

# Consideration of Comments

## Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group Project 2009-19

The Project 2009-19 Drafting Team thanks all commenters who submitted comments on the proposed Interpretation of BAL-002-0 (R4, R5, and Section D 1.4) for the Northwest Power Pool Reserve Sharing Group. The interpretation was posted for a 45-day public comment period from July 25, 2012 through September 4, 2012. Stakeholders were asked to provide feedback on the interpretation and associated documents through a special electronic comment form. There were 25 sets of comments, including comments from approximately 96 different people from approximately 56 companies representing 8 of the 10 Industry Segments as shown in the table on the following pages.

Of those responders that disagreed with the interpretation, the majority questioned the use of the “Additional Compliance Information” in providing an interpretation of the requirements. The IDT explained that the NERC BOT specifically allowed the use of the reference materials in developing this interpretation. The IDT further explained that the NERC BOT recognized that in the conversion of NERC Policies to Version 0 standards, critical information was placed in sections outside of the requirements themselves and that strict construction policy in the case of the DCS standard was not consistent with the standard itself.

A few of the responders questioned how an RSG was to respond and the amount of time allowed to respond. The IDT explained that the clarification requested by NWPP was not about how an RSG was to respond or the amount of time allowed but instead focused on under what conditions could a Disturbance be excluded for compliance evaluation.

Some responders felt that the terms “pre-acknowledged RSGs” and “dynamically allocated RSGs” were not defined and therefore should not be used. The IDT explained that the terms “pre-acknowledged” and “dynamic” were used in the common English terms to be an RSG that is “recognized ahead of time rather than an after-the-fact”. And an RSG that is used on an on-call basis and thus its responding members are “not static”, respectively.

A few responders questioned why the rules were different for an RSG. The IDT explained that a “pre-acknowledged RSG” knows who is participating and who is not. However, a “dynamically allocated RSG” operates only on an on-call basis and cannot determine who is responsible and who is not until everyone who wants to participate has communicated their desire to participate.

A few responders questioned which version of the BAL-002 (BAL-002-0 or BAL-002-1) this interpretation would apply to. The IDT explained that although the interpretation was requested for BAL-002-0 it would apply to BAL-002-1 as well.

All comments submitted may be reviewed in their original format on the standard's [project page](#).

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Mark Lauby, at 404-446-2560 or at [mark.lauby@nerc.net](mailto:mark.lauby@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

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<sup>1</sup> The appeals process is in the Standard Processes Manual: [http://www.nerc.com/files/Appendix\\_3A\\_StandardsProcessesManual\\_20120131.pdf](http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf)

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**The Industry Segments are:**

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
1.	Group	Guy Zito	Northeast Power Coordinating Council										X
Additional Member		Additional Organization	Region	Segment Selection									
1.	Alan Adamson	New York State Reliability Council, LLC	NPCC	10									
2.	Carmen Agavrioloai	Independent Electricity System Operator	NPCC	2									
3.	Greg Campoli	New York Independent System Operator	NPCC	2									
4.	Sylvain Clermont	Hydro-Quebec TransEnergie	NPCC	1									
5.	Chris de Graffenried	Consolidated Edison Co. of New York, Inc.	NPCC	1									
6.	Gerry Dunbar	Northeast Power Coordinating Council	NPCC	10									
7.	Mike Garton	Dominion Resources Services, Inc.	NPCC	5									
8.	Kathleen Goodman	ISO - New England	NPCC	2									
9.	David Kiguel	Hydro One Networks Inc.	NPCC	1									
10.	Michael Lombardi	Northeast Utilities	NPCC	1									

Group/Individual	Commenter	Organization	Registered Ballot Body Segment											
			1	2	3	4	5	6	7	8	9	10		
11. Randy MacDonald	New Brunswick Power Transmission	NPCC 9												
12. Bruce Metruck	New York Power Authority	NPCC 6												
13. Lee Pedowicz	Northeast Power Coordinating Council	NPCC 10												
14. Robert Pellegrini	The United Illuminating Company	NPCC 1												
15. Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC 1												
16. David Ramkalawan	Ontario Power Generation, Inc.	NPCC 5												
17. Michael Jones	National Grid	NPCC 1												
18. Brian Robinson	Utility Services	NPCC 8												
19. Silvia Parada Mitchell	NextEra Energy, LLC	NPCC 5												
20. Donald Weaver	New Brunswick System Operator	NPCC 2												
21. Michael Schiavone	National Grid	NPCC 1												
22. Wayne Sipperly	New York Power Authority	NPCC 5												
23. Ben Wu	Orange and Rockland Utilities	NPCC 1												
24. Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC 3												
2.	Group	Terry Bilke	ISO-RTO Standards Review Committee		X									
<b>Additional Member Additional Organization Region Segment Selection</b>														
1.	Ben Li	IESO	NPCC 2											
2.	Steve Meyers	ERCOT	ERCOT 2											
3.	Greg Campoli	NYISO	NPCC 2											
4.	Ali Miremadi	CAISO	WECC 2											
5.	Charles Yeung	SPP	SPP 2											
6.	Kathleen Goodman	NEISO	NPCC 2											
7.	Stephanie Monzon	PJM	RFC 2											
3.	Group	Ben Engelby	ACES Power Marketing Standards Collaborators							X				
<b>Additional Member Additional Organization Region Segment Selection</b>														
1.	Megan Wagner	Sunflower Electric Power Corporation	SPP 1											
4.	Group	Pablo Onate	El Paso Electric	X		X		X	X					
<b>Additional Member Additional Organization Region Segment Selection</b>														
1.	Dennis Malone	El Paso Electric	WECC 1											
2.	Tracy Van Slyke	El Paso Electric	WECC 3											

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
3. David Hawkins		El Paso Electric	WECC 5										
4. Tony Soto		El Paso Electric	WECC 6										
5.	Group	Greg Rowland	Duke Energy	X		X		X	X				
<b>Additional Member Additional Organization Region Segment Selection</b>													
1. Doug Hils		Duke Energy	RFC 1										
2. Lee Schuster		Duke Energy	FRCC 3										
3. Dale Goodwine		Duke Energy	SERC 5										
4. Greg Cecil		Duke Energy	SERC 6										
6.	Group	David Dockery	Associated Electric Cooperative Inc - JRO00088	X		X		X	X				
<b>Additional Member Additional Organization Region Segment Selection</b>													
1. Central Electric Power Cooperative			SERC 1, 3										
2. KAMO Electric Cooperative			SERC 1, 3										
3. M & A Electric Power Cooperative			SERC 1, 3										
4. Northeast Missouri Electric Power Cooperative			SERC 1, 3										
5. N.W. Electric Power Cooperative, Inc.			SERC 1, 3										
6. Sho-Me Power Electric Cooperative			SERC 1, 3										
7.	Group	Chris Higgins	Bonneville Power Administration	X		X		X	X				
<b>Additional Member Additional Organization Region Segment Selection</b>													
1. James		Murphy	WECC 1										
2. Fran		Halpin	WECC 5										
3. Erika		Doot	WECC 3, 5, 6										
8.	Group	Robert Rhodes	SPP Standards Review Group		X								
<b>Additional Member Additional Organization Region Segment Selection</b>													
1. C. J. Brown		Southwest Power Pool	SPP 2										
2. Ron Gunderson		Nebraska Public Power District	MRO 1, 3, 5										
3. Tiffany Lake		Westar Energy	SPP 1, 3, 5, 6										
4. Heath Martin		Southwest Power Pool	SPP 2										
5. Terry Oxandale		Southwest Power Pool	SPP 2										
6. Mahmood Safi		Omaha Public Power District	MRO 1, 3, 5										
7. Katie Shea		Westar Energy	SPP 1, 3, 5, 6										

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
8.	Jason Smith	Southwest Power Pool	SPP 2										
9.	Carl Stelly	Southwest Power Pool	SPP 2										
10.	Bryan Taggart	Westar Energy	SPP 1, 3, 5, 6										
9.	Group	Gerald Beckerle	SERC Operating Committee Standards Review Team	X	X	X		X	X				X
<b>Additional Member Additional Organization Region Segment Selection</b>													
1.	Stuart Goza	TVA	SERC 1, 3, 5, 6										
2.	Melinda Montgomery	Entergy	SERC 1, 3, 6										
3.	Oliver Burke	Entergy	SERC 1, 3, 6										
4.	Wayne Van Liere	LGE-KU	SERC 3										
5.	Marie Knox	MISO	SERC 2										
6.	Tim Hattaway	PowerSouth	SERC 1, 5										
7.	Ronnie Douglas	Electric Energy, Inc	SERC 5										
8.	Brad Young	LGE-KU	SERC 3										
9.	Steve Corbin	SERC	SERC NA										
10.	Pat Huntley	SERC	SERC NA										
11.	Robert Thomasson	Big Rivers Electric Corp	SERC 1, 3, 5										
12.	Ronnie Douglas	Electric Energy	SERC 1, 3, 5										
10.	Individual	Janet Smith, Regulatory Affairs Supervisor	Arizona Public Service Company	X		X		X	X				
11.	Individual	Michael Falvo	Independent Electricity System Operator		X								
12.	Individual	Nazra Gladu	Manitoba Hydro	X		X		X	X				
13.	Individual	Thad Ness	American Electric Power			X		X	X				
14.	Individual	Oliver Burke	Entergy Services, Inc.	X		X		X	X				
15.	Individual	John Appel	Public Utility District #1 of Chelan County	X		X		X	X			X	
16.	Individual	Don Schmit	Nebraska Public Power District	X		X		X					
17.	Individual	Carter Edge	SERC										X
18.	Individual	linda Horn	Wisconsin Electric Power Company	X		X		X					
19.	Individual	Greg Travis	Idaho Power Co.										

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
20.	Individual	RoLynda Shumpert	South Carolina Electric and Gas	X		X		X	XX				
21.	Individual	Anthony Jablonski	ReliabilityFirst										X
22.	Individual	Maggy Powell	Exelon Corporation	X		X		X	X				
23.	Individual	Brent Ingebrigtsen	LG&E and KU Services Company			X							
24.	Individual	Cheryl Moseley	Electric Reliability Council of Texas, Inc.		X								
25.	Individual	Brett Holland	Kansas City Power & Light	X		X		X	X				

If you support the comments submitted by another entity and would like to indicate you agree with their comments, please select "agree" below and enter the entity's name in the comment section (please provide the name of the organization, trade association, group, or committee, rather than the name of the individual submitter).

Organization	Supporting Comments of "Entity Name"
Public Utility District #1 of Chelan County	Chelan PUD supports the interpretation of BAL-002-0 on behalf of the NWPP.
Electric Reliability Council of Texas, Inc.	ISO SRC
Wisconsin Electric Power Company	We are supporting the comments of MISO.

1. Do you agree with Response 1 of this interpretation? If not, what, specifically, do you disagree with? Please provide specific suggestions or proposals for any alternative language.

**Summary Consideration:** The majority of the responders agreed with the interpretation.

Of those responders that disagreed with the interpretation, the majority questioned the use of the “Additional Compliance Information” in providing an interpretation of the requirements. The IDT explained that the NERC BOT specifically allowed the use of the reference materials in developing this interpretation. The IDT further explained that the NERC BOT recognized that in the conversion of NERC Policies to Version 0 standards, critical information was placed in sections outside of the requirements themselves and that strict construction policy in the case of the DCS standard was not consistent with the standard itself.

A few of the responders questioned how an RSG was to respond and the amount of time allowed to respond. The IDT explained that the clarification requested by NWPP was not about how an RSG was to respond or the amount of time allowed but instead focused on under what conditions could a Disturbance be excluded for compliance evaluation.

A few responders referenced ALR 2-5 and stated that this should be carried forward in the future. The IDT explained that this interpretation request was not a question about ALR 2-5. What NWPP asked was if there were two contingencies at the same time, does the standard relieve them of the responsibility to respond in the given time frame. To paraphrase the IDT response, “if a BA experiences two simultaneous contingencies where total output was greater than the BAs MSSC, the BA must respond but will not be responsible to comply with the strictures of the requirement.”

Organization	Yes or No	Question 1 Comment
Associated Electric Cooperative Inc - JRO00088	No	Remove: The final paragraph beginning with "The Performance Standard Reference document initially included..."Rationale: A text-search of BAL-002-0, downloaded from the NERC website, fails to yield any instances of the word “dynamic”, meaning that it appears nowhere within the four-corners of the BAL-002-0 Standard. Responsible Entities are subject only to the Standard’s requirements as written and within its Effective Dates 4/1/2005 to 8/5/2010, when BAL-002-1 effectively replaced it. NERC’s BOT Approved August 2, 2006 filing with The Commission appears to contain the

Organization	Yes or No	Question 1 Comment
		<p>oldest copy of FERC approved NERC Glossary of Terms Used in Reliability Standards. It contains no instances of the word “dynamic” that correspond in any way to Reserve Sharing Group membership, although “Reserve Sharing Group” and “Reportable Disturbance” are defined within that document. Although the SDT asserts the augmented concept of RSG dynamic membership, those references within this interpretation should be stricken because the “dynamic membership” concept clearly does not exist within the “four-corners of the Standard” which was balloted and approved by industry stakeholders.</p> <p>Instead BAL-002-0 wording indicates that each RSG can establish its own guidance, necessary to comply with the Requirements. Requirement R2 provides each Reserve Sharing Group the flexibility concerning its policies governing how it collectively fulfills its responsibility to meet Requirements R3, R4, R5 and R6. However Requirement R5’s parenthetical does appear to provide some governance concerning a BA’s reporting within a Reserve Sharing Group when they do not call for reserve activation from its other members, that they are subject to individually reporting their performance in responding to that event. (In either case of reporting per R5 parenthetical, the RSG’s collectively-committed units’ spinning-mass and short-term governor response would have fulfilled the reliability objective of this Standard, unless the Reportable Disturbance’s magnitude was much greater than anticipated by the RSG in its entirety.)</p>
<p><b>Response:</b> Under normal circumstances Associated Electric Cooperative Inc would be correct that only the stated requirements within the four corners of a standard can be referenced in an interpretation. In this case however, the NERC Board of Trustees specifically allowed the Interpretation Drafting Team to make use of reference materials that were created for the original NERC Policy but that in the conversion from NERC Policy to Version 0 standards those materials were placed in sections outside of the requirements themselves. The BOT recognized that strict constructionism in the case of the DCS standard was not consistent with the standard itself and those who drafted the standard.</p>		

Organization	Yes or No	Question 1 Comment
		<p>Response 1 deals with the issue of excluding a Disturbance that exceeds the most severe single Contingency of a BA or an RSG. Response 1 does not deal with governance. A group of BAs can form an RSG (please note that despite the fact that RSG is a defined term, it does not mean that all RSGs are the same) and decide how to allocate and measure the service it will provide. However, as the cited reference (Performance Standards Guidelines) states (chapter 6, Reporting) “Where RSGs exist, the Regional Reliability Council is to decide either to report these on a BA basis or on an RSG basis.” Thus it is clearly not up to the RSG to make that decision about reporting. If the reporting were left to the RSGs then the standard would be a fill-in-the-blanks standard. The RSG would be allowed after-the-fact to decide whether or not two independent losses would be counted as a reason for not reporting. Such an approach would place the system at risk – and the original drafters of that BAL-002 recognized the need to make clear that to take advantage of this benefit, the dynamic RSG (not all RSGs just those that BAs make use of on an as needed basis) must have permission from their Region to address such events on a composite basis.</p> <p>The question raised by NWPP was not about allowing RSGs to respond, the question was about which conditions would exclude a disturbance that exceeded the MSSC of the BA or RSG. It is clear that for a BA any set of non-common mode contingencies that exceed its MSSC would be excluded. For an RSG that has a variable participation, that situation is by definition unclear. Since BA(1) may lose a resource equal to its MSSC and not call for reserve sharing and fail to comply with the standard, however, unknown to BA(1) is the fact that BA(2) also lost a resource at the same time. BA (2) also did not call for reserve sharing and failed to comply. However, after the fact the RSG observes the situation that as a group they would be permitted to exclude the “composite disturbance”. The original drafters recognized that fact and precluded that situation by requiring that the Regions decide which MSSC to accept for a BA and which RSGs are permitted to treat themselves as a single BA.</p> <p>The standard was written to serve reliability and not as a means to avoid responding to disturbances. The BOT recognized that fact and allowed the IDT to respond to the NWPP question on the basis of what the drafters meant as indicated by all available reference material and not be limited by the 4 wall of the requirements.</p>
American Electric Power	No	We do not understand the interpretation provided by the drafting team based on the requirements of BAL-002-0. As a result, we cannot endorse the interpretation provided.

Organization	Yes or No	Question 1 Comment
<p><b>Response:</b> The interpretation was not based entirely on the requirements of BAL-002-0, but also on the <b>Additional Compliance Information</b> section and other reference material (See response to AECI's question 1 comment) as allowed by the BOT.</p>		
<p>SERC</p>	<p>No</p>	<p>The interpretations process is not an appropriate mechanism to address a compliance monitoring and enforcement issue. Further, the words in the requirements do not support the interpretation, no matter how much the interpretation reflects how the industry and ERO have historically approached the Disturbance Control Standard. The purpose of the Disturbance Control Standard (DCS) is to ensure the Balancing Authority is able to utilize its Contingency Reserve to balance resources and demand and return Interconnection frequency within defined limits following a Reportable Disturbance. Specifically, Requirement 1 requires each Balancing Authority to have access to and/or operate Contingency Reserve to respond to Disturbances. Prior to penalties and sanctions under Section 215, the consequence of failing DCS was to require an increase in contingency reserves. This is the “compliance evaluation” referred to under Section D. The expectation is that Balancing Areas respond to the loss of resources regardless of magnitude to restore ACE and minimize the risk to reliable operation of being “out of balance”.</p> <p>There was recognition, however, that interconnected operations increased the reliability of the grid by reducing the consequences of a single area being out of balance at any given time and thus allowed the collective greater utilization of installed capacity to serve load rather than retain it as contingency reserves. Thus, the concept of “most severe single contingency” (MSSC) as a criterion against which to require additional contingency reserve was employed and for large contingencies may require more time to respond. Fifteen minutes is a "benchmark" time-frame that is reasonable to expect a Balancing Area to recover from a credible contingency. There is nothing magical about that time (it used to be 10 minutes), but the BA should not "lean" on the system longer than is</p>

Organization	Yes or No	Question 1 Comment
		<p>necessary regardless of the magnitude. Performance outside this benchmark can only be determined by an inspection of the facts and circumstances of each instance. All Balancing Authorities and Reserve Sharing Groups are required to review, no less frequently than annually, their probable contingencies to determine their prospective most severe single contingencies. The NERC glossary defines Contingency as the “unexpected failure or outage of a system component, such as a generator, transmission line, circuit breaker, switch or other electrical element”. Thus, the compliance action or inaction ("decline to pursue") with respect to the performance of an entity against the stated requirements in the standard is a matter of the CMEP and should not be addressed through the standards interpretations process. Compliance activity should be based on the facts and circumstances of each case measured against the performance requirements of the standard. Standards (including interpretations) are for describing the behaviors and actions of registered entities necessary for the reliable planning and operation of the bulk power system not the Compliance Enforcement Authority. Informed and expert discretion rather than this interpretation (which requires inaction) is a better answer for the Reliability Assurer.</p> <p>Further, ALR 2-5 has a stated purpose as a measure of how much risk a system is exposed to for extreme or unusual contingencies (Simultaneous Contingencies - Multiple Contingencies occurring within one minute or less of each other shall be treated as a single Contingency. If the combined magnitude of the multiple Contingencies exceeds the most severe single Contingency, the loss shall be reported, but excluded from compliance evaluation). The results of ALR 2-5 are expected to help validate current contingency reserve requirements and document how often these “extreme or unusual” contingencies occur. These activities should</p>

Organization	Yes or No	Question 1 Comment
		continue.
<p><b>Response:</b> The purpose of the Disturbance Control Standard (DCS) is to ensure the Balancing Authority is able to utilize its Contingency Reserve to balance resources and demand and return Interconnection frequency within defined limits following a Reportable Disturbance.</p> <p>Prior to penalties and sanctions under Section 215, the consequence of failing DCS was to require an increase in contingency reserves. This is the “compliance evaluation” referred to under Section D.</p> <p>Thus, the concept of “most severe single contingency” (MSSC) as a criterion against which to require additional contingency reserve was employed and for large contingencies may require more time to respond.</p> <p>This is not correct. MSSC was used to recognize the fact that the Reserve obligation was to include not simply the largest “generator” but that the largest common mode failure must also be covered. That included single interchange schedules that could be curtailed instantaneously. However, MSSC varies as a function of the assets operating at any given time. Thus the MSSC may be 1500 when a BA’s 1500 MW nuclear unit is running, but then becomes 500 when that nuclear unit is off, and the BAs next largest unit is a 500 MW generator.</p> <p>The time response was not addressed in the NWPP question or in the interpretation. The question NWPP asked was what is excluded from compliance penalty by the DCS standard. It is clear that the standard held BAs to meet the DCS requirement when they had a contingency. It is also clear that contingencies less than 80% of the MSSC were not mandated to be “reported”. The drafters of the standard did not intend that contingencies below 80% did not require action, but the consequence of the non-reporting exception provided that situation.</p> <p>ALR 2.5 is not in question. What NWPP asked was if there are two contingencies at the same time, does the standard relieve them of the responsibility to respond in the given time frame. To paraphrase the IDT response, “if a BA experiences two simultaneous contingencies who total output was greater than the BAs MSSC, the BA must respond but will not be responsible to comply with the strictures of the requirement.”</p> <p>SERC’s contention regarding the Reliability Assurer may or may not be true, but the IDT is tasked with interpreting what the standard</p>		

Organization	Yes or No	Question 1 Comment
<p>in question says. SERC is welcome to submit a SAR to change the standard.</p>		
<p>ReliabilityFirst</p>	<p>No</p>	<p>ReliabilityFirst votes in the Negative for the Interpretation of BAL-002 since ReliabilityFirst believes the drafted interpretation to Question 1 incorrectly expands on the language in Requirement R4 and incorrectly attempts to explain how to comply with the Requirement. If a reportable disturbance occurs (i.e. contingencies that are greater than or equal to 80% of the most severe single Contingency) and is greater than the most severe single Contingency, ReliabilityFirst questions why an entity would not be required to meet the Disturbance Recovery Criterion. Nowhere within the requirements are there exceptions for Reportable Disturbance greater than the most severe single Contingency.</p> <p>Based on R4, the applicable entity “...shall meet the Disturbance Recovery Criterion within the Disturbance Recovery Period for 100% of Reportable Disturbances”. For example, if an entity failed to meet the meet the Disturbance Recovery Criterion for a disturbance equaling 110% of their most severe single Contingency, they would potentially be found non-compliant.</p> <p>In addition, ReliabilityFirst does not believe the quasi definition of “Simultaneous Contingencies” within the “Additional Compliance Information” is not enforceable since it is not a Reliability Requirement, and is not even a NERC Defined term.</p>
<p><b>Response:</b> Regarding RFC’s concern about expanding the language of the requirement, the IDT refers them to the IDT’s response to AEC Inc.</p> <p>An IDT is not formed to respond to why a standard mandates what it mandated; the IDT is only obligated to interpret what the drafters meant by the mandated requirement.</p>		

Organization	Yes or No	Question 1 Comment
		<p>Regarding Excludable Disturbances RFC is correct that exclusions are not in the requirement, but as explained in the AEC Inc response the IDT was permitted to use other reference material. RFC is referred to the cited reference (Performance Standards Reference Guidelines - <a href="http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf">http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf</a> ) Reporting Section items a.2. And a.3. That specifically references Excludable Disturbances.</p> <p>According to the requirement and the associated reference materials the IDT concludes that a BA cannot be held non-compliant with a disturbance that is 110% of their MSSC. The standard specially excludes such disturbances from compliance.</p> <p>Regarding Simultaneous Contingencies, the IDT would simply refer to the BOT allowance for the IDT to include such reference material.</p>
<p>LG&amp;E and KU Services Company</p>	<p>No</p>	<p>The IDT’s explanation of MSSC may be unnecessary and confusing, especially statements such as: “MSSC is a variable that the BA knows and operates to in real time.””Thus the BA knows its MSSC which can vary from hour to hour and minute to minute.””To be clear a BA is responsible for the MSSC at all times (the MSSC value at any given time may be more or less than the annually identified prospective MSSC).”In the absence of an identifiable/specific reason, which is recognized by the BA in advance, the real-time MSSC should not exceed the prospective MSSC. Unless such an abnormal situation exists, all evaluations of DCS compliance must be based on the prospective MSSC value.</p> <p>The IDT needs to be very clear with any language suggesting that the real-time MSSC can exceed the planned/recognized/”prospective” MSSC. If a disturbance exceeds the planned/recognized/”prospective” MSSC value, it is outside the definition of MSSC and should not be subject to compliance evaluation. The requirement for a prospective MSSC is for the MSSC be used for planning purposes, not for real-time operations, even though it is</p>

Organization	Yes or No	Question 1 Comment
		<p>used in such operations. MSSC is not a defined term in the NERC Glossary but work is in progress under NERC Project 2010-14.1 to develop a definition of MSSC. Therefore, it would not be in the best interest of the IDT in providing this interpretation to attempt to describe or define MSSC.</p> <p>LGE and KU Services recommends all language related to the IDT’s explanation of MSSC be deleted from Response 1. Also, the language explaining the “Compliance and reporting category” and “Reporting only category” appears to be outside the inquiry of Question 1 and is suggested for deletion.LGE and KU Services suggests Response 1 be reduced to simply the first sentence of the response as it clearly answers Question 1: “The IDT agrees that the Disturbance would be excluded from compliance.”</p>
<p><b>Response:</b> Thank you, the IDT agrees that it is necessary to be “very clear”, hence the explanation. To use the proposed straight forward answer would leave others asking what is meant. Since your answer and our answer agree, the IDT will retain the explanation.</p>		
<p>Electric Reliability Council of Texas, Inc.</p>	<p>No</p>	<p>ERCOT agrees with the SRC comments. However, in addition to the SRC comments, ERCOT offers the following:</p> <p>ERCOT does not agree with additional details in the section that attempts to provide clarification. See the two excerpts below:</p> <p>Quote from Additional Compliance Information section: “To be clear a BA is responsible for the MSSC at all times (the MSSC value at any given time may be more or less than the annually identified prospective MSSC). An undefined “common mode” failure can occur but it is exempted from R4’s requirement to meet the BA’s or RSG’s disturbance recovery criteria within the Disturbance Recovery Period. An undefined common mode failure (i.e. a disturbance that exceeds the MSSC) must be reported to allow the ERO to help ensure that it is not a continuing condition.”There should be a period after the word “reported” and the phrase “to allow the ERO to help ensure</p>

Organization	Yes or No	Question 1 Comment
		<p>that it is not a continuing condition.” should be struck and removed.</p> <p>Quote from Additional Compliance Information section: “The Reporting only category is designed to track multiple contingency events that are not subject to Requirement R4. This category is designed to ensure that common mode (single point of failures) events are not missed. Thus if two or more contingencies repeatedly occur, the expectation was that the ERO would have the information to alert the BA that the two contingencies must be considered as a single event and thus considered as the MSSC.”The entire last sentence should be struck and removed. BA’s are the functional entities responsible for coordinating with RC’s, other BAs, TOPs, and GOPs to determine if a common mode failure requires a different MSSC. The ERO (NERC) is an oversight entity responsible for developing reliability standards and monitoring and enforcing compliance with those standards. It is not a functional entity. As such, it has no role in functional responsibilities, including the establishment of single contingencies and operating to respect such contingencies in accordance to the applicable NERC standards and requirements. Accordingly, it is inappropriate for the interpretation to suggest, either directly or indirectly, that the ERO is in a position to monitor contingencies on the system, common mode or otherwise, to determine if such reoccurrences warrant consideration of multiple contingencies as a single contingency that could serve as an areas MSCC. There is explicit language in the interpretation that places the ERO in this role. Because this exceeds the scope of the ERO’s functions and authority the interpretation must be revised to remove the problematic language. The above revisions are intended to address this issue, and ERCOT respectfully suggests the SDT make the suggested deletions.</p>
<p><b>Response:</b> The IDT is responsible to interpret what the requirement meant. The idea of having a requirement for reporting excludable disturbances just for the sake of reporting does not make sense. The reason for reporting was to ensure that reliability entities do not take advantage of the exclusion. At the time the standard was written the NERC Performance Subcommittee</p>		

Organization	Yes or No	Question 1 Comment
(translated here to be the ERO) was to collect and evaluate those instances.		
ISO-RTO Standards Review Committee	Yes	<p>We agree with the response.</p> <p>However, we do not agree with some of the details in the section that attempts to provide clarification, excerpt below: "Most Severe Single Contingency (MSSC) - this can be the loss of the BA's or RSG's single largest operating generator, or it can be a known common mode failure that causes more than one generator to fail when the contingency occurs; or it can be a firm transaction." We do not agree the term "firm transaction". The loss of or interruption to a transaction, regardless of its firmness, represents a loss of resource which may trigger the need to comply with the DCS requirement. In other words, a temporary deficiency in a BA's resource has no distinction on whether it is caused by the loss/interruption to a firm transaction or a non-firm transaction. Further, the term "firm transaction" is subject to debate as to whether the firmness is in the energy component or in the transmission service component. If the proposed clarification is to be adopted by registered entities as a guideline for compliance (which this interpretation appears to be attempting to provide), then it can have a potential for opening up a reliability gap since a BA or an RSG may not respond to a resource contingency resulting from the loss or an interruption to a non-firm transaction (however the firmness is interpreted to be). We suggest to remove the word "firm" from the clarification section.</p>
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
ACES Power Marketing Standards Collaborators	Yes	<p>We conceptually agree with the position of the interpretation. However, we believe that the current response expands issues that were not raised in the original question. One example is that the "MSSC value at any given time may be more or less than the annually identified prospective MSSC" is</p>

Organization	Yes or No	Question 1 Comment
		<p>contradictory to the interpretation. How could the MSSC value could ever be higher than the list of candidate MSSCs identified in the annual review.</p> <p>Also, in the “reporting only” category in response 1, the IDT incorrectly characterizes that the ERO would have authority or the information to alert the BA that two (or more) contingencies must be considered as a single event and thus considered as the MSSC. The ERO does not determine the MSSC, the BA or RSG makes that determination. For simplicity and clarity, we recommend that the interpretation state: Disturbances greater than MSSC are excluded from the compliance calculation, based on the additional compliance information section of BAL-002-0. The IDT could strike everything following this statement from the interpretation and would convey the same message in a more clear and concise manner.</p>
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment. An MSSC can be higher if the BA expanded its boundaries, or if the BA made an interchange schedule larger than expected.</p>		
El Paso Electric	Yes	<p>El Paso Electric (EPE) generally supports the first interpretation proposed by the IDT but is concerned with the language immediately following "To be clear..." because it does not acknowledge the fact that many BAs have placed responsibility in the hands of a RSG. The interpretation states that "...a BA is responsible for the MSSC at all times...". EPE believes that this responsibility should be shared with a RSG, where appropriate. EPE would be more comfortable with an interpretation that read "To be clear a BA or RSG, as applicable, is responsible for the MSSC at all times..."</p>
<p><b>Response:</b> The issue in question depends on the type of RSG involved. The BA is responsible. However, if a BA makes use of an RSG then based on the rules of the RSG it could be the BA, it could be the RSG or it could be some combination. The IDT believes that its response properly allows for any of the above. Based on the governance of the RSG and the Region it is in.</p>		
Duke Energy	Yes	We suggest that there should be a SAR to define the terms MSSC and

Organization	Yes or No	Question 1 Comment
		"excludable disturbance" add them to the NERC Glossary.
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment. There –presently is a project under development to address the issue you have brought forward (Project 2010-14.1 BARC – Reserves).</p>		
SPP Standards Review Group	Yes	This interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		
SERC Operating Committee Standards Review Team	Yes	The SERC OC Standards Review Group gladly presents the following comments. The SERC OC Standards Review Group agrees only with the interpretation portion of the response. The Group strongly disagrees there is a need for the additional explanation of the interpretation. The explanation presents more confusion and questions around the Standard. The simple interpretation is very clear and concise.
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		
Independent Electricity System Operator	Yes	We agree with the response. However, we do not agree with some of the details in the section that attempts to provide clarification, excerpt below:"Most Severe Single Contingency (MSSC) - this can be the loss of the BA's or RSG's single largest operating generator, or it can be a known common mode failure that causes more than one generator to fail when the contingency occurs; or it can be a firm transaction."We do not agree the term "firm transaction". The loss of or interruption to a transaction, regardless of its firmness, represents a loss of resource which may trigger the need to comply with the DCS requirement. In other words, a temporary deficiency in a BA's resource has no distinction on whether it is caused by the loss/interruption to a firm transaction or a non-firm transaction.

Organization	Yes or No	Question 1 Comment
		Further, the term “firm transaction” is subject to debate as to whether the firmness is in the energy component or in the transmission service component.If the proposed clarification is to be adopted by registered entities as a guideline for compliance (which this interpretation appears to be attempting to provide), then it can have a potential for opening up a reliability gap since a BA or an RSG may not respond to a resource contingency resulting from the loss or an interruption to a non-firm transaction (however the firmness is interpreted to be). We suggest to remove the word “firm” from the clarification section.
<b>Response:</b> Thank you for your affirmative response and clarifying comment. See our response to SRC.		
Nebraska Public Power District	Yes	The interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
Idaho Power Co.	Yes	
South Carolina Electric and Gas	Yes	
Exelon Corporation	Yes	
Kansas City Power & Light	Yes	
Northeast Power Coordinating Council	Yes	
Bonneville Power Administration	Yes	
Arizona Public Service Company	Yes	

Organization	Yes or No	Question 1 Comment
Manitoba Hydro	Yes	
Entergy Services, Inc.	Yes	

2. Do you agree with Response 2 of this interpretation? If not, what, specifically, do you disagree with? Please provide specific suggestions or proposals for any alternative language.

**Summary Consideration:** The majority of the responders agreed with the interpretation.

Of those responders that disagreed with the interpretation the majority felt that the terms “pre-acknowledged RSGs” and “dynamically allocated RSGs” were not defined and therefore should not be used. The IDT explained that the terms “pre-acknowledged” and “dynamic” were used in the common English terms to be an RSG that is “recognized ahead of time rather than an after-the-fact”. And an RSG that is used on an on-call basis and thus its responding members are “not static”, respectively.

A few responders questioned why the rules were different. The IDT explained that a “pre-acknowledged RSG” knows who is participating and who is not. However, a “dynamically allocated RSG” operates only on an on-call basis and cannot determine who is responsible and who is not until everyone who wants to participate has communicated their desire to participate.

Organization	Yes or No	Question 2 Comment
Duke Energy	No	It’s not clear what the drafting team is saying, particularly the reference to “dynamic allocation of membership”. What’s the difference between pre-acknowledged RSGs and dynamically allocated RSGs, and why are the exclusion rules different?
<p><b>Response:</b> RSG as it pertains to structure is not a common entity. Some RSG are designed to be “on-call” and hence have a dynamic membership. The aforementioned RSG could consist of a pool of 20 BAs, but have 2 (of 20) members who are responding for one disturbance and 15 (of 20) for the next. While the pool of BAs may be fixed, based on the governance of the particular RSG, the obligations of the RSG are allocated only to those who agree to participate for the given disturbance.</p> <p>Of course other RSGs may operate as a unit for all disturbances that occur and thus all pool members are obligated for all disturbances (in effect they become a single BA for purposed of DCS).</p>		

Organization	Yes or No	Question 2 Comment
<p>The exclusion is really the same, what is different is in deciding who is to be counted in multiple disturbances (note this difference is small since the probability of one BA in an RSG having a disturbance at the same as another BA having an independent disturbance is low). But the fact remains that weather conditions could and do span multiple BAs and can result in such simultaneous disturbances (although it is more likely that one BA would be more likely to experience such independent disturbances.) For a pre-acknowledge RSG, one knows exactly who is participating and who is not. In an RSG that operates only on an on-call basis (i.e. a dynamically-allocated RSG) one cannot determine who is responsible and who is not UNTIL everyone who wants to participate has communicated their participation.)</p>		
<p>SERC Operating Committee Standards Review Team</p>	<p>No</p>	<p>The SERC OC Standards Review Group feels the interpretation and clarification are both very confusing, thus raising numerous other questions. The use of the words “pre-acknowledged RSGS” and “dynamic allocated RSGS” appear to be new terms introduced in the response. Also, a reference to a Technical Document is made in the response. The Group is unsure of what Technical Document the IDT is referring. Nor does the Group understand if such reference to the Technical Document is an agreement with such document by the IDT or if the Technical Document is referenced as to be included in the response and subject to being opened and the processes and procedures of such document being made part of a compliance audit.</p>
<p><b>Response:</b> The Technical document can be found at the following link.  <a href="http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf">http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf</a></p> <p>The BOT recognized that the creation of DCS was supported by other materials such as Reference Documents and a Frequently Asked Questions. These documents hold the key to what was meant by the DCS requirements and are important in any interpretation.</p>		
<p>American Electric Power</p>	<p>No</p>	<p>We do not understand the interpretation provided by the drafting team based on the requirements of BAL-002-0. As a result, we cannot endorse the interpretation provided. For example, it is not clear to us exactly what “pre-acknowledged” or “dynamic” means in regards to Reserve Sharing Groups. These terms are not found anywhere within the standard itself, nor are they commonly used to describe or qualify Reserve Sharing Groups.</p>

Organization	Yes or No	Question 2 Comment
<p><b>Response:</b> The terms “pre-acknowledged” and “dynamic” are used in the common English terms to be an RSG that is “recognized ahead of time rather than after-the-fact”, and an RSG that is used on an on-call basis and thus its responding members are “not static”, respectively.</p>		
SERC	No	See answer to question #1.
<p><b>Response:</b> See response to Question #1</p>		
<p>LG&amp;E and KU Services Company</p>	<p>No</p>	<p>The meaning and use of the adjectives “pre-acknowledged” and “dynamically allocated” in description of RSG in Response 2 seem to be unnecessary, confusing and beyond the scope of Question 2.</p> <p>As stated in Response 2, there is a NERC Glossary definition of RSG and that is the subject of Question 2 - not the applicability of R5 to organizational variations of RSGs. The IDT has referenced a “Technical Document” that has not been included in the posting. The content therefore of the Technical Document is unknown. LGE and KU Services suggests Response 2 be reduced to only the language used in the “In summary,....” portion of the response as it clearly answers Question 2, edited as follows: "The Standard was written to provide RSGs the same considerations as a single BA for purposes of exclusions from DCS compliance evaluation. Thus for a RSG the exclusion rules would be used in the same manner as they would be used for a single BA. This applies to both multiple contingencies occurring within one minute or less of each other being treated as a single Contingency and to Contingencies that occur after one minute of the start of a Reportable Disturbance but before the end of the Disturbance Recovery Period."</p>
<p><b>Response:</b> Question 2 is about exclusions for RSGs. The reference material (<a href="http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf">http://www.nerc.com/docs/oc/rs/Item_4e-PSRD_revised_112607.pdf</a>) makes the distinction about whether or not the Region agrees ahead of time (pre-acknowledged) or whether or not there is an known MSSC for the RSG (if the responders are dynamically joining or not).</p> <p>Thank-you for your suggestion, but given the responses to the interpretation, the IDT will retain the explanation.</p>		

Organization	Yes or No	Question 2 Comment
<p>ACES Power Marketing Standards Collaborators</p>	<p>Yes</p>	<p>We largely agree with the interpretation. However, we want to point out that the concept of pre-acknowledged RSGs have disincentivized Adjacent Balancing Authorities (not in a pre-acknowledged RSG) to provide reserves in less than 10 minutes even if they are capable. If an Adjacent Balancing Authority provides emergency energy in an amount that exceeds its own MSSC with a ramp less than 10 minutes and fails to recover its ACE from within 15 minute of the initial disturbance, the Adjacent BA may be found non-compliant despite the fact the it provided the appropriate reliability assistance. Compliance should not disincentivize actions that ensure reliability.</p>
<p><b>Response:</b> The IDT agrees that the terms of an agreement may influence a BA on agreeing to participate in a given type of RSG. But the responsibility and allocation of penalties is a governance matter defined with the dictates of the agreement the BA signs, it is not a matter for the requirement.</p> <p>This interpretation neither incents or dis-incents making an agreement of any kind. If an entity does not agree with the rules of a proposed RSG agreement they are not obligated by this interpretation to sign that agreement.</p>		
<p>El Paso Electric</p>	<p>Yes</p>	<p>EPE generally supports the second interpretation by the IDT but requests that IDT clarify the scope of compliance evaluations for BAs who are part of a RSG and experienced a reportable event, without regard to whether any individual BA member of the RSG requested assistance. If a RSG determines that the group as a whole complied with CPS then there should be no need for any individual BA review or reporting under R5, without regard to whether the BA called for reserve activation from other RSG members, or not. The interpretation should include this clarification.</p>
<p><b>Response:</b> This interpretation is based on the concept that BAs would submit “Reportable Disturbances”. These reports provide more than compliance information, they provide information on the state of responses. This information was deemed valuable to the Resources Subcommittee.</p> <p>Even in today’s environment there is a need to “self-report” non-compliance. The question raised by the NWPP is for a situation in which a BA is non-compliant with the DCS requirement but because of circumstances (explained in the Reference documents and in the Interpretation), the BA is excused from complying with the requirement (i.e. the disturbance is excludable). The decision for</p>		

Organization	Yes or No	Question 2 Comment
exclusion should be easy but as indicated by some responses there are CEAs who say they would hold entities non-compliant for such events.		
SPP Standards Review Group	Yes	Again, this interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
Nebraska Public Power District	Yes	The interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
Electric Reliability Council of Texas, Inc.	Yes	ERCOT agrees with the SRC comments.
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
Associated Electric Cooperative Inc - JRO00088	Yes	Rationale: In our opinion, the IDT failed to answer Question #2, which could have been answered with a simple “Yes”. Instead, they appear to attempt legislating upon particulars of how all RSGs should structure portions of their policies under R2, by again referring to the concept of “dynamic membership”. Our understanding is that such expansion of Standard governance can only be done under SDT effort and subsequent industry approval through the ballot process. (See AECI’s earlier response to Question 1 above.)
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
Bonneville Power Administration	Yes	

Organization	Yes or No	Question 2 Comment
Arizona Public Service Company	Yes	
Independent Electricity System Operator	Yes	
Manitoba Hydro	Yes	
Entergy Services, Inc.	Yes	
Idaho Power Co.	Yes	
South Carolina Electric and Gas	Yes	
ReliabilityFirst	Yes	
Exelon Corporation	Yes	
Kansas City Power & Light	Yes	
Northeast Power Coordinating Council	Yes	
ISO-RTO Standards Review Committee	Yes	

3. Do you agree with Response 3 of this interpretation? If not, what, specifically, do you disagree with? Please provide specific suggestions or proposals for any alternative language.

**Summary Consideration:** The majority of the responders agreed with the interpretation.

Of those responders that disagreed with the interpretation the majority questioned which version of the BAL-002 (BAL-002-0 or BAL-002-1) this interpretation would apply to. The IDT explained that although the interpretation was requested for BAL-002-0 it would apply to BAL-002-1 as well.

A few responders objected to the wordiness of the response. The IDT explained that their intent was to encourage an understanding of the interpretation. The first two paragraphs were basically a restatement of the requirement and the last paragraph was the actual interpretation.

Organization	Yes or No	Question 3 Comment
Duke Energy	No	<p>It's not clear what the drafting team is saying. Does "excluded from compliance evaluation" mean that R4 does not apply to Disturbances that exceed the MSSC for a BA or RSG? Does it matter if the RSG is pre-acknowledged or dynamically allocated? The drafting team's response to Question 2 seems to indicate that it does matter.</p> <p>We agree that DCS is not applicable for losses greater than the MSSC, and also that DCS compliance is not required for losses less than 80% of the MSSC (or lower if a lower threshold is adopted for DCS reporting). This interpretation is performed on BAL-002-0, but the current effective standard is BAL-002-1 as of 4-1-2012. If the interpretation is approved, what is its applicability to BAL-002-1?</p> <p>Under BAL-002-0 the default Disturbance Recovery Period could be adjusted to better suit the needs of an Interconnection (R4.2) and the default Contingency Reserve Restoration Period could be adjusted to better suit the reliability targets of the Interconnection (R6.2), both based on analysis approved by the NERC Operating Committee. This has been deleted from both requirements in BAL-002-1.</p>

Organization	Yes or No	Question 3 Comment
<p><b>Response:</b> The IDT believes the interpretation is clear and that the Interpretation would apply to the current version as well as to the former version.</p>		
American Electric Power	No	We do not understand the interpretation provided by the drafting team based on the requirements of BAL-002-0. As a result, we cannot endorse the interpretation provided.
<p><b>Response:</b> See response to Question #1.</p>		
SERC	No	See Response to question #1.
<p><b>Response:</b> See response to Question #1</p>		
Exelon Corporation	No	Response 3 of the interpretation that requests clarification on the phrase “excluded from compliance evaluation” could be clearer. The first portion of the response gives the impression that the IDT is of the opinion that the obligation to comply with the DCS extends to events larger in magnitude than the MSSC. The paragraphs that follow go on to clarify that an event greater than the MSSC would not be required to recover ACE within 15 minutes, making compliance with the DCS not mandated in these instances. The latter (disturbances exceeding the MSSC being excluded from DCS compliance and 15 minute recovery) is consistent with practice and in line with the interpretation indicated by the NWPP. In order to more fully clarify the interpretation, the IDT should make clear that compliance with the DCS is not mandated for disturbances exceeding the MSSC.
<p><b>Response:</b> The first two paragraphs are meant as a restatement of the requirements. The last paragraph is the interpretation.</p>		
ISO-RTO Standards Review Committee	Yes	It might be clearer if the reponse added the phrase [of the Disturbance Control Standard] after “loss shall be reported, but excluded from compliance evaluation”.

Organization	Yes or No	Question 3 Comment
		Following a large event, the BA would still be accountable for other standards (e.g. IRO standards)
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>Yes</p>	<p>We agree for the most part with this interpretation. However, we do have a few points we would like to address. We recommend striking the entire second paragraph because it is irrelevant. The standard does not say comply with DCS “for every reportable disturbance.” The key is whether a BA is required to recover ACE within 15 minutes for contingencies greater than MSSC, and that answer is no. The IDT should keep the interpretation simple. A recommendation for wording the interpretation: A BA is not required to recover ACE within 15 minutes for contingencies greater than MSSC, as stated in section 1.4 (“Additional Compliance Information”). We recommend that the IDT reduce the amount detail in the rationale and focus on the three questions in the request. The current draft of the interpretation is wordy, confusing and provides excessive details instead of answering the questions that were asked.</p> <p>Also, the IDT did not state that this interpretation would apply to BAL-002-1, which has been enforceable since 4/1/2012. If NERC is going to continue with the interpretation process for BAL-002, the interpretation should apply to both versions of the standard.</p> <p>Finally, we encourage NERC to consolidate standard projects. There are currently 10 standard projects under development for BAL standards. NERC should consider either a consolidation to a reduced amount of BAL projects or even a single project to cover all BAL issues in order to avoid duplication, overlap, inefficient use of resources and confusion.</p>
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment. The wordy explanation was meant to encourage an understanding of the interpretation. Given the overwhelming support that approach seems to have been effective.</p>		

Organization	Yes or No	Question 3 Comment
<p>The Interpretation would apply to the current version as well as to the former version.</p> <p>This is an interpretation not a standard development. There is a need to respond to this issue as soon as possible. The BAL project may or may not receive approval and to link that Project with this Interpretation would not be helpful to those waiting for this interpretation.</p>		
<p>Associated Electric Cooperative Inc - JRO00088</p>	<p>Yes</p>	<p>We agree with this summary determination.</p> <p>In addition, the August 2, 2006 NERC BOT approved, and subsequently FERC accepted Glossary definition for Reportable Disturbance clearly specified that the definition “not be retroactively adjusted in response to observed performance”, adding weight to this drafting-team’s response to Question 3. (FERC_Filing_Proposed_Reliability_Standards_Docket_RM06-16-000.pdf)</p>
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		
<p>SPP Standards Review Group</p>	<p>Yes</p>	<p>Again, this interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.</p>
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		
<p>Independent Electricity System Operator</p>	<p>Yes</p>	<p>(1) We generally agree with the proposed interpretation. However, we are not sure if this request fits well into NERC’s criteria for acceptance as a valid request since it appears that the requester asks specifically on the compliance implications and compliance elements. We suggest the interpretation drafting team (IDT) to evaluate whether or not the request is a valid one that seeks clarity on the requirements, rather than on the compliance aspects of the standard/requirements. If the IDT does assess that the questions are addressing a compliance issue, then we suggest the IDT to bring this to the attention of the Standards Committee for a determination of the appropriate means to address the questions.</p>

Organization	Yes or No	Question 3 Comment
		<p>(2) The IESO agrees with NERC’s interpretation of BAL-002. However, we believe additional discussion and thought need to be applied to other Standards to ensure that no gaps or overlaps exist in both task execution and Standard application. Different Standards obligate Reliability Entities to fulfill certain tasks as it pertains to balancing: conditions. This includes:</p> <ul style="list-style-type: none"> <li>o BAL- 002 outlines obligations to balance following Reportable Disturbances;</li> <li>o EOP-002 outlines obligations to balance during Capacity and Energy Emergencies; and</li> <li>o TOP-001 outlines obligations to balance during System Emergencies.</li> </ul> <p>All of these Standards have similarities but need interpretation to ensure consistent application. These interpretations are based on an understanding of the NERC Functional Model and upon clear statements in the purpose and requirement sections in the Standards. We believe that the objective of each of the Standards list above must be clarified to reduce confusion and support consistent application.</p>
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p> <p>The IDT is not making a decision on a given compliance issue, it is simply providing an interpretation of what is meant by excludable disturbances.</p> <p>It is not within the purview of an IDT to address other issues outside the bounds of the proposed question.</p> <p>The IESO is encouraged to participate in Projects that address the above requirements or to submit a SAR to rectify their issues and concerns.</p>		
Nebraska Public Power District	Yes	The interpretation is consistent with the common understanding of the industry on how BAL-002-0 has been historically applied. We thank the IDT for the clarification.
<p><b>Response:</b> Thank you for your affirmative response and clarifying comment.</p>		

Organization	Yes or No	Question 3 Comment
Electric Reliability Council of Texas, Inc.	Yes	ERCOT agrees with the SRC comments.
<b>Response:</b> Thank you for your affirmative response and clarifying comment.		
SERC Operating Committee Standards Review Team	Yes	NONE
El Paso Electric	Yes	No Comment.
Bonneville Power Administration	Yes	BPA is in support of BAL-002-0 Interpretation and has no comments or concerns at this time.
Idaho Power Co.	Yes	
South Carolina Electric and Gas	Yes	
LG&E and KU Services Company	Yes	
Kansas City Power & Light	Yes	
Northeast Power Coordinating Council	Yes	
Arizona Public Service Company	Yes	
Manitoba Hydro	Yes	

Organization	Yes or No	Question 3 Comment
Entergy Services, Inc.	Yes	
ReliabilityFirst		<p>ReliabilityFirst disagrees with the drafted interpretation. Regardless of the references to outside sources (the reserve requirement specified in R3.1 of BAL-002-0, the text of Section 1.4 of Part D of BAL-002-0, and the documented history of the development of BAL-002-0), compliance is to be assessed on a requirement by requirement basis. Requirement R4 requires that an applicable entity "...shall meet the Disturbance Recovery Criterion within the Disturbance Recovery Period for 100% of Reportable Disturbances". Clearly, there is no exception listed within the requirements for Reportable Disturbances greater than the most severe single Contingency.</p>
<p><b>Response:</b> The IDT disagrees with your perception. In addition, the industry ballot indicates that the Industry does not agree with RFC's perception.</p>		

END OF REPORT