

June 22, 2005 EQR Users Group Meeting

Welcome, Introductions, Logistics

- Steve Reich started the meeting shortly after 10:00 am. He introduced the members of the FERC EQR team.

EQR Review Processes (overview)

- Mr. Reich indicated that, in the nine months since the last user group meeting, Commission Staff has substantially increased its scrutiny of EQR filings. He indicated that the [Lockyer decision](#) had increased attention on EQR filings, but the increased scrutiny had also arisen out of the transition to an operational schedule for FERC staff for EQR filings.

EQR Audits

- Janice Nicholas and Tim Smith of the Division of Financial Audits discussed the process of auditing EQR filings
 - o A commencement letter is issued publicly indicating the company to be audited. [The letters](#) may be downloaded from FERC.gov. They will have a Docket prefix of "FA."
 - o Included with the commencement letter is a non-public data request. The audited company will have a period of time to respond.
 - o After the response to the data request is received and reviewed, a team of auditors is dispatched to visit the company to review its policies and procedures.
 - o After the initial site visit, the audit staff may perform additional audit work or site visits as necessary. If audit issues are identified, a non-public draft report is provided to the company. The company is then given the opportunity to reply to the draft report with a non-public response.
 - o The audit team incorporates the company's response in the report and issues its final report as a public document.
- A filer asked how the companies were chosen for the audits
 - o Mr. Smith indicated that the current audit targets were chosen from the top sellers, in terms of energy revenues, that file the EQR. Companies that had recently been audited for other reasons were excluded.
- A filer asked whether the EQR data was frozen during the audit (i.e., could it refile while the audit was going on).
 - o Mr. Smith indicated that refiling was fine, but the company should notify the audit staff of any refilings.

Operationalizing EQR Review

- Mr. Reich discussed how review of EQR filings was becoming more routine with schedules for identifying delinquent filings and standard quality control

screens.

- Mr. Reich noted that the summary reports were now available on FERC.gov.
 - A filer requested that the regional reports be made clearer regarding the incompleteness of the sample (e.g., federal power authorities such as BPA do not file.)
 - Mr. Reich indicated that he would look into ways of further clarifying that caveat.
 - A filer asked about who receives the summary reports via email.
 - Mr. Reich indicated that he thought that the respondent and agent were included.
 - The Users Group indicated that the seller should probably receive the email, too.
 - <After the meeting> Mr. Reich determined that sellers are also on the mailing list for the summary reports. All seller email addresses are included in the email sent to respondents and agents.
 - A filer noted that some control area names were being truncated in the regional report.
 - Mr. Reich indicated he would try to address the problem.
 - A filer asked if both cost- and market-based rates were included in the reports.
 - Mr. Reich said yes.
 - A filer asked about how to get other company's DUNS numbers.
 - Mr. Reich indicated that filers should try to call their counterparties to get their DUNS numbers. He also noted that queries would soon be available again on FERC.gov that provide DUNS numbers from other filers. He also noted that FERC had to be careful about providing such information in that D&B could see certain actions as a restraint of trade.
 - Michelle Reaux of FERC staff indicated that the DUNS numbers are available by downloading contract information from [Selective Filings Download](#) on the FERC website
 - A filer asked how she could tell if she had the latest version of the FERC software.
 - Mr. Reich said that the software automatically updates when opening. He also said that he would check regarding other safeguards built into the system.
 - A filer was concerned about the bulk and complexity of filing RTO transactions.
 - Mr. Reich indicated that FERC staff has been working with the various RTOs on creating EQR-friendly reports (to be discussed in the afternoon). As part of that process, FERC and ISO settlement staffs have mapped EQR products to ISO settlement

- items. These mappings can be used to guide filers decisions.
- Mr. Reich did admit that there were certain elements of ISO settlements that appeared problematic. Mr. Reich reiterated the guidance, "A sale is a sale." He indicated that we would be working on developing an order to clean up places where ISOs treat certain items as sales in their settlements that otherwise would not be seen as sales (e.g., PJM treats serving native load as a "sale" to the grid.).
 - He asked for assistance from a working group to address these issues. James Davis of AEP was selected to lead the working group.
- A filer asked whether the EQR accepts sales at negative prices.
 - Mr. Reich said it does.
- Mark Blazejowski reviewed a list of thirteen [standard quality review screens](#).
 - Users Group members pointed out that it is possible to have a power sale to an ISO where the price is equal to zero. Screen number 12 was, therefore, eliminated.
- Questions from the floor
 - A filer asked about being put on the EQR mailing list.
 - Mr. Reich explained that everyone listed in a filing is automatically on the mailing list. Additionally, everyone who registered for the meeting who was not already on the list would be added.
 - A filer asked whether renewable energy certificates were reportable
 - After some discussion about them, Mr. Reich said that it appeared they were not jurisdictional.
 - A filer asked whether two people from the same company can submit data. This question was asked in the context of FERC Standards of Conduct.
 - From the perspective of the software, there cannot be two submissions for the same quarter for the same company. The second submission will always override the first.
 - Some discussion occurred followed about the Standards of Conduct.
 - <<After the meeting>> Corrected guidance will be emailed to the EQR mailing list and posted at FERC.gov
- Discussion on the Status of EQR-Friendly Reports from the ISOs
 - **NYISO:** Gerald Deaver and Kirk Merriam reported on NYISO's successful implementation of EQR-friendly reports for Q1 2005 filings.
 - Mr. Merriam indicated that the NYISO DSS system provided the ISO the flexibility to respond quickly to the EQR requirements.
 - Mr. Merriam directed the Users Group to the NYISO website for

[technical documentation of the report.](#)

- The Users Group discussed some differences between PJM and NYISO, most notably that native load and bilateral purchases are treated as sales in the PJM settlement system.
 - **MISO:** Jeff Fruit reported that the software that would be used for the EQR reports had been delivered two weeks before and that testing was almost completed.
 - Mr. Fruit said MISO was still in the process of determining some of the logistical issues (e.g., how big the files would be, how the data files would be delivered), but the EQR-friendly reports were likely to be ready for Q2 2005 filings.
 - A filer asked what would happen if her company was counting on the MISO reports and technical problems slowed the timetable.
 - Mr. Reich indicated that a blanket extension could be issued for MISO members for MISO data if necessary.
 - **PJM:** Harry Dessender reported that the EQR-friendly report would be part of the implementation of a new settlement system at PJM that was scheduled to be completed by June 2006. The requirement of the report are being reviewed by the Market Settlements Working Group.
 - **CAISO:** Mr. Reich indicated that in his most recent discussions with CAISO, July 2005 was still the target for readiness of its EQR-ready reports.
 - **ISO-NE:** Mr. Reich admitted that there had been some confusion in the personnel transition at FERC regarding getting information to ISO-NE. Still, he said that latest reports seemed to indicate that Q1 2006 was still a realistic target for readiness.
- Action Items
- Brenda Devine of FERC staff reviewed the action items. Action items have been identified with underlines herein.