

**February 5, 2010
9:30 a.m. – 12:30 p.m.**

7620 Metro Center Drive
Austin, Texas 78744
Room 206B

Administrative

1. Introduction and Attendance

Chairman Rick Keetch welcomed the attendees to the meeting.

The attendees were as follows:

Name	Company	Segment	Present	Called-In
Nick Fehrenbach	City of Dallas	Cons-Comm.	X	
Paul Gabba	Dow Chemical	Cons-Ind.	X	
Danny Bivens	Office Public Utility Counsel	Cons-Res.	X	
Brian Bartos	Bandera Electric Coop	Coop	X	
Richard McLeon	South Texas Electric Coop	Coop	X	
Lane Robinson	Sweetwater Wind	Ind. Generator	X	
Billy Shaw (Cesar Seymour proxy)	International Power America	Ind. Generator		
Jeremy Carpenter	Tenaska Power Services	Ind. PM	X	
Rick Keetch	Reliant Energy	Ind. PM	X	
Joel Firestone	Direct Energy	Ind. REP		
Tony Marsh	Texas Power	Ind. REP	X	
Paul Johnson	American Electric Power	IOU	X	
John Brockhan	CenterPoint Energy	IOU	X	
Les Barrow	CPS Energy	Municipal		
Frank Owens	Texas Municipal Power Agency	Municipal	X	
Steve Myers	ERCOT ISO	ERCOT ISO	X	
Sarah Hensley	Texas RE	RE	X	
Don Jones	Texas RE	RE	X	
Sydney Niemeyer	NRG Energy		X	
Jack Thormahlen	LCRA		X	
Scott Etnoyer	FERC		X	
Tom Burke	Luminant		X	
Jimmy Sikes	City of Georgetown		X	
Gerry Nunan	Schneider Engineering		X	
Phillip Amaya	Magic Valley Electric Coop		X	
Pam Zdenek	BP		X	
Jeanie Doty	Austin Energy		X	
Julius Horvath	WETT		X	
Antonio Ansede	WETT		X	
Sie Cheung	WETT		X	
Matt Pawlowski	NextEra			X

Bruce Wertz	PSEG			X
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At least one representative from five of the seven segments is required to constitute a quorum. At this meeting, a quorum was achieved with a representative from each of the seven segments being present.

Antitrust Admonition

The Texas Regional Entity (Texas RE) Anti-Trust Admonition was displayed for the members. The attendees were reminded that it is both Texas RE and ERCOT policy to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition.

Approval of Minutes

The draft minutes from the January RSC meeting were presented. There were no comments or changes suggested.

*Paul Johnson moved to approve the draft minutes. The motion was seconded by John Brockhan. Motion **carried** by voice vote. The minutes were approved.*

RSC Discussions and Activities

2. Texas RE Separation – Update – Sarah Hensley

Sarah Hensley presented the status of the Texas RE separation from ERCOT. Membership vote on bylaws is in progress, closes at midnight tonight. Tony Marsh asked if the RSC members would remain the same. Sarah said there would be a new election since the sectors will be changing. The Members Representative Committee will begin elections around March, and the RSC will begin elections closer to the time of separation.

3. SAR-003 BAL-001-TRE-01 Presentation to Post for comment – Sydney Niemeyer

Sydney Niemeyer, chair of the BAL-001-TRE-01 drafting team, presented the changes made to the BAL-001 standard since the last posting. He also demonstrated how the performance evaluation tools work for measuring unit performance.

Steve Myers asked if there was a maximum expected duration for event recovery. Sydney said no, it is set at frequency recovery point which is the pre-event level or 60 Hz.

Sydney said two drafts of the standard are very different. The new version is much more professional, easy to read and understand, and concise. There were three performance evaluation tools posted with the meeting materials: one each for wind, steam and combustion. Additional materials included the mapping document from the first to the current draft, implementation schedule, a list of frequently asked questions, the responses to the first round of comments and the list of questions for the second comment period.

Sydney then asked for permission from RSC to post the second draft for comment. If approved, the timeline is to post Feb 12, hold a half-day workshop on March 3 following the RSC meeting. Assuming there are not many changes requested by the comments, the earliest possible posting for vote would be in June.

Don Jones asked if Sydney could explain further about the volunteer market participants who have tested the settings in the standard and had excellent results. Sydney said the biggest advantage seen is the frequency response to the small frequency deviations. With the generators responding to frequency deviation, frequency does not even get to 0.036.

Don asked about the possible exclusions mentioned in M4 and M5 if generators provide documented evidence of certain factors and what kind of situations would justify an exclusion. Sydney used the example of two 50% boiler feed pumps. On an 800 MW Unit with output at 390 Mw, the GO has to decide when to turn the next pump. With one pump on, the GO makes the decision to start the steam feed pump which may take up to 10 minutes to get it in service. Before the second pump is placed in service the unit may have some frequency response but not much. Other examples were pulverizers on coal units and condensate pumps that may take 30 seconds to start.

Don asked for clarification on R3 that states deadband and droop settings. He said it appears that R3 is not requiring that the unit actually operate at those levels, but it does require that unit be set with those settings, which Sydney confirmed. Don also noted that in the VSL table, there is a 10% buffer built-in, so that in case the governor drifts a little, it would not automatically be a violation.

Jack Thormahlen asked what kind of leeway is there on combined cycle units with issues with flameouts due to 4% droop vs. 5% droop. Sydney said that in this situation, the GO should document that and prove that the unit trips and there is nothing they can do due to mechanical limitation. They should also contact Texas RE to discuss a modification. Sydney said he would be surprised if the units could not be tuned not to trip at the 4% droop. His units have been operating at 0 deadband and 4% droop for years and have not had problems.

Scott Etnoyer asked if the lengthy, phased implementation period could be justified. Specifically, why is the three-year period more beneficial than an 18-month or two-year period, and how can we assure reliability during that implementation time? Sydney said that in the ERCOT region there are already requirements in Protocols for deadband and droop settings, but no measure to make sure every generator is performing. During the implementation period, there will be no less stringent rules in place than what is in place now. The three-year plan is to allow entities to budget and hit a two-year inspection/maintenance cycle on turbines. It will give them time to engineer the implementation, buy the parts, get them installed and test before having to be compliant.

Lane Robinson asked how this standard relates to PRR 833 that is in the works for primary frequency response for wind. Sydney said the only thing that is different is the deadband, the PRR states the same deadband as in current Protocols. The standard also says if a unit is within 2% of HSL or pmax (maximum production potential), it will not be measured. Wind turbines are at pmax 90% or more of the

time. The standard does not distinguish between existing and future units. Anything that has storage capability would be expected to provide frequency response.

After the discussion, Rick reminded the RSC that the SDT has asked for a vote to post for comment. Frank Owens made the motion to approve posting of BAL-001 second draft, Steve Myers seconded. No further discussion. The motion was approved by voice vote, no abstentions or opposition. The standard will be posted for a 30-day comment period beginning February 12, 2010.

4. NERC SDT Update – Matt Pawlowski

Matt Pawlowski provided an update on NERC projects that are currently posted for comment or pre-ballot review.

5. 2006-02 Assess Transmission Future Needs – TPL-001 – Julius Horvath

Julius Horvath, the ERCOT representative member of the NERC standard drafting team, made a presentation to the committee on Project 2006-02, Assess Transmission Future Needs, which includes TPL-001. If anyone had questions, Julius provided his email address: Julius.horvath@windenergyoftexas.com.

6. Prioritize and Discuss NERC Projects – Don Jones/Group

Don Jones reviewed five NERC projects that the committee had previously indicated interest in. Steve Myers made the comment that Laura Zotter of ERCOT is on the Project 2007-02 Operating Personnel Communications standard drafting team. They are currently working on responding to comments and there will be extensive revisions before the second posting. Brian Bartos made one clarification on the UFLS project that the third posting should be out in March or April. Steve Myers noted that he serves on many drafting teams, Reliability Coordination SDT, Functional Model Working Group, Disturbance Monitoring and several interpretation drafting teams. Steve also said that Jim Brenton from ERCOT is on the Order 706 Cyber Security drafting team. Don noted that there have been many interpretations going through the interpretations process recently, and that the results of those interpretations may influence the number of future interpretations requested.

Don suggested that in order for the RSC to get involved in any particular NERC project as a group commenter, an individual member of the RSC will need to champion the project of their interest, and that Texas RE will facilitate such activity and assist as needed.

Rick asked the committee look at the distributed list of NERC active standards projects and to consider how to prioritize those standards for further RSC consideration.

7. Discussion on CIP-001 Applicability – Brian Bartos/Group

Brian Bartos said the issue of CIP-001 applicability came up in the last few days and he wanted to bring it to the table. He noted that Texas RE has suggested that certain TOs that do not operate LCCs (local control centers) should be registered as TOPs for the purposed of compliance with CIP-001. Brian said that while he agrees with the

direction Texas RE wants to go, he feels strongly that we should not attempt to fix a reliability gap caused by a poorly drafted standard with the registration process, but should instead use the standard development process. He wants to make sure a precedent is not being set by registering entities for functions that they should not be registered for. Brian feels like now is the time to propose a regional standard revision to include TO, GO, and DP as applicable functional entities in CIP-001, and that it would probably be better received than first SAR that was submitted on this subject.

Don said he intends to submit a CIP-001 regional SAR for RSC consideration next month. Don noted that it will take at least a year to get a regional standard to NERC. Texas RE is concerned about the existence of a reliability gap during that time and is looking for a stopgap measure to make sure all relevant parties are complying with CIP-001 until a regional standard is in place.

Brian responded that his company, like others who received the letter, is already on the hook for the standard because it is already registered as an LSE.

There was further discussion regarding the NERC standard revision project that is addressing a similar problem, and regarding whether this issue should be addressed through a regional standard or a variance. The RSC also discussed whether this issue can be addressed through agreements among the parties rather than through a registration-based solution.

8. Closing Notes

Sarah will send email to call for interested parties to join the tracking site. Also, it was announced that the BAL-001 technical workshop will take place in the afternoon after the March RSC meeting.

9. Meeting adjourned at approximately 12:30 p.m.

Next meeting is March 3, 2010 at ERCOT Austin in Room 206B.