

Summary of July 9, 2007 WIRAB Meeting

The following members participated in the July 9, 2007 Western Interconnection Regional Advisory Body (WIRAB) meeting and constituted a quorum:

British Columbia	Ed Higginbottom/Lori Zaozirny
California	Bill Chamberlain
Colorado	Morey Wolfson
Idaho	Marsha Smith
Montana	Art Compton
Nevada	Rebecca Wagner
Oregon	John Savage
South Dakota	Dustin Johnson/Brian Rounds
Washington	Tony Usibelli
Wyoming	Steve Ellenbecker

Also present were Louise McCarren/Tom Schneider (WECC), Pat Van Midde (SDG&E), Dilip Mahendra (SMUD), and Doug Larson/Tom Carr (WIRAB).

Approval of the May 4, 2007 Meeting Summary

Bill Chamberlain (CA) moved and Tony Usibelli (WA) seconded a motion to approve the draft summary of the May 4 WIRAB meeting. Motion was approved.

Public Comment

Pat Van Midde (SDG&E) reported that NERC will soon be proposing cyber security standards that WIRAB should review.

WECC Compliance Report

Tom Schneider (WECC) presented an overview of the WECC registration process and the compliance violation experience to date. (See slides attached.) Thirty disputed registrations have been placed in the “parking lot” and will be reevaluated by October.

There has been a flood of self-reported violations (2,600) and associated mitigation plans from 175 entities. The volume of violations is well beyond what was expected during the planning for mandatory standard enforcement. The violations appear to be across the board involving over 80 standards and related requirements. Fifty-seven percent of the violations relate to technical standards; the others related to documentation violations. The flood of self-reported violations in advance of the June 18 start date for mandatory sanctions probably reflects the extensive outreach efforts WECC undertook in advance of the mandatory standards. Many of the post June 18 violations are from QFs which were given an additional week before sanctions were applied. There has not yet been any systematic comparison of the violation experience in WECC and other regions.

Anecdotal information suggests other regional entities have received 70-500 self-reported violations, well below the number received by WECC.

WECC staff is prioritizing its review of mitigation plans that accompanied self-reported violations. About 85% of the mitigation plans have been approved or are in the process of being approved. Most rejections of mitigation plans are because of the extended period to implement the plan (e.g., more than 180 days) or because they are vague (e.g., if they seen any problems the entity will report it). NERC and FERC will see all mitigation plans and have the authority to reject mitigation plans.

Significant work is required to process the violations and mitigation plans and follow-up on the implementation of the mitigation plans (e.g., spot checks). Qualified staff is in short supply because increased demands for such expertise by parties subject to the standards, NERC, FERC and regional entities.

WECC is continuing its onsite audits of Balancing Authorities. APS was the first audit and 2-3 more have been done. The audits are not uncovering major new violations from these large players.

Rehearing on Delegation Agreement and Small Entity Registration

Tom Carr (WIRAB) reviewed the request for rehearing on FERC's approval of the WECC delegation agreement. The Cogeneration Association of California and the Energy Producers and Users Coalition filed for rehearing on May 21. The American Public Power Association and National Rural Electric Cooperation Association filed an intervention on June 11. WECC responded on June 25 asking that the rehearing request be denied. The issue is what small entities need to register with WECC and thus be subject to sanctions for non-compliance with standards.

Transmission Expansion Planning

Doug Larson (WIRAB) noted that regional transmission expansion planning falls within the activities funded under Section 215 of the Federal Power Act and staff has been monitoring the work of WECC's Transmission Expansion Policy Committee (TEPPC). He noted that transmission expansion planning is also a priority issue of Western Governors. Tom Carr provided a brief overview of the planning requirements and actions taken pursuant to FERC Order 890 and TEPPC's work.

WIRAB Update

Doug Larson reported that WIRAB has not received approximately \$100,000 of its \$477,000 2007 budget. Louise McCarren (WECC) noted that this is probably funds from entities associated with the California ISO and that billing and payment procedures should be worked out in the next month or so. The delayed payments also affect NERC and WECC. Larson reported that in June WIRAB has filed its proposed 2008 budget with NERC and WECC. Finally, he reported that interviews are underway with candidates for

the open WIRAB staff position and that WIRAB is receiving some assistance from a summer intern.

WECC Update

Bill Chamberlain (CA) reported that the WECC Board is meeting in Seattle in July. The Board's Reliability Issues Policy Committee (RPIC) will present a proposed definition of "load responsibility" which relates to WECC's existing Tier One reserve standard, made enforceable by FERC's June 8, 2007 order approving the Tier One standards. This definition is needed to allow auditors and those who are responsible for reserves to understand what will be required. Thereafter, WECC's work will shift to completing a permanent Tier One reserve standard (i.e. meeting NERC and FERC requirements such as use of the NERC sanction method) and then developing a standard that would ensure an adequate amount of Frequency Response Reserves (reserves that are automatically dispatched by system inertia and governor action within 30 seconds of a disturbance, arresting frequency decline without human intervention). The belief is that if Frequency Response Reserves are required to meet the Interconnection's most severe N-2 contingency then such reserves would be sufficient in combination with NERC's Most Severe Single Contingency standard for each Balancing Authority or Reserve Sharing Group.

WECC is working to "NERCize" WECC's Tier 1 standards before the WECC annual meeting in April. (FERC approved WECC's Tier 1 standards earlier this year with the agreement that they would be translated into the NERC format.) In July, the Board is expected to approve an Automatic Time Error Correction standard—its first Tier One standard to complete the full Standards Development Process. (The other Tier One standards were adopted on an "urgency" basis.) NERC has been asked to provide an interpretation that an entity meeting WECC's Time Error Correction Standard would not cause a violation NERC standards. FERC has previously praised WECC's approach to Time Error Correction

WECC is working to categorize all of its documents that have evolved over years into four categories:

1. Standards approved through the ERO process and sanctionable;
2. Regional criteria that would not have associated monetary penalties for violations and may be enforced through the WECC dispute resolution process;
3. Board policies which would sent a direction for the organization and a long-term view of where standards should be going; and
4. Guidelines adopted by committees, not the Board, which would serve as training materials and other technical guidance items.

The WECC Board's Governance and Nominating Committee is preparing revisions to the WECC bylaws to comply with the delegation agreement approved by FERC. Two key FERC requirements that will be addressed in the bylaw revisions are that non-members can participate in the standards process and dues will be set at a nominal level.

Chamberlain reported that the Compliance Hearing Body has achieved an equally split membership between those associated with an electric line of business and those not so associated. Anyone interested in signing up to this body, which constitutes a “jury pool” for appeals of violations can do so by going to the WECC web site.

Finally, Chamberlain reported that the Western Renewable Energy Generation Information System (WREGIS) went live in June and that there is a need to elect state/provincial representatives to the WREGIS committee.

NERC Update

Tom Carr reported on NERC’s proposed rule on data confidentiality and three new data requests under the data rule – restoration of nuclear power plant offsite power source data, interconnection reliability operating limit data requests, and transmission planning data request. Doug Larson and Bill Chamberlain reported NERC is holding a workshop in Chicago on August 16 on its Long-term Reliability Assessment and encouraged any WIRAB member to attend.

FERC Update

Tom Carr reported that at its May 18 meeting, FERC approved NERC’s proposed risk violation factors, which is an element of the calculation of penalties for violations.

Next WIRAB Call

The next WIRAB conference call will be held on Monday, August 13 at noon PDT, 1:00 p.m. MDT, 2:00 p.m. CST. In addition to a report by WECC on the standards enforcement experience, Steve Ellenbecker (WY) asked that the agenda include a discussion of transmission expansion planning.