equipment strategy (Part 2.1.5)

Commenters pointed out that the current proposal was:

- Discriminatory to small entities
- Overstepped the directive in Order 693 which only explicitly mentioned planned outages
- Was not clear on what an entity needed to do
- Was not a reliability based need

The SDT feels that the requirement is not discriminatory – it applies equally to all entities regardless of size. Smaller entities are not instructed as to what to do to meet the requirement or how they should manage the risk involved so they have a great deal of flexibility in formulating their strategy.

The SDT also thought that the wording in Order 693 might state just planned outages but that when you read the directive in context it was clear that all outages were meant to be included. In addition, the SDT believes that since any piece of equipment can fail at any time, it is appropriate for the planner to consider all outages, not just planned outages, when assessing their risk of major equipment being out of service for an extended period of time.

The response to comments will state that DSM is allowed to be dropped as it is not considered firm Load, which may alleviate some of the concerns raised by the respondents.

The SDT did make a slight change to the wording of the requirement to provide additional clarity.

g. Table 1 Allowance of Non-Consequential Load Loss

The SDT revised this section by adding the appropriate parts of the footnote ‘b’ change to Table 1 and by creating a footnote 12.

8. Next Steps — John Odom

The footnote ‘b’ changes will be submitted as part of an urgent action SAR to the Standards Committee for consideration at their next meeting on April 14 – 15, 2010. If urgent action is approved, the initial ballot comments should be available in early June. The SDT will need to convene at that time to respond to comments and prepare for the assumed recirculation ballot. The exact time and date for that session will be determined following the official posting of the SAR.

A small sub-group (Bernie, Doug, Bill, and Ed) will meet in Gahanna, OH on April 21 – 23, 2010 to produce draft responses to the remaining comments from the initial ballot.

9. Next Meetings

- a. Meeting/conference call to approve responses

A meeting will be held in Minneapolis, MN on June 29 – 30, 2010 to discuss and resolve the final response to comments. Details will be provided.

- b. Solicit volunteer(s) to attend ERAG MMWG Meeting in San Antonio, TX on May 6th and 7th to discuss TPL-001-1 impacts.

Bob Pierce and Charles Long will handle this via conference call.

10. Action Items and Schedule — Ed Dobrowolski

No new action items were developed as a result of this meeting.

A schedule has been posted showing the need for a new, fifth posting. This will push back project completion until 1Q11 at the earliest. Some SDT members expressed reservations at completing the work with only one additional posting. Others questioned the ability to complete the project prior to resolution of the footnote ‘b’ and Pacificorp interpretation issues.

11. Adjourn

The SDT thanked FRCC for their hospitality and the Chair adjourned the meeting at 1145 EDT on Thursday, April 8, 2010.