Summer 2004
Reliability Workshop
Federal Energy Regulatory Commission
Docket No. PL04-11-000

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Readiness Audit Program
  - Objectives and description
  - Status
  - Next steps

Reliability Standards
  - Version 0
  - Additional priority standards
  - Streamlined standards process

Assistance Needed
Description of audit program

- Audit reliability readiness of all reliability coordinators and control areas on 3-year cycle

- Audit procedure
  - Team of experts
  - Questionnaires to control area, neighbors, and reliability coordinator
  - Site visit
  - Exit interview
  - Draft report
  - Final public report
Audited entities

- PJM
- Midwest ISO (Carmel)
- FirstEnergy
- Florida P&L
- Xcel Energy/NSP
- AEP
- Northern Illinois CA (Com Ed)
- Southern
- Ameren
- The IMO (Ontario)
- Midwest ISO (St. Paul)
- New York ISO
- TVA
- Michigan Electric Coordinating System
- WE Energies
- CINergy
- ISO New England
- Entergy
- Oklahoma Gas & Electric
- Los Angeles DWP
- Louisville Gas & Electric
- City of Tacoma Utilities
- Duke
- Dominion
Preliminary observations

- Best practices
  - Training programs
  - Hot standby backup control centers
  - Reactive ACE monitoring
  - Off-site voltage control for nuclear power plants

- Areas for improvement
  - Training programs
  - Backup control centers
  - Communications
  - Authority issues
  - Voltage management
Next Steps

● Review and update process
  ▪ Team leads and FERC auditors met early July

● Summarize key audit findings
  ▪ Reliability trends
  ▪ Best practices

● Build sense of “community”
  ▪ All are affected by performance of one
  ▪ Excellence in the industry

● Schedule 28 more audits for 2004
Reliability Standards, Version 0, and More
Accelerated Standards Transition

- August 14 message: need clear and measurable standards:
  - US/Canada TF recommendations 1, 17, 25
  - FERC reliability policy statement and May 14 technical conference
- Multiple sets of ‘reliability rules’
  - Operating policies, planning standards, compliance templates, new standards
    - Industry volunteer resources spread too thin
- Minimize transition impacts and ensure reliability continuity
Goal for Version 0

- Restate existing Operating Policies and Planning Standards in terms of the functional model
- Incorporate the recently approved compliance templates
- Separate out business practice standards to be developed by NAESB
- Add clarity to standards
- Minimize changes in substantive content from existing standards
- Use existing ANSI-accredited process
Version 0 Status

- SAC and STMT approved plan in April
- Board of Trustees approved accelerated standards transition plan – June 15
- Version 0 posted for 30-day comment period – July 9
- Version 0 discussion at standing committee meetings – July 20-22
- Revised draft posted for comment – Sep 2004
- Standing Committee consideration – Nov 2004
- Ballot – Nov 2004
- Board of Trustees approval – Feb 2005
Cyber Security Standard

- **Interim Urgent Action Standard**
  - Voting closed on one-year extension yesterday
  - One-year extension passed, but . . . *
  - BOT approval of extension prior to August 13
  - Self-certification Feb 2004
  - Self-certification to be repeated 1Q 2005

- **Permanent cyber security standard**
  - Drafting team formed and being expanded
  - SAC approved starting standard drafting
  - BOT consideration by August 2005
Vegetation Management Standard

- NERC board directive to develop standard on vegetation clearances
- US-Can TF: NERC should develop standard defining minimum clearances between vegetation and energized conductors
- FERC reliability policy statement

Approach:
- Leverage prior analysis and established good practices
- SAR posted for comment
- Expert drafting team being formed
Additional Priority Standards

- Operator training
- Operating tools
- Organization certification
- Line (facility) ratings
- System protection (zone 3, UFLS, UVLS)
- Voltage control and reactive reserves
- Operating reserves
- Data synchronization, recording, retention
Streamline Standards Process

● Goals
  ▪ Retain ANSI accreditation and principles
  ▪ Streamline NERC administrative procedures, e.g.
    – More complete initial standards requests
    – Validate steps completed
    – More efficient use of resources

● Approach:
  ▪ Empower SAC to recommend revisions to administrative procedures for BOT approval
  ▪ Fundamental tenets posted to ballot body for comment and ballot prior to BOT adoption

● Progress
  ▪ Proposed manual revision posted for public comment
  ▪ Ballot in August 2004
  ▪ BOT consideration in October 2004
Need for Reliability Legislation

● “The single most important step in the United States is for the U.S. Congress to enact the reliability provisions in the pending energy bills (H.R. 6 and S. 2095).” — U.S.-Canada Power System Outage Task Force, April 2004.

● Policymakers can make a difference