

Notes

Project 2010-17 Definition of Bulk Electric System

Monday, August 8, 2011 | 1:00 - 5:00 p.m. ET

Meeting Location: FERC - Washington, DC

Administration

1. Introductions

The Chair brought the meeting to order at 1:15 p.m. ET on Monday, August 8, 2011 at the FERC offices in Washington, DC. Meeting attendees were:

Members		
Phil Fedora, NPCC	Ajay Garg, Hydro One	Pete Heidrich, FRCC, Chair
John Hughes, ELCON	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		
Paul Cummings, Redding	Frank Cumpton, BG&E	Andy Dressel, NERC Legal
Carter Edge, SERC	Jeff Gindling, Duke	Bill Harm, PJM
John Martinsen, Snohomish	Willie Phillips, NERC Legal	Tim Soles, Occidental
Sam Stonerock, SCE	Phil Tatro, NERC	Dave Taylor, NERC
FERC Staff		
Kal Ayoub	Neil Burbure	Jonathan First
Dennis Fuentes	Randy Johanning	Susan Morris
David O'Connor	Christy Walsh	Zak Zaremski

2. NERC Antitrust Guidelines and Conference Call Announcement – Ed Dobrowolski

The NERC Antitrust Guidelines were read and the conference call announcement was delivered.

3. FERC (the Commission) Disclaimer

FERC staff stated that they were not speaking on behalf of the Commission.

4. Review Agenda and Meeting Objectives – Susan Morris and Pete Heidrich

The agenda was accepted as posted. The objective of the meeting was to hear FERC staff's concerns about the proposed Bulk Electric System (BES) definition and for the Standard Drafting Team (SDT) to ask any questions they might have of FERC staff.

Agenda

1. Discussion Points

a. Generator Capacity Threshold

FERC staff stated that the current registration criteria is 20 and 75, the original draft was 20/75, and that they understood that the proposed revision is just 75. They acknowledged that the SDT is working on a technical justification for the change. However, they pointed out that the key points of the order were to remove regional discretion, apply the definition equally in all 8 regions, maintain the status quo, and that the Commission was satisfied with the registration criteria and definition application except in NPCC. They stated that adding more elements would add to registration and make a vote problematic but deleting elements will add angst to regulators. There is a high level concern about the elimination of the 20 MVA units. This is seen as beyond the scope and intent of the order. A suggestion was made that such changes might be more appropriate in a future project.

The SDT questioned how FERC might use the proposed definition.

FERC staff replied that they saw the definition as drawing a universe of facilities subject to mandatory standards but that some elements such as UFLS or control centers won't be BES elements but will support BES elements. The definition is needed to support that position.

NERC staff responded that the definition is a baseline with specific standards carving out pieces of the BES in applicability decisions.

The HydroOne representative to the SDT stated that his utility is not worried about the 20 MVA deletion because standards can be written against non-BES elements. The focus should be on providing the best definition possible as a starting point.

The SDT pointed out that they are responsible for responding to industry concerns as stated in the comments. The comments indicated a desire to change the threshold. To date, the schedule has not been jeopardized by considering this change and the technical justification associated with it. The SDT should be allowed to move forward with their work. The next posting can't be made without the accompanying technical justification for changes.

b. Radial Exclusion – Normally Open Switch

FERC staff stated that they are comfortable with the concept but concerned with what normally open means. They feel it is too broad, vague, difficult to enforce, and ambiguous.

The SDT questioned the ambiguity concept as industry has a clear meaning of normally open. For example, it is clearly marked on drawings.

FERC staff felt that this might cause confusion in other standards.

The SDT stated that normally open switches can change from time to time but not every day. The general thought would be to stay with language that industry knows and train others (a smaller set) as necessary.

FERC staff questioned whether the SDT could come up with wording in a footnote to explain what “normally open” means. Something along the lines of “normally open shows in drawings” might be all that is needed. This would provide guidance to auditors.

The SDT responded that this might be possible and that they will consider this at their next meeting.

c. Radial Exclusion – Hard Tap status quo

FERC staff asked if the SDT was aware of any regions that did not include hard taps in the BES.

The SDT replied that they don't know for certain but that it is their understanding that there are variations.

FERC staff then asked if the current language specifically included or excluded hard taps.

The SDT replied that the current language is silent on this topic.

FERC staff reiterated their position that the Order called for maintaining the status quo.

FERC staff asked the SDT RFC member how hard taps were handled within RFC.

The RFC representative replied that they don't currently explicitly state that hard taps are included in the BES but some are included.

NERC staff responded that there is no perfect answer to this question. If the tap is at 100 kV then it is likely to be included but a survey would be required to know all of the situations across the continent.

FERC staff stated that they are not advocating a survey but that they had some concerns after a statement that was made by a large utility at a recent SDT meeting that they had 400 hard taps that would now be excluded.

The representative of the specific utility in question clarified the statement referenced by FERC staff. They did not state that they had 400 hard taps which would now be excluded. What they said was that they had approximately 400 taps which are classified as distribution. The utility generally follows the RFC rules for hard tap radial classification.

FERC staff acknowledged the clarification and then asked the RFC representative if they had any concerns about the proposed definition with respect to hard taps.

The RFC representative replied that they normally consider the hard taps impact on the BES in making their determination. Protection system issues are a part of this analysis.

FERC staff asked RFC if they were comfortable with the proposed definition in this regard.

The RFC representative stated that they were neither comfortable nor uncomfortable as the revised definition is quiet on the topic.

d. Local Network (LN) Exclusion

FERC staff asked if a review had been performed on the technical justification document.

The SDT replied that no review had been performed as yet since the document was just sent out.

FERC staff stated that they thought the document was headed in the right direction but that it needed more substance. One particular concern was where the LN begins and ends.

The SDT stated that the LN is a parallel path to the BES at 100 kV but that it is only serving local load and therefore not a true parallel path in the traditional sense. The start and end points are determined by where the parallel path begins and ends.

FERC staff stated that analysis will be needed for an LN.

The SDT replied that the work is not finished at this time but that preliminary analysis showed that the LN exclusion was not creating any reliability gaps.

FERC staff questioned the inclusion of transfer distribution factors in the justification. These factors are different in the east and west. The east uses 5% which also keys the markets.

The SDT reiterated that the work is in its preliminary stages and is just the starting point for the full discussion.

FERC staff stated that they would be looking for additional information on how to specify an LN and asked if a footnote could be added to the definition pointing to the technical justification paper.

FERC staff also asked about a NPCC study in this area.

The NPCC member of the SDT replied that the referenced study was part of an NPCC compliance filing in 2009 on the BES topic. The particular information for New York and New England is not public information. However, the study showed that there were approximately 1175 elements over 100 kV in the area. 900 to 950 of those elements would be included in the BES under the current proposal. Under the old NPCC methodology where they only considered cascading, 199 elements would be considered BES.

e. Exception Application Form

FERC staff pointed out that in the last SDT meeting, some SDT members asked about providing a guidance document on this topic.

The SDT replied that they have not dismissed the idea of providing such a document but that the current proposal has added language that should provide some guidance.

FERC staff had some specific suggestions for improving the form.

The SDT agreed to review all of the specific items in their upcoming meeting.

2. SDT Questions to FERC Staff

The SDT questioned what ‘validate’ means to FERC staff. Does this mean that the Electric Reliability Organization (ERO) would have to rerun the analysis submitted for an exception?

FERC staff replied that they did not anticipate having the ERO rerun the analysis but that they did expect the ERO to do enough to validate the data they receive.

The SDT asked where technical justification documents should reside in the eventual filing.

FERC staff would like to see major findings in the filing letter with technical justification white papers as a separate attachment and not in an appendix where they can get lost.

The SDT asked whether FERC staff was expecting a guidance document on the definition itself.

FERC staff stated that the definition is a bright-line so no guidance document should be necessary.

The SDT asked how FERC staff could support the same definition requirements for 20 MVA units and 800 MVA units.

FERC staff stated that this was a valid question with several possible options for how to fix the problem but that the scope of this project probably won’t allow it to be answered here. The Order was interested in preserving the status quo. Other problems should be solved in other projects.

The SDT pointed to language in other FERC documents that cited 20 MVA as a large generator and asked how that applied to the definition.

FERC staff stated that they have never linked Large Generator Interconnection Agreements (or Small Generator Interconnection Agreements) to standards.

3. Next Steps – Pete Heidrich

The SDT will discuss FERC staff concerns as part of the next SDT meeting.

4. Action Items – Ed Dobrowolski

No specific action items were identified during this meeting.

5. Adjourn

The Chair thanked FERC staff for the opportunity to meet and discuss the issues and adjourned the meeting at 3:00 p.m. ET.