



# North American Energy Standards Board

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**via email and posting**

**TO:** NAESB WEQ Coordinate Interchange Business Practices Task Force Participants and Interested Parties

**FROM:** Todd Oncken, Deputy Director

**RE:** Coordinate Interchange Business Practices (CIBP) Task Force Meeting Minutes – January 21, 2004

**DATE:** February 4, 2004

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**NORTH AMERICAN ENERGY STANDARDS BOARD  
WEQ COORDINATE INTERCHANGE BUSINESS PRACTICES TASK FORCE MEETING  
January 21, 2004, 10:00 a.m. to 4:30 p.m. Central  
Hosted by American Electric Power, Dallas, TX**

**1. Welcome**

Mr. Carter called the meeting to order and welcomed participants. Mr. Oncken gave the antitrust advice. Participants introduced themselves. The December 2, 2003 Coordinate Interchange Business Practices Task Force (CIBPTF) meeting minutes were reviewed and adopted by consent with minor changes.

**2. Review current direction of the CIBPTF**

Mr. Carter reviewed the history of the CIBPTF and explained that the task force had been reassigned to report to the Electronic Scheduling Subcommittee (ESS). Mr. Carter noted that the CIBPTF reported to the Standards Review Subcommittee (SRS) during its review/scoping phase, but when the task force transitioned to drafting it was reassigned due to the nature of the specific topic being addressed. He noted this is only a reporting change and does not affect the focus of the task force. It was decided that NAESB would host an interactive list serv for the CIBPTF which would be open to all participants registered for the CIBPTF NAESBMail distribution list.

Mr. Carter stated that nothing contained in the strawman runs counter to the functions of NERC's Functional Model. Mr. Carter reviewed the Functional Model, version 2. Additionally, Mr. Carter noted the earlier NERC/NAESB effort to review NERC Policy 3 and identify which sections were reliability and which were market related. Mr. Carter stated the task force should review the NERC Policy 3 workpaper to ensure that all market sections are properly categorized and sufficiently addressed.

**3. Review current work to-date on NAESB CIBP Standard**

Mr. Carter reviewed each section of the Request for Arranged Interchange (RAI) strawman standard. As a result of all comments made during the meeting, Mr. Carter revised the RAI strawman (posted as an attachment to these minutes). Additionally, it was agreed that process diagrams should be included.

Background / Introduction: During discussion on the Background section of the strawman, changes were proposed to make the language more general, identify the relationship of the standard to the current e-TAG process, and relate the standard in both today's terminology and the Functional Model. Mr. Davis noted that including language that would explain how this standard would interact with existing and proposed standards would provide some comfort



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to the industry. Additionally, it was noted that while limiting the scope of the task force to e-TAG was not appropriate, it would also not be appropriate to totally disregard the current practice and start from scratch.

Definitions: Mr. Carter stated that the definitions parallel the current NERC Functional Model definitions. After limited discussion it was noted that the current definitions were based on Functional Model, version 1, instead of the current Functional Model, version 2. It was agreed to modify the definitions of the Functional Model entities to be more general, refer to the NERC Functional Model definitions, and also include the current terminology. All of the definitions were reviewed. The following terms were also changed (original/new): Implemented Period/Implemented Interchange; Block Accounting/Implemented Interchange Block Accounting. Also, the reference to clock hour in Implemented Interchange Block Accounting was changed to clock time. A definition for Request for Arranged Interchange was added.

Business Practices: Each of the Business Practices was reviewed. Changes were made throughout to reflect current terminology. It was agreed to bring alternate language to the next meeting on whether 'tag' in Section 1.0 refers to a request with no approval or a confirmed interchange. While consensus could not be reached during the meeting, attendees recognized this was a significant issue that should be addressed since some industry participants view completion of a tag (request with no approval) with no opposition as passive approval.

A lengthy discussion was held regarding the responsible party for submitting a RAI (Section 2.0). It was noted that while any of the parties could complete the RAI, ultimately one party has to be responsible for completing it. In the end, the language was modified to allow the load serving PSE to select a designee to complete the RAI. Additionally, the need to address the issues surrounding passive approvals was noted.

Section 3.0 describes the content of the RAI. During discussion, Mr. DiCaprio noted that only four pieces of information are required for NERC to complete its reliability assessment. Participants reviewed the RAI Data Sheet, which is a separate document incorporated into the standard by reference. Mr. Power prepared the RAI Data Sheet based on NERC's Policy 3, Appendix 3(a)(4). There was a lengthy discussion on the RAI Data Sheet and the changes proposed by Mr. Power. Participants agreed that since the Appendix was the result of six years of development it should be preserved. However, it was agreed to modify the Appendix to reflect the RAI model and terminology and remove the references to market redispatch. To make those changes obvious, Mr. Schwermann suggested providing a redline of the document be distributed with any request for comments.

Section 4.1 and 5.0 describe the timing requirements of the proposed standard. As it was discussed during the meeting, the timetable from NERC Policy 3, Appendix 3(a)(1) was separated into two timelines – market and reliability. As a result of discussion during the meeting, the timelines were combined again and will be referred to as the NAESB RAI Submission and Response Timetable. The subcommittee felt this representation more accurately depicted the complete scheduling approval timeline. Mr. Carter noted that the timeline, as proposed, reflects the current timelines but was intended as a benchmark and would be subject to modification by the task force. He went on to say that while the NERC standard does not address timelines, so presumably there could be no timeline, he would prefer having a reasonable timeline. The timelines were discussed at length. It was agreed to include a poll question on the timetables for the informal comment period.

The discussion on timelines highlighted the fact that adding approval of the RAI by the IA (which would already be required by the proposed NERC standard) into the process would change the existing timeline of the Appendix because it would add another step. Mr. DiCaprio



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stated that adding the IA to the process provides key benefits to the industry – certainty about whether a schedule was accepted – and those benefits should be recognized. It was noted that operating under the timelines and e-TAG, the tag is submitted by the PSE to the TSP (Transmission Service Provider), and under the new model, the RAI would be submitted by the PSE to the IA and then the IA would submit the confirmed RAI to the TSP. It was noted that the time required by the IA was indeterminate at this point and would depend on whether a computer or human completes the operations. Mr. Davis, speaking as a TSP, indicated the TSP perspective that the TSP should be provided the RAI at the same time that it currently receives a tag. In contrast, Mr. Cox, speaking as a PSE, indicated the market perspective that the PSE should submit the RAI at the same time it currently submits a tag. There is an obvious conflict between these two perspectives.

Participants brainstormed on possible configurations of the IA and surrounding process. Mr. Cox suggested a way to compress the timeline would be for the PSE to submit the completed RAI to all parties at the same time as the IA so that the parties to the transaction could be completing their approvals pending the IA's approval of the transaction. Mr. Schwermann commented that he would raise the issue of timelines at the WECC meeting in late January.

The task force discussed the next steps for the RAI strawman. Participants felt it was appropriate to solicit comments from the industry before it was submitted to the Executive Committee as a recommendation. Ms. McQuade explained that the NAESB Office could distribute the RAI strawman for informal comment to help guide the task force in its drafting. She noted that the comments request could be customized and any informal comments received would be posted. Further, she explained that as part of the NAESB process, once the task force has completed its recommendation and is prepared to submit it to the Executive Committee for approval, a formal 30-day industry comment period occurs where comments are sent directly to the Executive Committee. It was noted that those comments are posted as well. It was decided that an informal comment period would be used. Further, it was decided to distribute the strawman on a limited basis in preparation for the informal comment process.

#### **4. Work on improvements to the Standard**

Please see discussion above.

#### **5. Assign duties to team members**

No action was taken on this item.

#### **6. Review calendar for future meeting**

A future meeting date was not set, but it was noted the task force would likely meet again after the first round of informal comment were received.

#### **7. Adjourn**

The CIBP meeting adjourned at 3:45 p.m. Central.



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### 8. Meeting Attendees:

| <b>Name</b>      | <b>Company</b>            | <b>Notes</b> |
|------------------|---------------------------|--------------|
| Bill Bateman     | Georgia System Operations | In Person    |
| Robert Blohm     | Economist                 | In Person    |
| Roman Carter     | Southern Company          | In Person    |
| Phil Cox         | AEP                       | In Person    |
| Ed Davis         | Entergy                   | In Person    |
| Michael Desselle | AEP                       | In Person    |
| Al DiCaprio      | PJM                       | In Person    |
| Barb Kedrowski   | WE Energies               | Phone        |
| Alan Johnson     | Mirant                    | Phone        |
| Rae McQuade      | NAESB                     | In Person    |
| Todd Oncken      | NAESB                     | In Person    |
| John Power       | MISO                      | In Person    |
| Bob Schwermann   | SMUD                      | In Person    |
| Cesar Seymour    | Tractebel                 | In Person    |
| Pulin Shah       | Exelon Generation         | Phone        |
| Charles Yeung    | Reliant Energy            | Phone        |