1. Administrative Items
• Minutes of May 21 meeting adopted as written
• Roster updated to reflect current membership and issued accordingly.

• Karl reported that the ORS recommended that Section C of NERC Policy 5 be abandoned in its entirety. There is, in ORS's opinion, no compelling reason to retain the section and Mark Fidrych moved that it be eliminated. Motion passed unanimously and will be sent to the NERC Executive Committee's next meeting. If approved it will be suspended until ratified by the NERC Operating Committee.

2. Report on Related Industry Activities and Issues
2.1 N. East ISO/RTO Activities
Karl reported that New York has completed and has made publicly available their "cost to benefit" report for the NERTO. Karl will forward a copy of the report to the group.

2.2 MISO/Alliance RTO and PJM West Activities
Greg Krajnik noted there was a close alignment between the MISO and PJM market rules, and lauded some improvements incorporated by MISO. He also stated that a for-profit independent transmission company would not be compatible with PJM market membership. See notes on FERC.

2.2.1 Alliance Members
♦ During the June 12 FERC meeting, Pat Wood raised concern regarding non-contiguous or non-congruent RTO's materializing. Pat made it abundantly clear that he is unhappy with the Alliance members progress to-date in determining which RTO each proposes to join. It is currently voluntary, but expected the decision were to have been made by now. If there is lack of any decisive direction within 2 weeks, FERC is prepared to resolve on their behalf.

♦ Alliance and its member companies are to meet and present their position in 2 weeks. Pat Wood is determined to have the 8 entities make a commitment at the meeting. Any proposal for a non-contiguous footprint must be supported by assurance that system reliability and security can be maintained.

♦ Pat Wood has asked that each CEO must be present at the meeting prepared to make the decisions, as required.

♦ Jim Cyrulewski feels that the current FERC commissioners view the Standard Market Design development as a legacy that they want to give to the Country. The FERC model strongly
favors Independence of transmission with generation. Generation ownership is permissible provided it is NOT within the RTO "footprint" they belong to.

♦ AEP, due to their geographic location, is a key player to the "super" highway principle as presented by PJM at the meeting. They have yet to fully commit to joining an RTO.
♦ The PJM model with vertically integrated utilities presents some concerns to the FERC.
♦ FERC's standard market design (SMD) notice of proposed rule making (NOPR) is to be out in July with comments due in August. Replies to comment in September with final rule making scheduled for November.
♦ FE has indicated that they will be joining MISO, although they initially indicated they would be consistent with the decision of AEP, who is considering joining PJM West.

3. IDC Granularity concerns
♦ Karl reported on the NERC ORS meeting. Concerns persist with the modeling in the IDC with PJM's one market and two Control Areas model. TLR's initiated by PJM this past couple of weeks have raised the ire of many marketers impacted by the recent TLR's.
♦ Tags are not required between PJM and PJM-West.
♦ CMS is reviewing the need for some kind of TLR process post SMD era. As RTO's grow in geographic size, seams issues can be resolved with bi-lateral congestion management arrangements.

4. NERC Tools
♦ NPCC OSS
  Meeting scheduled for today in Montreal. No news to report.

♦ GSF viewer at NERC
  ♦ Server has been configured such that access is through portal 1114. Most entities’ firewall systems are not configured to access portal 1114. RAs have been using the OATI GSF viewer, which uses the most recent system topography updated via SDX. The viewer on the NERC site is only updated once a day during the night. NERC appears reluctant to change the portal to the standard portal used by most. There were suggestions that the issue be raised to the OC.
  ♦ Discussed concerns about the availability of up-to-date GSF values, and whether OATI could be persuaded to make the factors more readily available. MISO has developed their own model using the NERC viewer daily as the base case. It is available to all MISO market participants. Dave Zwergel volunteered to explore this question with OATI. He also volunteered to host the next LESPWG meeting in Indianapolis and will demonstrate the MISO viewer

Action: 1.0 Dave Z to determine if LESP members could obtain access to the MISO viewer.
  2.0 LESP members to report back if GSF viewer is available through RAIS.

♦ MRD tag
  ♦ Capability has been disabled in the IDC to accommodate the E-Tag 1.7 April in-service date. Current target date is mid August if all goes well. There is however, a potential for delays if training is required.

♦ LEER hotline
  ♦ Problem with MECS has been resolved. AEP is scheduled next to initiate the test.

5. LEER drill update
♦ Ron Falsetti noted that IMO is recommending that use of the RAIS be eliminated, other than the notifications at the start and the end of the LEER. As a minimum LESP members agreed that the 2 templates, which are text based for the old SCIS format, be eliminated.
**Action**: Each to review the operating procedure with respect to use of the RAIS with the objective of streamlining. Look at the SSA.

♦ It was determined that the lack of FE participation in the drill diminishes the effectiveness of the drill, particularly since AP discontinued being their Reliability Authority.

**Action**: Group to attempt to sway FE in participating in next year's drill.

♦ PJM raised the question on who establishes the LEER transaction. Walked through the process to ensure all on the same page.

♦ Jim Cyrulewski raised the point that Michigan is no longer able to purchase emergency energy, the responsibility is now or will be shortly with MISO. Currently there is an understanding with the merchants in Michigan and the IMO for utilizing a bi-lateral transaction for emergency energy purchases.

**Action**: Dave Zwergel to review processes and mechanisms within MISO for emergency energy/LEER transaction settlement.

**Action**: Karl to include “fine tuning of settlement process” for next agenda

Karl reported that NYISO and MECS had signed the latest LEER agreement issued on June 9 by Paul. IMO has yet to sign but fully expects to sign within the next couple days. MISO legal has reviewed and has presented it to their executive officers for signing. Will be forwarding the signed fax to Paul tomorrow. It is unclear when AEP will sign, although Karl had been informed that someone from AEP would be here today with a signed agreement.

6. **System Redispatch**
   - Continued to review concerns raised by PJM with respect to the draft Agreement, specifically with respect to the settlement process. Would need to settle manually outside the market, which presents a challenge to pass the stakeholdering process within PJM.
   - Promoting the resolution of seams issues will certainly be looked on favorably by the FERC, which may bode well with PJM stakeholders. Any filing with FERC is required to pass the stakeholdering process prior to filing.
   - New York ISO is comfortable with the SRD as it currently stands and is prepared to endorse for filling with FERC with the understanding that it may take a year to fully implement. PJM believes it may take well over a year as a result of the need to stakeholder.
   - Ex-ante settlements, as per current markets operation, although pre-dispatch price is publicly available, should closely approximate the ex-ante price, subject to normal "minor" variances.
   - In preparation for the September meeting, should attempt to drive the SRD procedure to a position where it is presentable to the various stakeholder groups each must present to.
   - Dave Zwergel identified that SRD has a significant similarity with attachment "K" that MISO recently filled with the FERC.
   - Key to the concern is price transparency
   - Need to establish an Implementation Plan

7. **Update on Michigan-Ontario PARs (DTE, MECS, IMO)**
   No change from the last time. “Very little movement in that direction.” Still expecting late November operation for last remaining PAR.

8. **Future Meetings**
   Conference call: Wednesday, July 17th, 10 am EDT.
   Conference call: Thursday, August 15th, 10 am EDT. (subsequent to the meeting the call was re-scheduled for 1 p.m. EDT on the same date)
MISO to host next meeting in Indianapolis, September 10th (1 pm to 5 pm) and 11th (8 am to noon). **Note:** Indianapolis is not on EDT – that is, they remain on EST through the summer, which is the same as CDT. Dave will provide meeting info.