Final Minutes
10/9-10/02 Meeting
Meeting Held at Sheraton Station Square
Pittsburgh, Pa.

Meeting Attendees:

Karl Tammar (Chair) NYISO ktammar@nyiso.com
Jim Cyrulewski MECS jCyrulewski@dteenergy.com
Emeka Okongwu Hydro One emeka.okongwu@hydroone.com
Bob Moore PJM moore@pjm.com
Dave Robitaille IMO dave.robitaille@theIMO.com
Paul Roman NPCC proman@npcc.org

1. Administrative Items

The draft for comment minutes from the September 9-10 meeting were reviewed. They were accepted as final as revised and will be posted on the NPCC web site.

The following roster changes were requested:

- Revise Chuck Waits e-mail address and telephone and FAX numbers to cwaits@metcllc.com (734) 929-1227, FAX (734) 929-1212.
- Revise Joe Bambenek’s e-mail address and telephone number to jbambenek@metcllc.com 734 929-1204, FAX (734) 929-1212.
- Larry Alderink is the primary member on LESPWG. Add Mark Slater as the secondary member. His e-mail address is slaterm@dteenergy.com (734) 665-3265. Jim Cyrulewski will be taken off the roster and will remain on the LESPWG mailing list.

The Working Group acknowledged and appreciated the role Bob Kissner played in supporting and advancing the Lake Erie/LEER process. Bob recently retired.

2. Report on Related Industry Activities and Issues

NERTO Developments

Karl Tammar reported on NERTO status. The New York Public Service Commission is strongly opposed to NERTO formation. The process will be delayed until January pending a FERC ruling. Karl presented some slides on the NERTO Basic Provisions.

Related to NERTO, another agreement has been signed by NYISO, ISO-NE and the IMO replacing the old ISO Memorandum Of Understanding (MOU). Areas of focus include regional planning, shared activation of reserve, maintenance coordination, ramp issues between New York and PJM and congestion...
management/redispatch. Shared activation of reserve is presently in place between New York and New England and between New York and PJM. However, more can be done in this to reduce the reserve that needs to be carried in a greater area.

Karl Tammar will send to the LESPWG the NERC Congestion Management Subcommittee meeting minutes from the August meeting.

North American Electricity Standards Board (NAESB)

Karl Tammar presented some NAESB highlights. NAESB has evolved from the Gas Industry Standards Board (GISB). The structure of NAESB has followed the gas industry standards. A main objective has been to get ANSI approval. Since the structure closely follows what has already been approved for GISB it is expected that approval can be obtained.

In December 2001 FERC determined that there was a need for a separate organization to develop and oversee electric industry business standards and practices. NAESB offers a process for forming standards. Retail electric and gas quadrants were formed. The Wholesale Electric Quadrant (WEQ) formation was started in April 2002. NAESB was initiated on April 5, 2002 and its chairman is Bill Boswell. WEQ formation was completed in July 2002, the initial procedures for WEQ were developed in August and the NAESB board was seated in September.

The NAESB committee structure includes:

- The top group is the Board of Directors, which has 95 total members with members from four quadrants. Voting approvals require 75% of each quadrant 40% of the segments.
- The next group is the Executive Committee, which has 95 total members. Voting approvals require 67% of each quadrant and 40% of the segments.
- Under the Executive Committee is the Triage Committee. This group makes recommendations to develop standards.
- Under the Triage Committee is a subcommittee.

In the Committees the different quadrants normally meet separately. The NAESB standards will be voluntary but the NERC standards are mandatory. The NAESB standards will be enforced through FERC rulings. NAESB does not do compliance monitoring.

Karl will provide slides of a presentation on NAESB.

3. Lake Erie System Re-dispatch (LE SRD)
There had been action items from the September meeting related to system re-dispatch. These involved the development of a common presentation for LE SRD and the development of several examples to clarify the application of LE SRD. These had not yet been completed.

**Draft Agreement Review**

Dave Robitaille questioned the differences between LE SRD, LEER and MRD. The Working Group reviewed the table comparing various factors. These included: initiated by, transactions protected, flowgates protected, resources used, settled by, status of each (e.g. active, pilot, etc), state (e.g. emergency, non-emergency), invoked on (on TLR or constraint on pilot facility) for TLR and each of the re-dispatch procedures including LEER, MRD and LESRD.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>TLR</th>
<th>LEER</th>
<th>MRD</th>
<th>LE SRD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiated by</td>
<td>RC/CA</td>
<td>RC/CA (ISO/RTO)</td>
<td>Mkt Part</td>
<td>RC/CA (ISO/RTO)</td>
</tr>
<tr>
<td>Transactions Protected</td>
<td>none</td>
<td>one or more supplying load</td>
<td>one or more, selected by MP</td>
<td>All, after last refusal</td>
</tr>
<tr>
<td>Flowgates protected</td>
<td>Any in NERC BoF</td>
<td>All in LE Region</td>
<td>Pre-set list (~24)</td>
<td>All in LE Region</td>
</tr>
<tr>
<td>Resource Used</td>
<td>System</td>
<td>Gens and System</td>
<td>Gens and System</td>
<td>Gens and System</td>
</tr>
<tr>
<td>Settled at</td>
<td>none</td>
<td>Emergency Rate</td>
<td>Market BaseRate</td>
<td>Mkt Based Index</td>
</tr>
<tr>
<td>Status</td>
<td>Active</td>
<td>Active</td>
<td>Pilot thru 12/01</td>
<td>Under develop.</td>
</tr>
<tr>
<td>State</td>
<td>Emergency</td>
<td>Emergency</td>
<td>Non Emergency</td>
<td>Non Emergency</td>
</tr>
<tr>
<td>Invoked</td>
<td>OSL violation</td>
<td>On TLR</td>
<td>On TLR</td>
<td>On TLR</td>
</tr>
</tbody>
</table>

The review focused on the differences between NERC MRD and LE SRD. Bob Moore indicated that the differences really depend on when and how the redispach is implemented. From an engineering point of view all re-dispatches are the same. Karl Tammar pointed out that SRD is done at the point when market solutions fail. Often non-emergency actions are done when a TLR is pending.

It was proposed to select a time when a Wylie Ridge limit occurred and a TLR was enacted and to obtain information from IDC logs to use to develop an example of application to determine how LE SRD might be beneficial. The associated costs and settlements could be worked out.

The Working Group felt it will be worthwhile running thru several examples for LE SRD to review how it is applied and settled for each. The examples also can be used as pre-SMD application exercises to show SRD application.
Bob Moore and Dave Robitaille voiced concerns about application of LE SRD in the PJM and IMO markets. In IMO and PJM emergency conditions are in effect at the point where the next step is shedding firm load. The PJM and Ontario markets are presently not designed to support the described LE SRD. Karl Tammar indicated the LE SRD could be applied for conditions are near emergency and not purely economic. It could be used as a LMP-style congestion management procedure. Bob Moore indicated that PJM would need to set up a manual procedure to implement LE SRD as implemented. This would need to evaluate the cost and go back to the market participants to see if approval can be obtained. Jim Cyrulewski added that a statement is needed to indicate that this is not setting a new LMP price.

The examples should be included or be developed for the one in the present LE SRD package, 2) a Wylie Ridge limit and 3) pilot case (Erie-Dunkirk and Erie West 345/138 kV limit).

Dave Robitaille will check the TLR3As that occurred on the Niagara Frontier and QFW flowgates during summer 2002 to determine the conditions and prices at the time. This information will be used to analyze the potential benefits if the system re-dispatch were available rather than curtailing the transactions via the TLRs. Karl Tammar will then use this to determine the LMPs at the time to estimate the impacts on costs that the re-dispatch would have had.

Paul Roman will locate the previous settlement/billing list and issue it for updating. When LESPWG meetings are held at different locations it is intended that billing staff attend to understand the LE SRD possibilities and to provide input.

Training Slides

Karl Tammar had modified the LEER training slides to make them applicable for the Lake Erie System Re-dispatch. Jim Cyrulewski suggested rearranging the slides to first show the existing situation with the effect of TLRs and the resulting undesirable ways of cutting transactions. Next show and describe the much better way of dealing with system limits through Lake Erie System Re-dispatch rather than TLR. Next show the three examples at the end with actual information showing conditions on particular days, which show the transactions that could have been saved if LE SRD was used instead of TLRs. The LESPWG agreed with this approach.

4. LEER Procedure--Review Re-filing Status

The New York Transmission Owners had intervened in the Proceeding but filed no comments. No comments were filed and FERC accepted the re-filing on September 30.
5. Update on Michigan-Ontario Phase Angle Regulators (PARs)

Emeka Okongwu reported on the status of the PARs. The Lambton-St. Clair 345 kV #L4D circuit PAR is scheduled to be in service by January 1, 2003. The repaired PAR is not yet on site.

6. Interregional PAR Coordination

Jim Cyrulewski mentioned that there is still no agreement in place for the operation of the PARs on the Ontario-Michigan Interface. Karl Tammar indicated that there is a proposal from International Transmission Company (ITC) to treat the PARs as alternative generators and bid in accordingly. However, a difficulty with doing this as part of the bid process is to determine how to schedule loop flow in the markets. ITC also had a proposal on this. In the LEER and Lake Erie System Re-dispatch Agreements a placeholder will be kept open for insertion of this concept.

For operation of the PARs, Agreements are needed between the owners of the PARs/interconnection circuits (Hydro One and ITC) and between the system operators (IMO and MECs/MISO).

7. Interregional Coordination of System Conditions

Karl Tammar suggested that system data for Lake Erie region Areas can be posted on a web site and can be accessed during emergency conditions to provide assistance to system operators. He suggested that this could be the same type of information that is discussed during the NPCC Emergency Conference Calls. Paul Roman explained that he had looked into receiving and posting on the NPCC web site such information from the NPCC Areas about a year ago. Advancing this posting had run into snags because of IT delays in the ability to transmit this information to NPCC. Paul Roman will send to the LESPWG the information items that had previously been considered for posting.

During 2002 the Emergency Conference Calls included the NPCC Areas (New York, New England, Ontario, Quebec and the Maritimes), PJM and Michigan. Karl Tammar also suggested that the NPCC Emergency Conference Calls include AEP, Midwest ISO and FirstEnergy. Paul Roman explained that the NPCC CO-8 System Operations Manager’s Working Group that participates in these calls had streamlined the call procedure because in past years the calls took too long and had too many participants. That had become a problem because the calls occur during emergency conditions when there is urgency to quickly assess the system situation and take action. CO-8 had felt that the calls had gone better during 2002 than in previous years. Paul Roman will mention the suggestions to the CO-8 Working Group and to the NPCC Task Force on Coordination of Operation.
It was reported that the NERC SDX update of the system representation in the IDC is normally done once a day. It is apparently not closely reviewed and updated by NERC. LESPWG will look more closely into this. Karl Tammar will check with NERC and possibly OATI on the frequency of these updates.

8. Future Meetings

LESPWG conference calls and meetings scheduled include:

- The next meeting will be held at PJM’s offices on November 19 and 20. Times will be noon to 5 on Nov. 19 and 8 to noon on Nov. 20. **PJM will provide hotel information and the specific PJM office location for the meeting.**
- A conference call will be held on October 31 from 10 AM to noon.
- A conference call will be held on November 12 from 10 AM to noon.

Prepared by Paul A. Roman
Draft for Comment Minutes Issued on November 4, 2002.

**ACTION ITEMS**


1. Karl Tammar will send to the LESPWG the NERC Congestion Management Subcommittee meeting minutes from the August meeting.

2. Karl Tammar will send to the LESPWG slides on NAESB.

3. Dave Robitaille will check the TLR3As that occurred on the Niagara Frontier and QFW flowgates during summer 2002 to determine the conditions and prices at the time. This information will be used to analyze the potential benefits if the system re-dispatch were available rather than curtailing the transactions via the TLRs. Karl Tammar will then use this to determine the LMPs at the time to estimate the impacts on costs that the re-dispatch would have had.

4. Paul Roman will locate an old settlement/billing list and issue for updating. When LESPWG meetings are held at different locations it is intended that billing staff attend to understand the LE SRD possibilities and to provide input.

5. Paul Roman will mention the suggestions regarding system status information and emergency conference call changes to the CO-8 Working Group and to the NPCC Task Force on Coordination of Operation.
6. Paul Roman will send to the LESPWG the system operational information items that had previously been considered for posting.

7. LESPWG will look more closely into the frequency of IDC updates. Karl Tammar will check with NERC and possibly OATI on the frequency of the IDC updates.

8. PJM will provide hotel information and the specific PJM office location for the next meeting.