

## Consideration of Comments

### Phase 1 of Balancing Authority Reliability-based Controls: Reserves BAL-012-1 (Project 2010-14.1)

The Balancing Authority Reliability-based Controls: Reserves Drafting Team thanks all commenters who submitted comments on the proposed BAL-012-1 Operating Reserve Planning standard. These standards were posted for a 30-day public comment period from June 4, 2012 through July 3, 2012. Stakeholders were asked to provide feedback on the standards and associated documents through a special electronic comment form. There were 38 sets of comments, including comments from approximately 136 different people from approximately 85 companies representing 9 of the 10 Industry Segments as shown in the table on the following pages.

Based on the comments received from the first posting the drafting team made the following changes to the proposed Standard:

- Modified the requirements to develop a policy rather than a plan.
- Modified the sub-bullets to provide additional clarity for requirements R1, R2 and R3 (now Requirements R1, R3 and R5).
- Removed Requirements R5 and R6 (requiring weekly and hourly reviews of reserves) and added them as sub-bullets within the requirements to develop a policy.
- Modified the requirement to review reserves to eliminate the possibility for double-accounting to requiring a policy for how the double-accounting issue will be addressed and to provide additional clarification
- Modified the Applicability section to add reserve sharing groups (Regulating, Contingency and Frequency Responsive).
- Added three new requirements for implementation of the policy's developed (old Requirements R1, R2 and R3 – now Requirements R1, R3 and R5) using the “find, fix and track” methodology.
- Modified the Background Document to provide additional clarity.

There were a couple of minority issues that the team was unable to resolve, including the following:

- Many stakeholders questioned if this standard was necessary or that it was too prescriptive and paper intensive. The SDT explained that the intent was to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agreed that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT revised the draft standard to require that the functional entities have a policy that required a robust treatment of practice to meet the criteria listed in the standard. The SDT also felt that it made sense to evaluate all type of reserves within the same standard because of their overlapping characteristic.

- Some stakeholders expressed concerns with the use of the terms “locally sensed” and “primary control time frame” since they were not defined. The SDT stated that the term “locally sensed” needed to be used since it ensured that an islanded BA would be able to sense its local frequency. In addition, they stated that the term “primary control time frame” was defined in the NERC Balancing and Frequency Control Technical Documents the time period between 10 and 60 seconds. However, the SDT agreed to remove the reference to the primary control time frame.
- A few stakeholders felt that the standard was open-ended and did not provide enough guidance. The SDT explained that the standard is not intended to tell an entity how to meet the requirements. The standard is intended to provide a policy for maintaining all reserves. The SDT agreed that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency.

All comments submitted may be reviewed in their original format on the standard’s project page:

[http://www.nerc.com/filez/standards/Project2010-14.1\\_Phase\\_1\\_of\\_Balancing\\_Authority\\_RBC.html](http://www.nerc.com/filez/standards/Project2010-14.1_Phase_1_of_Balancing_Authority_RBC.html)

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	Terry Bilke	ISOs Standards Review Committee		X										
<b>Additional Member</b>		<b>Additional Organization</b>	<b>Region</b>	<b>Segment Selection</b>											
1.	Al DiCaprio	PJM	RFC	2											
2.	Steve Meyers	ERCOT	ERCOT	2											
3.	Charles Yeung	SPP	SPP	2											
4.	Ben Li	IESO	NPCC	2											
5.	Kathleen Goodman	ISONE	NPCC	2											
6.	Greg Campoli	NYISO	NPCC	2											
2.	Group	Guy Zito	Northeast Power Coordinating Council												X
<b>Additional Member</b>		<b>Additional Organization</b>	<b>Region</b>	<b>Segment Selection</b>											
1.	Alan Adamson	New York State Reliability Council, LLC	NPCC	10											

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																		
			1	2	3	4	5	6	7	8	9	10									
2.	Carmen Agavriloi	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.	Michael Jones	National Grid	NPCC	1																	
10.	David Kiguel	Hydro One Networks Inc.	NPCC	1																	
11.	Michael Lombardi	Northeast Utilities	NPCC	1																	
12.	Randy MacDonald	New Brunswick Power Transmission	NPCC	9																	
13.	Bruce Metruck	New York Power Authority	NPCC	6																	
14.	Silvia Parada Mitchell	NextEra Energy, LLC	NPCC	5																	
15.	Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																	
16.	Robert Pellegrini	The United Illuminating Company	NPCC	1																	
17.	Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																	
18.	David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																	
19.	Brian Robinson	Utility Services	NPCC	8																	
20.	Michael Schiavone	National Grid	NPCC	1																	
21.	Wayne Sipperly	New York Power Authority	NPCC	5																	
22.	Donald Weaver	New Brunswick System Operator	NPCC	2																	
23.	Ben Wu	Orange and Rockland Utilities	NPCC	1																	
24.	Peter Yost	Consolidated Edison Co. of New York, Inc.		3																	
3.	Group	Robert Rhodes	SPP Standards Review Group											X							
	<b>Additional Member</b>	<b>Additional Organization</b>	<b>Region</b>	<b>Segment Selection</b>																	
1.	Louis Guidry	Cleco Power	SPP	1, 3, 5																	
2.	Bryan Harper	Cleco Power	SPP	1, 3, 5																	
3.	Stephanie Huffman	Cleco Power	SPP	1, 3, 5																	
4.	Bo Jones	Westar Energy	SPP	1, 3, 5, 6																	
5.	Tiffany Lake	Westar Energy	SPP	1, 3, 5, 6																	
6.	Julie Lux	Westar Energy	SPP	1, 3, 5, 6																	
7.	Fred Meyer	Empire District Electric	SPP	1																	

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
8.	Terri Pyle	Oklahoma Gas & Electric	SPP	1, 3, 5																
9.	Randy Root	Grand River Dam Authority	SPP	1, 3, 5																
10.	Katie Shea	Westar Energy	SPP	1, 3, 5, 6																
11.	Bryan Taggart	Westar Energy	SPP	1, 3, 5, 6																
4.	Group	Jason Marshall	ACES Power Marketing Standards Collaborators								X									
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>Segment Selection</b>															
1.	Bob Solomon	Hoosier Energy	RFC	1																
2.	Megan Wagner	Sunflower Electric Power Corporation	SPP	1																
3.	John Shaver	Arizona Electric Power Cooperative Inc.	WECC	4, 5																
4.	John Shaver	Southwest Transmission Cooperative Inc.	WECC	1																
5.	Group	Chris Higgins	Bonneville Power Administration		X		X		X	X										
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>Segment Selection</b>															
1.	James	Murphy	WECC	1																
2.	Bart	McManus	WECC	1																
3.	David	Kirsch	WECC	1																
4.	Fran	Halpin	WECC	5																
5.	Pam	Van Calcar	WECC	5																
6.	Ayodele	Idowu	WECC	1																
7.	Erika	Doot	WECC	3, 5, 6																
8.	Meg	Albright	WECC	1																
9.	Edison	Elizeh	WECC	1																
6.	Group	David Dockery	Associated Electric Cooperative, Inc., JRO00088		X		X		X	X										
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>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															

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
7.	Group	Marie Knox	MISO Standards Collaborators		X								
<b>Additional Member Additional Organization Region Segment Selection</b>													
1.	Barbara	Kedrowski	RFC	3, 4, 5									
8.	Group	Steve Rueckert	Western Electricity Coordinating Council										X
No additional members listed.													
9.	Group	John M. Troha	SERC Reliability Corporation										
<b>Additional Member Additional Organization Region Segment Selection</b>													
1. Jeff Harrison 2. Stuart Goza 3. Gerry Beckerle 4. Cindy Martin 5. Andy Burch 6. Larry Akens 7. Devan Hoke 8. Wayne Van Liere 9. Kelly Casteel 10. John Jackson 11. Brad Gordon 12. Randi Heise 13. Dan Roethemeyer 14. Jim Case 15. Bill Thigpen 16. Jake Miller 17. Steve Corbin 18. Ena Agbedia 19. Ron Carlsen 20. Vicky Budreau 21. Shammara Hasty 22. Melinda Montgomery 23. Terry Coggins 24. J.T. Wood 25. Antonio Grayson 26. John Troha													
10.	Individual	Jim Eckelkamp	Progress Energy	X		X		X	X				
11.	Individual	Janet Smith, Regulatory Affairs Supervisor	Arizona Public Service Company	X		X		X	X				
12.	Individual	Antonio Grayson	Southern Company	X		X		X	X				

Group/Individual		Commenter	Organization	Registered Ballot Body Segment										
				1	2	3	4	5	6	7	8	9	10	
13.	Individual	Brent Ingebrigtson	LG&E and KU Services	X		X		X	X					
14.	Individual	Anthony Jablonski	ReliabilityFirst											X
15.	Individual	Greg Travis	Idaho Power Company	X		X								
16.	Individual	Michael Falvo	Independent Electricity System Operator		X									
17.	Individual	Michael Goggin	American Wind Energy Association								X			
18.	Individual	Thad Ness	American Electric Power	X		X		X	X					
19.	Individual	John Seelke	Public Service Enterprise Group	X		X		X	X					
20.	Individual	John Tolo	Tucson Electric Power	X										
21.	Individual	Kathleen Goodman	ISO New England Inc.		X									
22.	Individual	Chris Mattson	Tacoma Power	X		X	X	X	X					
23.	Individual	Brett Holland	KCP&L	X		X		X	X					
24.	Individual	Don Jones	Texas Relibility Entity											X
25.	Individual	RoLynda Shumpert	South Carolina Electric and Gas	X		X		X	X					
26.	Individual	Joe Tarantino	Sacrametno Municipal Utility District			X	X	X	X					
27.	Individual	Karen Webb	City of Tallahassee					X						
28.	Individual	Laura Lee	Duke Energy	X		X		X	X					
29.	Individual	Alice Ireland	Xcel Energy	X		X		X	X					
30.	Individual	Francis Monette	Hydro-Québec TransÉnergie											
31.	Individual	Kasia Mihalchuk	Manitoba Hydro											

1. The BARC SDT has developed a new term to be used with this standard.

**Frequency Responsive Reserve:**

An amount of reserve automatically responsive to local frequency deviation during the primary control time frame.

Do you agree with the proposed definition in this standard? If not, please explain in the comment area below.

**Summary Consideration:**

The majority of the commenters expressed concerns with the use of the terms “locally sensed” and “primary control time frame” since they were not defined. The SDT stated that the term “locally sensed” needed to be used since it ensured that an islanded BA would be able to sense its local frequency. In addition, they stated that the term “primary control time frame” was defined in the NERC Balancing and Frequency Control Technical Documents the time period between 10 and 60 seconds. However, the SDT agreed to remove the reference to the primary control time frame. They also provided a link to the document.

A couple of commenters expressed concern about the coordination between Project 2010-14.1 BARC – Reserves and Project 2007-12 Frequency Response. The SDT explained that several of the members of the BARC SDT were also members of the FR SDT, including the Chair of the FR SDT.

A couple of commenters also expressed concern that the draft standard was documentation driven and too prescriptive. The SDT agreed with the commenters. The SDT revised the draft standard to require that the functional entities have a policy, instead of a detailed plan, that requires a robust treatment of practice to meet the criteria listed in the standard.

Organization	Yes or No	Question 1 Comment
ACES Power Marketing Standards Collaborators	No	<p>We believe it is premature to develop any requirements or definitions surrounding frequency response until Project 2007-12 Frequency Response is complete. The Project 2007-12 drafting team is still working on how they are going to implement frequency response requirements.</p> <p>If the Project 2010-14.1 drafting team continues to believe a requirement</p>

Organization	Yes or No	Question 1 Comment
		regarding frequency responsive reserves is necessary, they should hand this responsibility off to that drafting team.
<p><b>Response: Thank you for your comment. BAL-012 is intended to provide the policy for maintaining all reserves while BAL-003 is addressing how frequency response is measured. The SDT believes that frequency responsive reserve requirements must be considered in total with other reserve requirements (i.e., regulating and contingency).</b></p>		
Bonneville Power Administration	No	<p>The definition listed above for Frequency Responsive Reserve is different than what is in the standard. Please clarify which is correct.</p> <p>BPA believes that “locally sensed” should be removed from the definition in the standard. BPA asks the drafting team to clarify primary control time frame as it is not defined.</p>
<p><b>Response: Thank you for your comment. The definition listed in the proposed standard is correct.</b></p> <p><b>The SDT believes that the term “locally sensed frequency deviation” is correct to ensure that an islanded BA will be able to sense its local frequency.</b></p> <p><b>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</b></p> <p><b><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></b></p>		
MISO Standards Collaborators	No	MISO acknowledges that the definition is appropriate for its intent, but respectfully reiterates that the BAL-012-1 standard and its creation of the proposed defined term is beyond the scope of the original SAR.
<p><b>Response: Thank you for your comment. However the BARC SDT has been tasked with addressing the FERC Order No. 693 to support project 2007-12, BAL-003-1.</b></p>		

Organization	Yes or No	Question 1 Comment
Western Electricity Coordinating Council	No	<p>The following are not clear in the definition:</p> <ol style="list-style-type: none"> <li>1. Local frequency deviation. The term local should be removed</li> <li>2. Primary control time frame. this timeframe is not defined</li> </ol>
<p><b>Response:</b> Thank you for your comment. The SDT believes that the term “locally sensed frequency deviation” is correct to ensure that an islanded BA will be able to sense its local frequency.</p> <p>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
Progress Energy	No	If this definition moves forward it should be made clear that UFLS programs are excluded.
<p><b>Response:</b> Thank you for your comment. The SDT agrees that UFLS programs to shed firm load are not part of the Frequency Responsive Reserves defined above.</p>		
American Electric Power	No	<p>There does not appear to be a definition for “primary control time frame” that is within the new term definition for Frequency Responsive Reserve. AEP recommends one be established to prevent any misconception of time period for Measure of Performance.</p> <p>What is the meaning of the phrase “local frequency deviation”? Should it actually be “Interconnect frequency deviation”, instead?</p>
<p><b>Response:</b> Thank you for your comment. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p>		

Organization	Yes or No	Question 1 Comment
<p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p> <p>The definition should have read “locally sensed frequency deviation”.</p>		
Public Service Enterprise Group	No	We generally agree with the definition, except that the term “primary control time frame” should be defined.
<p>Response: Thank you for your comment. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
Tucson Electric Power	No	The term local should be removed. Primary control time frame is not defined.
<p>Response: Thank you for your comment. The definition should have read “locally sensed frequency deviation”.</p> <p>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
ISO New England Inc.	No	<p>The definition Frequency Responsive Reserve raises several questions.</p> <p>Is inertia a quantity of reserve?</p> <p>Is the referenced reserve strictly related to post point C response?</p> <p>Requirements 1-4 are documentation-driven and offer no benefit to reliability; they are not results-based and provide simply paperwork</p>

Organization	Yes or No	Question 1 Comment
		<p>exercises. Further, requiring BAs, who may not own or operate resources, to have access to a product for which they have no control is unacceptable. The requirements need to be written for the resources to provide such capabilities to the BA who, in turn, similar to reserves and DCS recovery, will dispatch to a reliability threshold accordingly. We encourage the SDT to alter this proposed standard to be more performance-based, such as “Each BA shall operate to have Contingency reserves equal the MSSC at all times except following an event for which it has deployed said Contingency reserves.”; “Each BA shall replenish its Contingency reserves ... following an event for which it has deployed said reserves.”</p>
<p><b>Response: Thank you for your comment. Frequency Responsive Reserve does not explicitly include inertia.</b></p> <p>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p> <p>The SDT is recommending that Balancing Authorities and/or Frequency Response Reserve sharing groups be the responsible entities for Frequency Responsive Reserve. A BA that does not own or operate resources can meet its obligation by dropping load or participating in a Frequency Response Reserve sharing group.</p> <p>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
Texas Reliability Entity	No	<p>A definition is needed for the “primary control time frame”, (e.g., from the start of the frequency decline to the point of frequency stabilization, typically 16-18 seconds).</p> <p>We suggest rewording as follows: “The amount of reserve that provides</p>

Organization	Yes or No	Question 1 Comment
		<p>Primary Frequency Response for system Frequency Deviations”.</p> <p>There is an existing definition for “Contingency Reserve” which may need to be modified (refers to DCS standard and RRO).</p>
<p><b>Response:</b> The SDT appreciates your comments. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p> <p>The SDT believes that the term “locally sensed frequency deviation” is correct to ensure that an islanded BA will be able to sense its local frequency. The SDT will evaluate the definition for Contingency Reserve as we go forward with the work on BAL-002.</p>		
City of Tallahassee	No	<p>The proposed definition introduces the "primary control time frame", which is not previously defined and may not be known to non-generation personnel. Definitions should stand independently to ensure everyone involved with performance and compliance monitoring understands what is expected when using a term.</p>
<p><b>Response:</b> The SDT appreciates your comments. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
Duke Energy	No	<p>There needs to be a clearer understanding of terms “local frequency deviation” and “primary control time frame”.</p>
<p><b>Response:</b> The SDT appreciates your comments. The SDT believes that the term “locally sensed frequency deviation” is correct to ensure that an islanded BA will be able to sense its local frequency.</p>		

Organization	Yes or No	Question 1 Comment
<p>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
Xcel Energy	No	<p>The definition uses the term “primary control time frame” without defining that period. This makes the definition unacceptable. The definition also does not make it clear what is meant by local frequency.</p>
<p><b>Response:</b> The SDT appreciates your comments. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p> <p>The SDT believes that the term “locally sensed frequency deviation” is correct to ensure that an islanded BA will be able to sense its local frequency.</p>		
ISOs Standards Review Committee	Yes	<p>1) We don’t have a problem with the definition in concept, but the definition raises questions. Is inertia a quantity of reserve? Is the referenced reserve strictly related to post point C response?</p> <p>2) The definition refers to “local frequency”. The term “local” needs to be clarified. Is this referring to an isolated area’s frequency during a separation? Is primary control time frame defined?</p>
<p><b>Response:</b> Thank you for your comment.</p> <p><b>(1) Frequency Responsive Reserve does not explicitly include inertia but includes all response after Point A to the settling frequency Point B.</b></p>		

Organization	Yes or No	Question 1 Comment
<p>2) The SDT believes that the term “locally sensed” is correct to ensure that an islanded BA will be able to sense its local frequency.</p> <p>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
Southern Company	Yes	Southern is concerned with how the changes to BAL-003 are being coordinated with the new standard. We suggest that the two SDT’s coordinate with each other prior to submitting future revisions of this standard.
<p><b>Response:</b> Thank you for your comment. The two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.</p>		
LG&E and KU Services	Yes	How are the changes to BAL-003 being coordinated with this new standard?
<p><b>Response:</b> Thank you for your comment. The two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.</p>		
Idaho Power Company	Yes	Yes, but the definition includes the term "primary control time frame" which I don't believe is defined anywhere and may cause trouble.
<p><b>Response:</b> Thank you for your comment. The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</p> <p><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></p>		
SERC Reliability Corporation	Yes	How are the changes to BAL-003 being coordinated with this new standard?

Organization	Yes or No	Question 1 Comment
<p><b>Response: Thank you for your comment. The two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.</b></p>		
Tacoma Power	Yes	Tacoma Power agrees with the definition and understands that Frequency Responsive Reserve is a replacement for the previous requirement called spinning reserve.
<p><b>Response: Thank you for your comment. Frequency Responsive Reserve is not a replacement for Spinning Reserve but can supplement a portion of a BA’s Spinning Reserve requirement. Spinning Reserve could include all three reserve types of reserves (i.e. Contingency, Regulating and Frequency Responsive Reserves).</b></p>		
SPP Standards Review Group	Yes	
Associated Electric Cooperative, Inc., JRO00088	Yes	
Manitoba Hydro	Yes	
Arizona Public Service Company	Yes	
Hydro-Québec TransÉnergie	Yes	
American Wind Energy Association	Yes	
South Carolina Electric and Gas	Yes	
Sacrametno Municipal Utility District	Yes	
Independent Electricity System Operator		We don’t have a problem with the definition, but its creation is beyond the scope of the SAR.

**2. The proposed Purpose Statement for the draft standard is:**

To plan for adequate Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to maintain Balancing Authority load and resource balance to ensure reliable operation of the Bulk Electric System.

**Do you agree with this purpose statement? If not, please explain in the comment area below.**

**Summary Consideration:**

Several commenters expressed concern that the draft standard was administrative and prescriptive and was outside the scope of the SAR. The SDT stated that the intent was to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agreed that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.

A couple of commenters felt that BAL-002-1 adequately captured the BA performance and that to review the reserves on an hourly or longer basis was not needed. The SDT explained that BAL-002-1, requirement R2 only applies to frequency control following a reportable disturbance and that they were responding to a FERC Order to establish a continent-wide Contingency Reserve policy.

Organization	Yes or No	Question 2 Comment
ISOs Standards Review Committee	No	The purpose is not within the scope of the drafting team’s SAR. See our general comments.
<p><b>Response: Thank you for your comment. The SDT disagrees. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		

Organization	Yes or No	Question 2 Comment
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>We believe this standard is administrative, is not technically justified, and is contrary to the recent FFT order. The standard focuses purely on having a plan to for regulating, contingency and frequency responsive reserves that will subject responsibility entities to what will likely be countless documentation violations that will provide no reliability benefit. This is precisely the situation that FFT order is trying to avoid by offering NERC the opportunity to eliminate requirements that provide no reliability benefit and are primarily documentation driven.</p> <p>Furthermore, there is no demonstrated reliability need. Lack of an operating reserve policy or even lack of operating reserves has not been cited to be the cause of any significant system reliability events nor has NERC even identified any violations of BAL-002. Establishment of operating reserves such as regulating and contingency reserves is such a basic responsibility of the BA, it is unnecessary to have any requirement to plan for them. If a BA fails to plan to have contingency reserves, it will show up as a violation of BAL-002 R1. If it fails to have regulating reserves, CPS1 will be violated or even potentially BAAL if load is ramping. Auditors regularly already ask for the BA to provide the evidence of the actual reserve levels. Thus, the existing standard would appear to be sufficient.</p> <p>We understand that the drafting team is attempting to address a FERC directive to establish a continent wide reserve policy from Order 693. However, requiring each BA to have its own policy is not a continent wide policy. Furthermore, FERC has repeatedly indicated that NERC may use alternative proposals to address directives as long as they are equally efficient and effective. Given that the FFT order has come out long after the directive from Order 693, we think this is a very appropriate place to use an equally efficient and effective alternative. In particular, we think a whitepaper would be a more appropriate way to address this issue to avoid creating a new set of documentation violations that this proposed standard will surely cause.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT</b></p>		

Organization	Yes or No	Question 2 Comment
<p>agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
<p>Bonneville Power Administration</p>	<p>No</p>	<p>BPA does not agree with the Purpose Statement, BPA suggests changing “ensure” to “plan for”: To plan for adequate Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to maintain Balancing Authority load and resource balance to plan for reliable operation of the Bulk Electric System.</p>
<p><b>Response:</b> Thank you for your comment. The SDT believes that the term “ensure” is correct since the SDT is requiring review in multiple time frames to make sure that the reserves are available when needed.</p> <p>In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
<p>MISO Standards Collaborators</p>	<p>No</p>	<p>MISO respectfully reiterates its general comments that the BAL-012-1 standard and its purpose as defined therein is beyond the scope of the original SAR and the Commission’s directives in Order 693.</p>
<p><b>Response:</b> Thank you for your comment. BAL-012 is intended to provide the policy for maintaining all reserves. Also, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p> <p>The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping</p>		

Organization	Yes or No	Question 2 Comment
<b>characteristic.</b>		
Western Electricity Coordinating Council	No	The requirements in this standard are documentation related not performance based. The performance based standards that meet these reserve requirements are covered in BAL-001, BAL-002 and BAL-003.
<p><b>Response:</b> Thank you for your comment. The SDT agrees, however BAL-012 is intended to provide the policy for maintaining all reserves. The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping characteristic. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
Independent Electricity System Operator	No	<p>While we do not believe frequency response reserve is in the original SARs of the two projects which are now combined, we are unable to access the original SARs to confirm this understanding.</p> <p>At any rate, we believe frequency control, and the reserve requirement and any other requirements for frequency control should be addressed by the BAL-003 project. Having reserve to respond to frequency is only one of the measures, there are other measures the may be required to fully address frequency response requirements. To stipulate having sufficient frequency responsive reserve in this standard gives the wrong impression that frequency response is fully addressed.</p>
<p><b>Response:</b> Thank you for your comment. Frequency Responsive Reserve is required to maintain a reliable Interconnection. It is important that all BAs have long-range plans for Frequency Responsive Reserve to allow arrangements in terms of contracts, agreements, and testing to meet their long-range forecasts. Requiring BAs to develop these Operating Reserve plans will identify gaps and will require the BAs to resolve these gaps.</p>		

Organization	Yes or No	Question 2 Comment
Tucson Electric Power	No	Regulating, Contingency and Frequency Responsive Reserves all come from the same unloaded and synchronized generation/load sources. There are already existing control performance Standards to ensure reliable operation of the BES.
<p><b>Response: Thank you for your comment. The SDT disagrees. Regulation, Contingency, and Frequency Responsive reserves have different operating characteristics and do not always come from the same generation/load resources.</b></p> <p><b>This standard will complement existing standards to enhance the reliability of the BES.</b></p>		
ISO New England Inc.	No	<p>The definition Frequency Responsive Reserve raises several questions. Is inertia a quantity of reserve? Is the referenced reserve strictly related to post point C response? Requirements 1-4 are documentation-driven and offer no benefit to reliability; they are not results-based and provide simply paperwork exercises. Further, requiring BAs, who may not own or operate resources, to have access to a product for which they have no control is unacceptable. The requirements need to be written for the resources to provide such capabilities to the BA who, in turn, similar to reserves and DCS recovery, will dispatch to a reliability threshold accordingly. We encourage the SDT to alter this proposed standard to be more performance-based, such as “Each BA shall operate to have Contingency reserves equal the MSSC at all times except following an event for which it has deployed said Contingency reserves.”; “Each BA shall replenish its Contingency reserves ... following an event for which it has deployed said reserves.”</p>
<p><b>Response: Thank you for your comment. Frequency Responsive Reserve does not explicitly include inertia, but includes all response after Point A to the settling frequency Point B.</b></p> <p><b>The SDT has removed the reference to the primary control time frame. However, the primary control time frame is explained in the NERC Balancing and Frequency Control Technical Document as the time period between 10 and 60 seconds. This document can be found at the following link:</b></p> <p><b><a href="http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf">http://www.nerc.com/docs/oc/rs/NERC%20Balancing%20and%20Frequency%20Control%20040520111.pdf</a></b></p> <p><b>The SDT is recommending that Balancing Authorities and/or Frequency Response Reserve sharing groups be the responsible</b></p>		

Organization	Yes or No	Question 2 Comment
<p>entities for Frequency Responsive Reserve. A BA that does not own or operate resources can meet its obligation by dropping load or participating in a Frequency Response Reserve sharing group.</p> <p>The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. Please review the revised standard.</p>		
Tacoma Power	No	<p>Tacoma Power generally agrees with the proposed Purpose Statement. However, the use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” The purpose of this standard should only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group.</p>
<p><b>Response: Thank you for your comment. The SDT believes that the standard should apply to all Balancing Authorities including reserve sharing groups because all Balancing Authorities have the responsibility of maintaining reliability of the BES.</b></p>		
Xcel Energy	No	<p>This standard is a documentation standard, not a performance standard. NERC standards must provide the performance metrics and let the industry experts determine what they need to do to meet that requirement. Do not try to tell the industry how and what they need to do as it is likely different for each entity and will limit innovation. Xcel Energy does not support a standard that tells industry participants how to perform rather than what level of performance is required.</p>
<p><b>Response: Thank you for your comment. The standard is not intended to tell an entity how to meet the requirements but attempts to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The standard is intended to provide a policy for maintaining all reserves. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</b></p>		

Organization	Yes or No	Question 2 Comment
Texas Reliability Entity	Yes	We agree with the purpose as long as the actual implementation of the plans are covered by other standards and meet the intent of the SDT (implementation of Regulation Reserve plan is covered by BAL-001-1 (not explicitly stated), implementation of Contingency Reserve plan is covered by BAL-002-2, and implementation of Frequency Responsive Reserve plan is covered by BAL-003-1 (not explicitly stated), etc.). That coverage should be explicitly stated in a mapping document if that is the overall intent of these BAL changes.
<b>Response: Thank you for your comment and the SDT agrees with your reasoning.</b>		
City of Tallahassee	Yes	The City of Tallahassee (TAL) believes this purpose statement conveys the intent of the standard. However, TAL is not certain as to the purpose/distinction of this proposed standard. If the desired outcome is to control frequency, the proposed BAL-002-1, R2, adequately captures that performance. The requirements to adequately review on a day-ahead or longer basis, or to analyze on an hourly basis are moot if we are already measured on a rolling 30-minute performance standard.
<b>Response: Thank you for your comment and for your support. BAL-002-1, requirement R2 only applies to frequency control following a reportable disturbance. The SDT cannot provide further response to your comment without further clarification of your concern.</b>		
SPP Standards Review Group	Yes	
Associated Electric Cooperative, Inc., JRO00088	Yes	
SERC Reliability Corporation	Yes	
Arizona Public Service Company	Yes	

Organization	Yes or No	Question 2 Comment
Southern Company	Yes	
Idaho Power Company	Yes	
Manitoba Hydro	Yes	
American Wind Energy Association	Yes	
Hydro-Québec TransÉnergie	Yes	
American Electric Power	Yes	
Public Service Enterprise Group	Yes	
South Carolina Electric and Gas	Yes	
Sacrametno Municipal Utility District	Yes	
Duke Energy	Yes	

**3. The BARC SDT has developed Requirement R1 to ensure that each BA has a documented plan to carry sufficient Regulating Reserves to be able to balance supply and demand within their BA Area as required by BAL-001-1.**

- R1. Each Balancing Authority shall, once each calendar year with no more than 15 calendar months between intervals, document its annual plan for Regulating Reserve used to manage the Balancing Authority's Area Control Error (ACE) addressing each of the following:
- 1.1. The determination of the Balancing Authority's regulating margin.
  - 1.2. The types of resources and the portion of their capacity included in the regulating margin.
  - 1.3. The control of supply and demand resources such as generators, controllable Loads, and energy storage devices.
  - 1.4. The incorporation of energy exports and imports by entities within the Balancing Authority Area and with other Balancing Authorities including an assessment of the Balancing Authority's resources to meet the net ramping requirements associated with these transactions.
  - 1.5. The characteristics: such as capabilities, constraints and volatilities, of the resources operating inside the Balancing Authority Area.
  - 1.6. The characteristics: such as capabilities, constraints and volatilities, of the Load operating inside the Balancing Authority Area.
  - 1.7. The exclusion of any shared portions of regulating resources included in another Balancing Authority's Regulating, Contingency, or Frequency Responsive Reserve plans.

**Do you agree with this Requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

The majority of the commenters expressed concern that the standard required a “plan” that would be of very little use in the longer time horizons and was overly prescriptive. The SDT stated that the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency.

A few commenters disliked the use of the terms “margin” and “volatilities” within the sub-bullets. The SDT agreed and modified the standard to provide more specificity and clarification.

A couple of commenter felt that the standard was open-ended and did not provide enough guidance. The SDT explained that the standard is not intended to tell an entity how to meet the requirements. The standard is intended to provide a policy for maintaining all reserves. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency.

Organization	Yes or No	Question 3 Comment
ISOs Standards Review Committee	No	1) While this is good information for a reference document or for a BA’s initial certification, to mandate the creation of a binder that documents all these things and needs to be updated annually goes beyond the drafting team’s SAR or Order No. 693.  2) We note that “control” (and therefore regulating reserves) is a function of an entity’s various characteristics (load (flat or cyclic), types of resources (fast, slow), weather) and not a universal objective function.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve</b></p>		

Organization	Yes or No	Question 3 Comment
<p>Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
<p>Northeast Power Coordinating Council</p>	<p>No</p>	<p>To make 1.1 more specific, replace “margin” with either requirement or target.</p>
<p>Response: Thank you for your comment. The SDT agrees that “margin” is subjective and has revised R1.1 by replacing “margin” with “needs.”</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>Please see our comments in Q2.</p>
<p>Response: Same response as Q2</p>		
<p>SERC Reliability Corporation</p>	<p>No</p>	<p>We suggest deletion of all the sub requirements (1.1 through 1.7) which will allow each entity to develop its own plan to meet CPS1 and BAAL requirements consistent with its particular resources.</p>
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		

Organization	Yes or No	Question 3 Comment
Bonneville Power Administration	No	BPA suggests that the annual planning requirement be reworded to make clear that deviations from the annual plan are not violations, because operating plans must be adjusted to reflect updated planning information and actual operating conditions. It has been shown that when FERC/NERC requires a plan, they expect it to be followed. If not followed, then it is a compliance violation.
<p><b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting Contingency Reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</b></p>		
Associated Electric Cooperative, Inc., JRO00088	No	Changes to BAL-012-1 R1: Remove: “addressing each of the following:” Remove: parts 1.1 through 1.7, moving them into the guidance document Rationale: As currently drafted, this itemized list should certainly be considered, but it seems unwise to burden the industry with having to prove null sets or overdone documentation to demonstrate that they “addressed” each and every item and the underlying characteristics. As currently drafted, these items are overly prescriptive toward entities’ resource plans to meet CPS1 and BAAL requirements.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</b></p>		

Organization	Yes or No	Question 3 Comment
MISO Standards Collaborators	No	MISO respectfully reiterates its general comments that the BAL-012-1 standard and its R1as defined therein is beyond the scope of the original SAR, the Order 693 directives from the Commission, and the original content of BAL-002.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</b></p>		
Progress Energy	No	“Volatilities” is undefined term and too broad of a general term to be included here.
<p><b>Response: Thank you for your comment. The SDT agrees and the word “volatilities” has been removed from R 1.5, R 1.6, R 2.5 and R 2.6.</b></p>		
Southern Company	No	First, FERC invited NERC, the Regional Entities and other interested entities (in paragraph 81 of the FERC Oder of FFT) to review the Reliability Standards and propose to remove unnecessary or redundant requirements. This requirement is purely documentation based in the fact that it requires Responsible Entities to implement, publish or post a document. Southern suggests that this requirement provides little protection to the BPS and should not be approved. At a minimum, Southern suggest that the proposed requirement is too prescriptive. Each entity should be allowed to develop their own plan using their own resources to meet the requirements of CPS1 and BAAL; therefore, we propose that all sub requirements in R1 (1.1 through 1.7) be deleted.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees</b></p>		

Organization	Yes or No	Question 3 Comment
<p>that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
<p>LG&amp;E and KU Services</p>	<p>No</p>	<p>LG&amp;E and KU Services suggest deletion of all the sub requirements (1.1 through 1.7) which will allow each entity to develop its own plan to meet CPS1 and BAAL requirements consistent with its particular resources.</p>
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
<p>ReliabilityFirst</p>	<p>No</p>	<p>ReliabilityFirst offers the following comment for consideration:1. Requirement R1a. Requirement R1, Parts 1.1 and 1.2 uses the term regulating margin. RFC seeks further clarity on the meaning of term “regulating margin” since it is not a NERC defined term. Does the SDT intend to have this term be synonymous with “Regulating Reserve” margin? If so, these parts should be modified accordingly.</p>
<p>Response: Thank you for your comment. The SDT agrees that “margin” is subjective and has revised R1.1 by replacing “margin” with “needs.”</p>		
<p>American Wind Energy Association</p>	<p>No</p>	<p>This seems to be a very open-ended standard that does not provide any guidance or limits on what the appropriate quantity and mix of regulating reserve resources</p>

Organization	Yes or No	Question 3 Comment
		would be. The standard should offer more guidance about what are appropriate mixes and quantities of operating reserves.
<p><b>Response:</b> Thank you for your comment. The standard is not intended to tell an entity how to meet the requirements. The standard is intended to provide a policy for maintaining all reserves. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Tucson Electric Power	No	The current BAL-001 covers control performance. An annual plan for Regulating Reserves is of little value to a BA. Regulating Reserves is a concern for hour you are in and maybe the next hour or two at the most. If a BA does not follow its "Annual Plan" to meet a current control performance issue, BAs could be found non-compliant for not following their plan.
<p><b>Response:</b> Thank you for your comment. The standard is intended to only provide a policy for meeting regulating needs and leave it up to the BA to determine what that need is and how that need would be met. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). In this case, the standard provides for and enables regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
ISO New England Inc.	No	This is a documentation exercise and not needed to support, promote or enhance reliability. This is not results-based.
<p><b>Response:</b> Thank you for your comment. The standard is intended to only provide a policy for meeting regulating needs and leave it up to the BA to determine what that need is and how that need would be met. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). In this case, the standard provides for and enables regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		

Organization	Yes or No	Question 3 Comment
Tacoma Power	No	<p>Tacoma Power generally does not agree with the proposed Requirement. The use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This Requirement should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the Requirement may be counter-productive. The configuration of a Reserve Sharing Group’s or Balancing Authority’s Regulating Reserve on its units and how it is calculated can vary considerably over time. Compliance with sufficient Regulating Reserves is already apparent in the entity’s Control Performance Standards scores. It is not necessary to further bind an entity to documentation of this Requirement that may prevent undocumented, yet prudent actions by the entity. A specific recommendation, item 1.2 should be revised by eliminating the undefined term “regulating margin” with the defined term “Regulating Reserve.”</p>
<p><b>Response:</b> Thank you for your comment. The SDT believes that the standard should apply to all Balancing Authorities including reserve sharing groups because all Balancing Authorities have the responsibility of maintaining reliability of the BES. The SDT has modified R1.2 by replacing “regulating margin” with “regulating needs.”</p>		
South Carolina Electric and Gas	No	<p>South Carolina Electric and Gas supports the comments submitted by the SERC OC Standards Review Group.</p>
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		

Organization	Yes or No	Question 3 Comment
City of Tallahassee	No	TAL is unclear as to the distinction/purpose of this requirement, as the background document states that the intent of the requirement is to "ensure that each BA has a documented plan to carry sufficient Regulating Reserves to be able to balance supply and demand within their BA Area, as required by BAL-001-1".
<p><b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting regulating needs and leave it up to the BA to determine the magnitude of the need and how that need would be met. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 ("We direct the ERO...to include a continent-wide contingency reserve policy."). In this case, the standard provides for and enables regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</b></p>		
Duke Energy	No	The examples listed in 1.5 and 1.6 could create confusion in what is required for compliance. Revise these as follows: Operating characteristics, environmental constraints and other regulatory, reliability and contractual constrains of the resources (or Load) operating inside the Balancing Authority Area that the Balancing Authority considers.
<p><b>Response: Thank you for your comment. The SDT has modified R1.5 and R1.6.</b></p>		
Xcel Energy	No	See comments above.
Texas Relibility Entity	Yes	Should there be references to Reserve Sharing Group?
<p><b>Response: Thank you for your comment. The SDT has made references to Reserve Sharing Group.</b></p>		
SPP Standards Review Group	Yes	
Arizona Public Service Company	Yes	

Organization	Yes or No	Question 3 Comment
Idaho Power Company	Yes	
Manitoba Hydro	Yes	
Hydro-Québec TransÉnergie	Yes	
American Electric Power	Yes	
Sacrametno Municipal Utility District	Yes	
Independent Electricity System Operator		<p>This requirement is not needed. Documenting a plan to include specific resource types and characteristics does not contribute to reliability. The key result to be achieved is to have regulating reserve to meet the ACE requirements which are covered by BAL-001 and BAL-002. How to meet the ACE requirements should not be stipulated in a standard. We suggest to remove this requirement.</p>
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		

**4. The BARC SDT has developed Requirement R2 to ensure that each BA shall have a documented plan to carry sufficient Contingency Reserves to restore the balance of supply and demand within their individual BA Area.**

R2. Each Balancing Authority and Reserve Sharing Group shall, once each calendar year with no more that 15 calendar months between intervals, document its annual plan for Contingency Reserve used to recover from Balancing Contingency Events addressing each of the following:

- 2.1. The determination of the Balancing Authority's or Reserve Sharing Group's Contingency Reserve margin.
- 2.2. The types of resources and the portion of their capacity capable of reducing the Balancing Authority's Area Control Error in response to each of the following
  - 2.2.1. Balancing Contingency Event
  - 2.2.2. Events associated with Energy Emergency Alert 2, and
  - 2.2.3. Events associated with Energy Emergency Alert 3.
- 2.3. The control of supply and demand resources such as generators, controllable Loads and energy storage devices.
- 2.4. The incorporation of energy import and export schedules by entities within the Balancing Authority Area and with other Balancing Authorities.
- 2.5. The characteristics: such as capabilities, constraints and volatilities, of the resources operating inside the Balancing Authority Area.
- 2.6. The characteristics: such as capabilities, constraints and volatilities, of the Load operating inside the Balancing Authority Area.
- 2.7. The exclusion of any portion of shared contingency resources included in another Balancing Authority's Regulating, Contingency, or Frequency Responsive Reserve plans.
- 2.8. The amount of the Balancing Authority's or Reserve Sharing Group's resources that can be reduced in response to a Large Loss of Load Event.

**Do you agree with this Requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

The majority of the commenters expressed concern that the standard required a “plan” that would be of very little use in the longer time horizons and was overly prescriptive. The SDT stated that the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency.

A few commenters stated that they already had Contingency Reserve plans and that BAL-002 provided a mechanism for measuring. The SDT explained that the standard is intended to only provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.

A couple commenters disliked the use of the terms “margin” and “volatilities” within the sub-bullets. The SDT agreed and modified the standard to provide more specificity and clarification.

One commenter expressed concern as to why a Large Loss of Load Event was included in the requirement. The SDT stated that they had been tasked with addressing loss of load through a FERC Order.

Organization	Yes or No	Question 4 Comment
ISOs Standards Review Committee	No	1) See our comments for the previous question. 2) Balancing reliability has been well served by the existing performance based standards. While a rational BA plans to keep contingency reserves equal to or great than its MSSC, reserves are sometimes deployed for various balancing problems. Also in the case of a DCS event, contingency reserves are not always deployed for the problem.

Organization	Yes or No	Question 4 Comment
<p><b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b></p>		
<p>Northeast Power Coordinating Council</p>	<p>No</p>	<p>To make 2.1 more specific, replace “margin” with either requirement or target.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that “margin” is subjective and has replaced “margin” with “needs.”</b></p>		
<p>SERC Reliability Corporation</p>	<p>No</p>	<p>We suggest the deletion of all sub requirements (2.1 through 2.8) and allow each entity to develop its own plan to meet requirements consistent with BAL-002.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</b></p>		
<p>Manitoba Hydro</p>	<p>No</p>	<p>‘Balancing Contingency Event’ is a proposed definition in Bal-002. If BAL-002 is changed or not approved, there won’t be a definition of this term. Would suggest adding the definition to this standard to ensure they are together regardless of what happens with BAL-002. Once approved, it will become part of the glossary and there won’t be any repetition.</p> <p>‘Energy Emergency’ is a defined term, but Alert 2 and Alert 3 are not defined. Need clarity on what these are.</p>
<p><b>Response: Thank you for your comment. The definition of “Balancing Contingency Event” would be moved to the NERC glossary of terms when BAL-002 is approved. In the event BAL-002 is not approved, then “Balancing Contingency Event” would be removed</b></p>		

Organization	Yes or No	Question 4 Comment
from BAL-012-1.		
ACES Power Marketing Standards Collaborators	No	Please see our comments in question 2.
<b>Response: Thank you for your comment. Please see our response to Question #2.</b>		
Bonneville Power Administration	No	BPA suggests that the annual planning requirement be reworded to make clear that deviations from the annual plan are not violations, because operating plans must be adjusted to reflect updated planning information and actual operating conditions. It has been shown that when FERC/NERC requires a plan, they expect it to be followed. If not followed, then it is a compliance violation. BPA suggests that the drafting team remove planning for Energy Emergency Alerts included in 2.2.2 and 2.2.3 from the standard. EEA2 and EEA3 are declared when a plan does not work and reserves have run out.
<b>Response: Thank you for your comment. The SDT disagrees. The standard is intended to only provide a policy for meeting contingency reserve. R2.2.2 and R2.2.3 refer to any event that can result a shortfall of Contingency Reserve.</b>		
Associated Electric Cooperative, Inc., JRO00088	No	Changes to BAL-012-1 R2: Remove: “addressing each of the following:” Remove: parts 2.1 through 2.8, moving them into the guidance document Rationale: As currently drafted, this itemized list should certainly be considered, but it seems unwise to burden the industry with having to prove null sets or overdone documentation to demonstrate that they “addressed” each and every item and the underlying characteristics. As drafted, these items are overly prescriptive toward entities’ resource plans to meet BAAL-002 requirements.
<b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has</b>		

Organization	Yes or No	Question 4 Comment
<p>revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
MISO Standards Collaborators	No	MISO respectfully reiterates its general comments that the BAL-012-1 standard and its R2 as defined therein is beyond the scope of the original SAR, the Order 693 directives from the Commission, and the original content of BAL-002.
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
Progress Energy	No	“Volatilities” is undefined term and too broad of a general term to be included here.
<p>Response: The SDT agrees and the word “volatilities” has been removed from R 1.5, R 1.6, R 2.5 and R 2.6.</p>		
Southern Company	No	First, FERC invited NERC, the Regional Entities and other interested entities (in paragraph 81 of the FERC Order of FFT) to review the Reliability Standards and propose to remove unnecessary or redundant requirements. This requirement is purely documentation based in the fact that it requires Responsible Entities to implement, publish or post a document. Southern suggests that this requirement provides little protection to the BPS and should not be approved. At a minimum, Southern suggest that each entity develop their own plan using their own resources to meet requirements consistent with BAL-002; therefore, we propose that all sub

Organization	Yes or No	Question 4 Comment
		requirements in R2 (2.1 through 2.8) be deleted.
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
LG&E and KU Services	No	LG&E and KU Services suggest the deletion of all sub requirements (2.1 through 2.8) and allow each entity to develop its own plan to meet requirements consistent with BAL-002.
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
Tucson Electric Power	No	The western interconnection already has such a contingency reserves plan. Compliance is measured through BAL-002.
<p>Response: Thank you for your comment. The SDT intended to only provide a policy for meeting contingency reserve needs. If Tucson Electric Power already has such a plan, then you meet the intent of BAL-012-1.</p>		
ISO New England Inc.	No	This is a documentation exercise and not needed to support, promote or enhance

Organization	Yes or No	Question 4 Comment
		reliability. This is not results-based.
<p><b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting Contingency Reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b></p>		
Tacoma Power	No	<p>Tacoma Power generally does not agree with the proposed Requirement. The use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This Requirement should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the Requirement may be counter-productive. The configuration of a Reserve Sharing Group’s or Balancing Authority’s Contingency Reserve on its units and how it is calculated can vary considerably over time. Compliance with sufficient Contingency Reserves is already apparent in the entity’s compliance with BAL-002. It is not necessary to further bind an entity to documentation of this Requirement that may prevent undocumented, yet prudent actions by the entity. A specific recommendation, item 2.1 should be revised by replacing “margin” with “obligation.”</p>
<p><b>Response: Thank you for your comment. The SDT believes that the standard should apply to all Balancing Authorities including reserve sharing groups because all Balancing Authorities have the responsibility of maintaining reliability of the BES. The SDT has modified R2.1 by replacing “margin” with “needs.”</b></p> <p><b>The standard is intended to only provide a policy for meeting Contingency Reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b></p>		
City of Tallahassee	No	<p>1. TAL is not certain as to the distinction/purpose of this requirement when an entity is compliant with BAL-002-1.2. R2.8 contemplates the Large Loss of Load Event, which has previously not been included in performance standards. TAL seeks clarification on the inclusion of this in assessing the reliability of the bulk electric system.</p>
<p><b>Response: Thank you for your comment. The SDT was also tasked with addressing loss of Load. This was also a directive from</b></p>		

Organization	Yes or No	Question 4 Comment
<b>FERC Order 693.</b>		
Duke Energy	No	The examples listed in 2.5 and 2.6 could create confusion in what is required for compliance. Revise these as follows: Operating characteristics, environmental constraints and other regulatory, reliability and contractual constrains of the resources (or Load) operating inside the Balancing Authority Area that the Balancing Authority or Reserve Sharing Group considers. It is not clear what events 2.2.2 and 2.2.3 refer to. Change the parts of 2.2 to: 2.2.1 Balancing Contingency Event in normal operations, 2.2.2 Balancing Contingency Event associated with Energy Emergency Alert 2, and 2.2.3 Balancing Contingency Event associated with Energy Emergency Alert 3.
<p><b>Response: Thank you for your comment. The SDT agrees that R2.5 and R2.6 needed to be revised and has modified both. R2.2.2 and R2.2.3 refer to any event that can result in anticipated shortfall of Contingency Reserve.</b></p>		
Xcel Energy	No	See comments above.
South Carolina Electric and Gas	No	
Texas Reliability Entity	Yes	Should there be references to Reserve Sharing Group within the sub-requirements?
<p><b>Response: Thank you for your comment. The SDT has made references to Reserve Sharing Group.</b></p>		
SPP Standards Review Group	Yes	
Arizona Public Service Company	Yes	
Idaho Power Company	Yes	

Organization	Yes or No	Question 4 Comment
Hydro-Québec TransÉnergie	Yes	
American Electric Power	Yes	
Sacrametno Municipal Utility District	Yes	
Independent Electricity System Operator		<p>Similar comments as in Q3, above. We do not see a need to have a document indicating specific resource types and characteristics to meet the contingency reserve requirements. The key result to be achieved is to have sufficient Contingency Reserve to recover from Balancing Contingency Events. How to meet the contingency reserve requirement should not be stipulated in a standard. We suggest to remove this requirement.</p>

**5. The BARC SDT has developed Requirement R3 to ensure that each BA shall have a documented plan to carry sufficient Frequency Responsive Reserves to maintain system frequency within limits as defined within BAL-003-1.**

R3. Each Balancing Authority and Frequency Response Sharing Group shall, once each calendar year with no more than 15 calendar months between intervals, document its annual plan for Frequency Responsive Reserve to arrest frequency change during imbalance events addressing each of the following:

- 3.1. The Frequency Response Obligation (FRO) assigned to the Balancing Authority or Frequency Response Sharing Group.
- 3.2. The minimum amount and capability of resources required to meet the Balancing Authority's or Frequency Response Sharing Group's FRO.
- 3.3. The frequency responsive capabilities of generation operating inside the Balancing Authority Area or Frequency Response Sharing Group.
- 3.4. The frequency responsive capabilities of Load operating inside the Balancing Authority Area or Frequency Response Sharing Group.
- 3.5. The frequency responsive capabilities of energy storage devices operating inside the Balancing Authority Area or Frequency Response Sharing Group.
- 3.6. The exclusion of any portion of shared frequency responsive resources included in another Balancing Authority's Regulating, Contingency, or Frequency Responsive Reserve plans.
- 3.7. The amount of Frequency Responsive Reserve provided through contractual agreements.

**Do you agree with this Requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

**The majority of the commenters expressed concern that the standard required a “plan” that would be of very little use in the longer time horizons and was overly prescriptive. The SDT stated that the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have**

a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency.

A few commenters noted that FRSG was referenced in the standard but not included in the Applicability Section. The SDT agreed that this was a mistake and that they had added the FRSG to the Applicability Section to correct the mistake.

A couple of commenters were concerned about how to quantify their frequency responsive reserves since this could change based on unit configuration and particular operating circumstances for any given day. The SDT explained that the standard is intended to only provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.

Some commenters stated that the term “Frequency Response Sharing Group” was not defined and was not in the Functional Model. The SDT stated that the term “Frequency Response Sharing Group” is being defined in the BAL-003-1 standard. This group will be treated the same as a Reserve Sharing Group is presently treated. They will not be in the Functional Model but an entity will be required to register as far as compliance.

A few commenters expressed concerns with how to implement the Frequency Response and if the two projects (Project 2007-12 and Project 2010-14.1) were being coordinated. The SDT explained that they understood their concerns about Frequency Response. The concerns raised are being addressed by the FRR SDT. In addition, the two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.

Organization	Yes or No	Question 5 Comment
ISOs Standards Review Committee	No	See our comments for the previous question.
<p><b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b></p>		
SPP Standards Review Group	No	The definition of Frequency Response Sharing Group is contained in the BAL-003-1 standard which is currently under development. What happens if that standard or

Organization	Yes or No	Question 5 Comment
		definition is not approved by the industry or FERC? What is the quantitative link between Frequency Responsive Reserve and Frequency Response Obligation? Is FRR expected to be greater than or equal to FRO? If so, why not require that in the standard?
<p><b>Response: Thank you for your comment. In the event the standard or definition is not approved, the SDT will remove all reference to FRR from the current draft of BAL-012-1. BAL-012-1 is intended to only provide a policy for meeting FRR and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b></p>		
SERC Reliability Corporation	No	We suggest deleting all the sub requirements (3.1 through 3.7) and allow each entity to develop its own plan to meet requirements consistent with BAL-003-1.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</b></p>		
ACES Power Marketing Standards Collaborators	No	Please see our comments in question 2.
Bonneville Power Administration	No	BPA suggests that the annual planning requirement be reworded to make clear that deviations from the annual plan are not violations, because operating plans must be adjusted to reflect updated planning information and actual operating conditions. It has been shown that when FERC/NERC requires a plan, they expect it to be followed. If not followed, then it is a compliance violation. BPA requests clarification on how the drafting team anticipates BAs to separately account for frequency responsive reserves. BPA believes that the formation of Frequency Reserve Sharing Groups may create a more clustered frequency response. This may not benefit reliability, because

Organization	Yes or No	Question 5 Comment
		it has been shown in the West that spreading out frequency response is better for the system.
<p><b>Response: Thank you for your comment. The SDT disagrees. Unlike an RSG which is more concentrated and are comprised of BAs that have physical ties to one another, any BA within an Interconnection can become part of an FRSG. In other words an FRSG can be comprised of non-contiguous BAs.</b></p>		
Associated Electric Cooperative, Inc., JRO00088	No	Changes to BAL-012-1 R3: Remove: “addressing each of the following:” Remove: parts 3.1 through 3.7, moving them into the guidance document Rationale: As currently drafted, this itemized list should certainly be considered, but it seems unwise to burden the industry with having to prove null sets or overdone documentation to demonstrate that they “addressed” each and every item and the underlying characteristics. As drafted, these items are overly prescriptive toward entities’ resource plans to meet BAAL-003-1 requirements.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</b></p>		
Manitoba Hydro	No	‘Frequency Response Sharing Group’ is not defined and is not listed in the applicability section, yet has requirements in R3, R4, M3, M4 and Compliance 1.2. Data Retention.
<p><b>Response: Thank you for your comment. The SDT is working on a definition for a “Frequency Response Sharing Group”</b></p>		
MISO Standards Collaborators	No	MISO respectfully reiterates its general comments that the BAL-012-1 standard and its R3 as defined therein is beyond the scope of the original SAR, the Order 693

Organization	Yes or No	Question 5 Comment
		directives from the Commission, and the original content of BAL-002.
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
Western Electricity Coordinating Council	No	The term FRO is not a defined term and is under development under a separate project. If this standard, gets approved prior to other standard then this requirement cannot be implemented or be met.The requirement R3 is applicable to “Frequency Response Sharing Group” yet under the “applicability section “ of the standard it identifies only BA and RSG.
<p><b>Response:</b> Thank you for your comment. The SDT agrees but the two standards do overlap. In the event the FRO definition does not get approved, then references to FRO would be deleted from BAL-012-1.</p> <p>The SDT agrees and will include a new bullet 4.3 FRSG under the “Applicability” section.</p>		
Progress Energy	No	On what basis will entities quantify their frequency responsive reserves. This could change based on many unit configurations and the particular circumstance under which the unit is operating on a given day. It seems like a unit would need to be tested to determine this capability. Generator Operators would need to provide this specification to BAs.
<p><b>Response:</b> Thank you for your comment. The standard is intended to only provide a policy for meeting frequency responsive reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</p>		

Organization	Yes or No	Question 5 Comment
Southern Company	No	<p>First, FERC invited NERC, the Regional Entities and other interested entities (in paragraph 81 of the FERC Order of FFT) to review the Reliability Standards and propose to remove unnecessary or redundant requirements. This requirement is purely documentation based in the fact that it requires Responsible Entities to implement, publish or post a document. Southern suggests that this requirement provides little protection to the BPS and should not be approved. At a minimum, Southern suggest that each entity develop their own plan using their own resources to meet requirements consistent with BAL-003-1; therefore, we propose that all sub requirements in R3 (3.1 through 3.7) be deleted.</p>
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
LG&E and KU Services	No	<p>LG&amp;E and KU Services suggest deleting all the sub requirements (3.1 through 3.7) and allow each entity to develop its own plan to meet requirements consistent with BAL-003-1.</p>
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a</p>		

Organization	Yes or No	Question 5 Comment
<p><b>contingency. Please review the updated draft standard.</b></p>		
<p>ReliabilityFirst</p>	<p>No</p>	<p>ReliabilityFirst offers the following comment for consideration:1. Requirement R3a. RFC seeks further clarity regarding the term “Frequency Response Obligation” within Requirement R3, Parts 3.1 and 3.1. This term is capitalized though it is not an actual NERC defined term. RFC recommends defining this term and proposing it as an addition to the NERC Glossary of terms.b. Requirement R3 introduces a new entity named “Frequency Response Sharing Group”. The Frequency Response Sharing Group is not a registered entity and is not defined in the NERC Functional Model. Furthermore, the Frequency Response Sharing Group is not listed in the Applicability section. If it is the intent of the SDT to retain this newly formed entity, the SDT will need to go through the proper/formal channels to properly define it (e.g. functional model will need to be revised, added to the list of registered entities, etc.)</p>
<p><b>Response: The SDT thanks you for your comments.</b></p> <p><b>1.a) The term “Frequency Response Obligation” is defined in the BAL-003-1 standard. It is believed that BAL-003-1 will go into effect either at the same time or prior to this standard.</b></p> <p><b>1.b) Again, the term “Frequency Response Sharing Group” is being defined in the BAL-003-1 standard. This group will be treated the same as a Reserve Sharing Group is presently treated. They will not be in the Functional Model but an entity will be required to register as far as compliance.</b></p> <p><b>The SDT has added the Frequency Response Sharing Group to the Applicability section.</b></p>		
<p>American Electric Power</p>	<p>No</p>	<p>There is no specific applicability provided within the proposed Standard for the term Frequency Response Sharing Group. Is FRSG implied to be a subset of RSG or is it a new entity in the NERC functional model? Will a BA’s Frequency Reserve Obligation come from other proposed BAL Standard rewrites, such as BAL-003?</p>
<p><b>Response: Thank you for your comment. The SDT agrees and will include a new bullet 4.3 FRSG under the “Applicability” section. The SDT is working on a definition for an FRSG. FRSG and RSG would be different groups because the services provided are</b></p>		

Organization	Yes or No	Question 5 Comment
<b>different and the timeframe for the services are different.</b>		
Tucson Electric Power	No	Frequency response will be addressed in the new BAL-003 Standard currently being drafted.
<b>Response: Thank you for your comment. The SDT agrees that frequency response will be addressed in BAL-003. Bal-012-1 is only intended to provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b>		
ISO New England Inc.	No	This is a documentation exercise and not needed to support, promote or enhance reliability. This is not results-based.
<b>Response: Thank you for your comment. The standard is intended to only provide a policy for meeting contingency reserve needs and leave it up to the BA to determine the magnitude of the need and how that need would be met.</b>		
Tacoma Power	No	Tacoma Power generally does not agree with the proposed Requirement. The use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This Requirement should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the Requirement may be counter-productive. The configuration of a Reserve Sharing Group’s or Balancing Authority’s Frequency Responsive Reserve on its units, how it is calculated, and contracts terms can vary considerably over time. Compliance with sufficient reserves is already apparent in the entity’s compliance with BAL-002. It is not necessary to further bind an entity to documentation of this Requirement that may prevent undocumented, yet prudent actions by the entity.
<b>Response: Thank you for your comment. The SDT believes that the standard should apply to all Balancing Authorities including reserve sharing groups because all Balancing Authorities have the responsibility of maintaining reliability of the BES. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We</b>		

Organization	Yes or No	Question 5 Comment
<p>direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
City of Tallahassee	No	<p>1. Frequency Response Sharing Group is not a defined term.2. Frequency Response Obligation is not a defined term.3. TAL is unclear as to the distinction/purpose of this requirement for an entity compliance with BAL-003-1.</p>
<p><b>Response: Thank you for your comment. The SDT has defined FRSG which is now included in the revised BAL-003-1. FRO is also defined and referenced. The SDT will coordinate and clarify the requirement for compliance with BAL-003-1.</b></p>		
Duke Energy	No	Delete “during imbalance events” - this is undefined and unnecessary.
<p><b>Response: Thank you for your comment. The SDT had taken out “during imbalance events.”</b></p>		
Xcel Energy	No	The term FRO is being defined by a different drafting team. Until that process moves forward, this requirement can’t be implemented.
<p><b>Response: Thank you for your comment. The SDT agrees but the two standards do overlap. In the event the FRO definition does not get approved, then references to FRO would be deleted from BAL-012-1.</b></p>		
South Carolina Electric and Gas	No	
Hydro-Québec TransÉnergie	Yes	
Arizona Public Service	Yes	

Organization	Yes or No	Question 5 Comment
Company		
Idaho Power Company	Yes	I agree with the concept but I don't believe the definition of FRO and FRM has been completed and that concerns me.
<p><b>Response: Thank you for your comment. The SDT would need additional information about your concerns in order to provide a response.</b></p>		
Texas Reliability Entity	Yes	We agree with the intent of the requirement. Can resources used for Contingency Reserve also be used to provide Frequency Responsive Reserve? Or is it the intent of the SDT that the two are mutually exclusive? ERCOT Protocols currently require resources that are providing responsive reserve service (used as contingency reserve) to also be frequency responsive. Is Frequency Response Sharing Group defined?
<p><b>Response: Thank you for your comment. Yes, the SDT agrees that resources used for contingency reserve can also be used for Frequency Responsive Reserve. This is also a requirement within the WECC. The SDT has defined Frequency Response Sharing Group, which is now included in BAL-003-1.</b></p>		
Sacramento Municipal Utility District	Yes	
Independent Electricity System Operator		Same comment as in Q3 and Q4 above regarding the need for having a requirement for documenting the type of resource available or planned to be used to meet frequency response requirements. Further, we suggest any inclusion of reserve requirements to meet frequency response standard be coordinated with the project on BAL-003 - Frequency Response.
<p><b>Response: Thank you for your comment. The SDT agrees and will coordinate/reference all related BAL standards.</b></p>		
Public Service Enterprise		The implementation of this requirement is our concern. This requirement is related

Organization	Yes or No	Question 5 Comment
Group		<p>to Project 2007-12 - Frequency Response. The BARC SDT as well as the Project 2007-12 SDT should put themselves in the position of a BA that must comply with R3 and all its subparts in draft standard BAL-012-1 and develop a hypothetical implementation plan for a BA to meet its Frequency Response Obligation. If they did this, they would understand why BAs have little understanding of what they must do to comply with draft BAL-003-1 in Project 2007-12. Both SDTs should also work together to explain the relationship between Regulating Reserve, Contingency Reserve, and Frequency Response Reserve contained in BAL-012-1.</p>
<p><b>Response: Thank you for your comment. The SDT understands your concern about Frequency Response. The concerns you have raised are being addressed by the FRR SDT. In addition, the two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.</b></p>		

- 6. The BARC SDT has developed Requirement R4 to determine whether a Balancing Authority is part of a Reserve Sharing Group. This requirement allows for Reserve Sharing Groups to be formed to meet the requirements of BAL-002-2 and BAL-003-1.**
- R4. Each Reserve Sharing Group or Frequency Response Sharing Group shall have a signed agreement among the participating Balancing Authorities addressing each of the following:
- 4.1. The minimum reserve requirement for the group
  - 4.2. Allocation of reserves among members
  - 4.3. The procedure for activating reserves
  - 4.4. Reporting and record keeping processes

**Do you agree with this Requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

Several commenters disagreed with the use of the undefined term “Frequency Response Sharing Group” and did not understand the need for the group. The SDT explained that the intent of the Reserve Sharing Group (RSG) is to manage contingency reserve obligation among BAs participating in an RSG. Since contingency reserve and frequency response are two different services with different operating timeframes, a BA may elect to not participate in an RSG but may have the need to participate in a Frequency Response Sharing Group (FRSG). The SDT has defined FRSG, which is now included in BAL-003-1.

A couple of commenters stated that they disagreed with this requirement as they felt that it was administrative and burdensome. The SDT stated that R4 simply outlines the minimum requirements needed for an RSG or FRSG. These requirements should already be in place in existing agreements and therefore forces no additional burden on BAs.

A few commenters noted that FRSG was referenced in the standard but not included in the Applicability Section. The SDT agreed that this was a mistake and that they had added the FRSG to the Applicability Section to correct the mistake.

Organization	Yes or No	Question 6 Comment
ISOs Standards Review Committee	No	<p>1) We agree with the general intent of the requirement. The members of the RSG have an inherent interest in the RSG’s performance. It is not necessary for NERC to be overly prescriptive in the terms for an agreement. 2) We do not agree with the term “Frequency Response Sharing Group”. First of all, this term is capitalized but it is not defined. Secondly, this term is no different from the Reserve Sharing Group; they differ only in that the Frequency Response Sharing Group is more specific that it shares the frequency response obligation only. 3) We strongly urge the SDT to not introduce new terms unless it’s absolutely necessary to provide the detailed clarity that otherwise cannot be accomplished by succinct wording in requirements. Within the scope of this standard, using the term Reserve Sharing Group should be sufficient to convey the intent of the requirements. Adding the new term not only creates confusion in the standard as well as to the Functional Model, but also begs the questions on what specific reserves other than that required for frequency response does the RSG share, and creates an unnecessary need for registration.</p>
<p><b>Response: Thank you for your comment. The SDT disagrees. The intent of the Reserve Sharing Group (RSG) is to manage contingency reserve obligation among BAs participating in an RSG. Since contingency reserve and frequency response are two different services with different operating timeframes, a BA may elect to not participate in an RSG but may have the need to participate in a Frequency Response Sharing Group (FRSG). The SDT has defined FRSG, which is now included in BAL-003-1.</b></p>		
ACES Power Marketing Standards Collaborators	No	<p>This requirement is unnecessary. First, the registration process already identifies whether an RSG exists and which BAs participate. Thus, the reason the SDT gives for writing the requirement is already addressed. Second, no BA will join an RSG without an executed contract because financial obligations are involved. Industry does not need another administrative requirement to compel an executed contract that is already required for other reasons. Third, the registration process usually requires documentation of the agreement.</p>
<p><b>Response: Thank you for your comment. The SDT disagrees. The intent of the Reserve Sharing Group (RSG) is to manage contingency reserve obligation among BAs participating in an RSG. Since contingency reserve and frequency response are two</b></p>		

Organization	Yes or No	Question 6 Comment
<p><b>different services with different operating timeframes, a BA may elect to not participate in an RSG but may have the need to participate in a FRSG. The SDT has defined FRSG, which is now included in BAL-003-1.</b></p>		
<p>Bonneville Power Administration</p>	<p>No</p>	<p>BPA believes that Standards should not dictate the signing of agreements. BPA believes that the formation of Frequency Reserve Sharing Groups may create a more clustered frequency response. This may not benefit reliability, because it has been shown in the West that spreading out frequency response is better for the system.</p>
<p><b>Response: Thank you for your comment. The SDT disagrees. An RSG is more concentrated and is comprised of BAs that are contiguous through direct ties. On the other hand, any BA within an Interconnection can become part of an FRSG regardless of its location. In other words an FRSG can be comprised of non-contiguous BAs because the Interconnection settling frequency (Point B) post contingency is well within one minute after the disturbance.</b></p>		
<p>Manitoba Hydro</p>	<p>No</p>	<p>Frequency Response Sharing Group' is not defined and is not listed in the applicability section, yet has requirements in R3, R4, M3, M4 and Compliance 1.2. Data Retention.</p>
<p><b>Response: Thank you for your comment. The SDT has defined FRSG, and it is included in BAL-003-1.</b></p>		
<p>Associated Electric Cooperative, Inc., JRO00088</p>	<p>No</p>	<p>Change BAL-012-0 R4 as follows: Replace: "addressing each "With: "addressing, at a minimum, each "Rationale: While AECl believes this itemized level of transparency to be necessary within group participants who collectively share these responsibilities, we do not believe this to be the closed set of items for collective governance. The suggested change seeks to avoid groups having to create two separate documents, one for NERC compliance, and then the superset they develop for completely defining their relationship of governance.</p>
<p><b>Response: Thank you for your comment. The SDT certainly does not intend groups to create two separate sets of documents for compliance purposes. The SDT has replaced the term "addressing each" with "includes at least".</b></p>		
<p>MISO Standards Collaborators</p>	<p>No</p>	<p>MISO respectfully reiterates its general comments that the BAL-012-1 standard and its R4 as defined therein is beyond the scope of the original SAR, which was intended to identify and remove or revise the non-substantive, administrative requirements in</p>

Organization	Yes or No	Question 6 Comment
		BAL-002.
<p><b>Response: Thank you for your comment. The SDT disagrees. R4 simply outlines the minimum requirements needed for an RSG or FRSG. These requirements should already be in place in existing agreements and therefore forces no additional burden on BAs.</b></p>		
Western Electricity Coordinating Council	No	Requirement R4 is applicable to “Frequency Response Sharing Group” yet under the “applicability section “of the standard it identifies only BA and RSG. Standard should not prescribe requirements of a signed agreement.
<p><b>Response: Thank you for your comment. The SDT has revised BAL-012-1 to include FRSG in the “Applicability” section.</b></p>		
ReliabilityFirst	No	ReliabilityFirst offers the following comment for consideration: 1. Requirement R4a. Requirement R4 introduces a new entity named “Frequency Response Sharing Group”. The Frequency Response Sharing Group is not a registered entity and is not defined in the NERC Functional Model. Furthermore, the Frequency Response Sharing Group is not listed in the Applicability section. If it is the intent of the SDT to retain this newly formed entity, the SDT will need to go through the proper/formal channels to properly define it (e.g. functional model will need to be revised, added to the list of registered entities, etc.) b. RFC request further clarity regarding which “reserves” are being referenced in Part 4.1 and 4.2. Is the term “reserves” referring to Regulating, Contingency and Frequency Reserves? If so, these terms should be added to Parts 4.1 and 4.2.
<p><b>Response: Thank you for your comment. The SDT has defined FRSG and the definition is now included in BAL-001. Also, the SDT has included FRSG in the “Applicability” section of BAL-012-1. Requirements 4.1, 4.2 and 4.3 refer to Contingency Reserve and Frequency Responsive Reserve.</b></p>		
Independent Electricity System Operator	No	We agree with the intent of the requirement, but do not agree with the term “Frequency Response Sharing Group”. First of all, this term is capitalized but it is not defined. Secondly, this term is no different from the Reserve Sharing Group; they differ only in that the Frequency Response Sharing Group is more specific that it

Organization	Yes or No	Question 6 Comment
		<p>shares the frequency response obligation only. We strongly urge the SDT to not introduce new terms unless it's absolutely necessary to provide the detailed clarity that otherwise cannot be accomplished by succinct wording in requirements. Within the scope of this standard, using the term Reserve Sharing Group should be sufficient to convey the intent of the requirements. Adding the new term not only creates confusion in the standard as well as to the Functional Model, but also begs the questions on what specific reserves other than that required for frequency response does the RSG share, and creates an unnecessary need for registration.</p>
<p><b>Response: Thank you for your comment. The SDT disagrees. The intent of the Reserve Sharing Group (RSG) is to manage contingency reserve obligation among BAs participating in a RSG. Since contingency reserve and frequency response are two different services with different operating timeframes, a BA may elect to not participate in an RSG but may have the need to participate in a Frequency Response Sharing Group (FRSG). The SDT has defined FRSG and the definition is now included in BAL-003-1.</b></p>		
American Electric Power	No	<p>There is no specific applicability provided within the proposed Standard for the term Frequency Response Sharing Group. Is FRSG implied to be a subset of RSG or is it a new entity in the NERC functional model? Will a BA's Frequency Reserve Obligation come from other proposed BAL Standard rewrites, such as BAL-003?</p>
<p><b>Response: Thank you for your comment. The SDT agrees and has defined an FRSG and will include FRSG under the "Applicability" section of BAL-012-1. FRSG is a new entity and a subset of an RSG. The Reserve Sharing Group (RSG) is to manage contingency reserve obligation among BAs participating in a RSG. Since contingency reserve and frequency response are two different services with different operating timeframes, a BA may elect to not participate in an RSG but may have the need to participate in a FRSG.</b></p>		
ISO New England Inc.	No	<p>This is a documentation exercise and not needed to support, promote or enhance reliability. This is not results-based.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 ("We direct the ERO...to include a continent-wide contingency reserve policy."). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has</b></p>		

Organization	Yes or No	Question 6 Comment
<p>revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for a policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operating reserves following a contingency. Please review the updated draft standard.</p>		
City of Tallahassee	No	The sub-requirements do not address the Frequency Response Sharing Group requirements.
<p><b>Response: Thank you for your comment. The SDT disagrees. R4 simply outlines the minimum requirements needed for an RSG or FRSG. These requirements should already be in place in existing agreements and therefore forces no additional burden on BAs.</b></p>		
Duke Energy	No	4.4 is too vague - the requirement needs to specify what reporting and record keeping this is referring to. Additionally, the purpose of the requirement stated in the summary does not seem to be fulfilled by the requirement.
<p><b>Response: Thank you for your comment. The SDT believes that the sub-bullets are referencing the main requirement which is to develop a policy for how a reserve sharing group will operate. Thus the record keeping and reporting are associated with the group.</b></p>		
Xcel Energy	No	While we do not support this requirement, to the extent the drafting team believes it is needed, it should be in the same standard that addresses RSG performance.
<p><b>Response: Thank you for your comment. The SDT agrees and believes that R4 addresses both an RSG and an FRSG.</b></p>		
Tacoma Power	Yes	Tacoma Power generally supports the Requirement.
<p><b>Response: The SDT thanks you for your affirmative response and clarifying comment.</b></p>		
SPP Standards Review Group	Yes	

Organization	Yes or No	Question 6 Comment
Progress Energy	Yes	
Hydro-Québec TransÉnergie	Yes	
SERC Reliability Corporation	Yes	
Arizona Public Service Company	Yes	
Idaho Power Company	Yes	
Tucson Electric Power	Yes	
South Carolina Electric and Gas	Yes	
Sacramento Municipal Utility District	Yes	

**7. The BARC SDT has developed Requirement R5 to ensure that a BA reviews and updates its plan as necessary on at least a weekly basis for the next seven calendar days for Regulating, Contingency, and Frequency Responsive Reserves.**

- R5. Each Balancing Authority shall perform at least a weekly review of its operational plan(s) for the next seven days for Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to ensure sufficient reserves to support reliable operation of the Bulk Electric System.

**Do you agree with this requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

The vast majority of the commenters either did not agree with this requirement or did not feel that it provided enough guidance as to what was being requested. The SDT explained that the SDT removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. The policy would only require an explanation of how this was being addressed. The SDT agreed that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency.

Organization	Yes or No	Question 7 Comment
ISOs Standards Review Committee	No	While it is a good operating practice to do a multi-day load forecast and unit commitment, the requirement nor the measure gives no guidance on what is done with the information, other than keep the data for audits. What is the value of a once a week look ahead when weather forecasts change daily? Finally, since the drafting team has not defined how to measure the different types of reserves, it is

Organization	Yes or No	Question 7 Comment
		unclear what value the plan provides.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
ACES Power Marketing Standards Collaborators	No	<p>Given that there have been no citations of operating reserve deficiencies causing system events and that there have been no violations due to insufficient operating reserves, we simply do not see how adding this requirement is technically justified. It serves to expand the time period for which a responsible entity has to demonstrate its contingency reserve. While a weekly basis is a fairly typical operational planning period, it might not be appropriate for all entities. It also requires the reserves that have to be specifically demonstrated by including regulating reserve. Given that CPS1 cannot be satisfied without adequate regulating reserve and BAAL puts a limit on ACE, we see no reliability benefit to include a requirement that compels the need to demonstrate explicitly the regulating reserve amount. For the reasons discussed in question 1, we do not think frequency responsive reserve should be included. Furthermore, this is essentially a unit commitment requirement and we do not see how it benefits reliability. BAs have always performed unit commitment and will continue to do so.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and</p>		

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<p>administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
SERC Reliability Corporation	No	<p>What is the rationale for a weekly update? A next date look-ahead seems reasonable but brings up documentation retention issues. For example, maintaining a minimum amount of Frequency Responsive Reserves (equal to or greater than the FRO) may be problematic during turndown periods.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Manitoba Hydro	No	<p>In both R6 and R7 the objective of the evaluation is given as ‘ensure reliable operation of the Bulk Electric System’. It does not seem appropriate to require the entity to evaluate their plans to the standard of ensuring the reliability of the entire BES. Also, R5 refers only to the ‘support’ of the reliable operation of the BES, is this supposed to imply some lesser standard than ‘ensure’ the reliable operation of the BES?</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency</p>		

Organization	Yes or No	Question 7 Comment
<p>reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>Bonneville Power Administration</p>	<p>No</p>	<p>BPA suggests that the weekly planning requirement be reworded to make clear that deviations from updated plans are not violations, because operating plans must be adjusted to reflect updated planning information and actual operating conditions. It has been shown that when FERC/NERC requires a plan, they expect it to be followed. If not followed, then it is a compliance violation. In addition, BPA suggests that the drafting team remove the “at least” qualifier from the requirement because this could lead to inconsistent audit application.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>Associated Electric Cooperative, Inc., JRO00088</p>	<p>No</p>	<p>AECI believes that dictating a 7-day near-term planning horizon, to be overly prescriptive one-size-fits-all, demanding unnecessary documentation for smaller BAs. While we agree it to be a great idea and probably normative for medium and large BAs, some may benefit from shorter horizons or just as much from longer near-term horizons. If this requirement is not removed, we believe it should simply dictate a near-term planning horizon, with guidance worded around 7-days or what is truly</p>

Organization	Yes or No	Question 7 Comment
		appropriate for each entity to become necessarily aware of surrounding conditions that would require greater than next-hour reaction-planning.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
MISO Standards Collaborators	No	This requirement is redundant to requirements contained in TOP-002. Specifically, Requirement 1 requires Balancing Authorities to develop operations plans which include the characteristics outlined in Requirements 5, 7, and 8, which characteristics directly address the intent of R5 of Bal-012-1. Further, MISO notes the comprehensiveness of TOP-002, which not only requires the same or similar studies and reviews, but also requires coordination and communication of results, which is much more beneficial to the reliability of the BES than the limited, isolated scope of R5 of BAL-012-1.
<p>Response: Thank you for your comment. The SDT agrees that operational planning is required. However, part of the scope of this project is to address and eliminate the “fill in the blank” characteristics of BAL-002 which provides for a third party (such as an RRO, a sub-regional reliability organization, or a reserve sharing group) to specify its contingency reserve policies.</p> <p>The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet</p>		

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		<p>the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>
Southern Company	No	We question the reliability reason for Requirement 5.
		<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>
LG&E and KU Services	No	What is the rationale for a weekly update? A next date look-ahead seems reasonable but brings up documentation retention issues. For example, maintaining a minimum amount of Frequency Responsive Reserves (equal to or greater than the FRO) may be problematic during turndown periods.
		<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>

Organization	Yes or No	Question 7 Comment
ReliabilityFirst	No	ReliabilityFirst offers the following comment for consideration:1. Requirement R5a. RFC recommends removing the phrase “to ensure sufficient reserves to support reliable operation of the Bulk Electric System” from Requirement R5. This phrase is ambiguous and does not add any value to the associated requirements.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Idaho Power Company	No	No, this seems excessive. We already make daily data submissions to the RRO containing our 72 hr forecast for Load, Unit commitment, and NSI.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Independent Electricity System Operator	No	We agree with the intent of this requirement, but as worded this requirement implies that an operational plan needs to be developed first such that it can be reviewed weekly. However, the wording to require the development of an operational plan is

Organization	Yes or No	Question 7 Comment
		<p>absent. We therefore suggest to reword this requirement as follows: R5. Each Balancing Authority shall develop a weekly operational plan(s) that covers for the next seven days the Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to ensure sufficient reserves to support reliable operation of the Bulk Electric System.</p>
<p><b>Response:</b> Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
American Electric Power	No	<p>How will the Frequency Response Reserve be calculated 7 days out? The triggering events occur in real-time, and at 7 days out, the information is not very reliable compared to the information available in real-time. In addition, if an Entity is non-compliant with R6, would it be non-compliant with R5 also? AEP recommends that SDT remove R5 and focus solely on R6 (hourly assessment).</p>
<p><b>Response:</b> Thank you for your comment. The frequency responsive reserve requirement will be developed in another project, Project 2007-12, titled “Frequency Response”. The SDT agrees that, as the preparation and review of operations plans nears real time, the accuracy of forecasts and knowledge of system conditions becomes more accurate.</p> <p>The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet</p>		

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<p>the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Tucson Electric Power	No	Current Control Performance Standards are adequate. Added paperwork for no real gain.
<p>Response: Thank you for your comment. The SDT agrees that the measurement of regulation performance is addressed in the control performance standards. Further, the posted draft BAL-001 reflects updates to those standards consistent with the ongoing field test of the Balancing Authority ACE Limit and the high and low frequency trigger limits which require resolution of large ACE deviations within 30 minutes.</p> <p>The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
ISO New England Inc.	No	The definition Frequency Responsive Reserve raises several questions. Is inertia a quantity of reserve? Is the referenced reserve strictly related to post point C response? Requirements 1-4 are documentation-driven and offer no benefit to reliability; they are not results-based and provide simply paperwork exercises. Further, requiring BAs, who may not own or operate resources, to have access to a product for which they have no control is unacceptable. The requirements need to be written for the resources to provide such capabilities to the BA who, in turn, similar to reserves and DCS recovery, will dispatch to a reliability threshold

Organization	Yes or No	Question 7 Comment
		<p>accordingly. We encourage the SDT to alter this proposed standard to be more performance-based, such as “Each BA shall operate to have Contingency reserves equal the MSSC at all times except following an event for which it has deployed said Contingency reserves.”; “Each BA shall replenish its Contingency reserves ... following an event for which it has deployed said reserves.”</p>
<p><b>Response:</b> Thank you for your comments. Consistent with present practice, Project 2007-12, Frequency Response, will address the provision of sufficient frequency response. The SDT recognizes that many resources and different types of reserves may qualify to be used for multiple purposes. Due to the overlap of these capabilities, and the need to address the FERC directive to establish a Contingency Reserve policy, the SDT has determined that operating reserve overall must be addressed so that its three primary components, regulating reserve, frequency responsive reserve, and contingency reserve are appropriately identified and provided.</p> <p>Further, NERC has identified three types of results-based requirements; namely, performance-based, risk-based, and capability-based. The SDT has chosen, for this project, to use the capability-based type of requirement. These requirements establish that the functional entity has the capability to provide the regulating reserve, contingency reserve, and frequency responsive reserve that constitute an overall provision of operating reserve. As you are aware, there are many different types and names of reserves in use across the regions of the north American BES. However, in general, all the types fit into one of these three primary types of operating reserve.</p> <p>The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Tacoma Power	No	Tacoma Power does not agree with this Requirement. The current processes do not require a forward look at 7 days of reserves. Instead, that forward look and

Organization	Yes or No	Question 7 Comment
		breakdown of resources is prepared in preparation of Day Ahead trading. Any detailed breakdown of resources beyond the Day Ahead trading is unnecessary at this time.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
South Carolina Electric and Gas	No	South Carolina Electric and Gas supports the comments submitted by the SERC OC Standards Review Group.
<p>Response: Thank you. Please see the responses to comments submitted by the SERC OC Standards Review Group.</p>		
City of Tallahassee	No	TAL is unclear as to the distinction/purpose of this requirement for an entity compliant with BAL-001, -002, and -003.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		

Organization	Yes or No	Question 7 Comment
Duke Energy	No	While we agree that this is a good practice, the evidence necessary to prove compliance is unduly burdensome. This requirement appears to be a means to an end, the desired end result being to have adequate reserves to respond to an event. There are already requirements that sufficiently specify the desired result.
<p><b>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. In addition, the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</b></p>		
Xcel Energy	No	See comments above.
Hydro-Québec TransÉnergie	Yes	This requirement should also state that reserves requirements must be reviewed, in addition to the amount of reserves in those weekly assessments. This would ensure that the MSSC is re-evaluated based upon the planned outages of the upcoming week. This comment references the one we made in BAL-002.
<p><b>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves.</b></p>		
SPP Standards Review Group	Yes	
Arizona Public Service Company	Yes	

Organization	Yes or No	Question 7 Comment
Sacramento Municipal Utility District	Yes	

8. The BARC SDT has developed Requirement R6 to require the BA to review reserves in the real-time environment and make the adjustments as needed to account for items such as: loss of planned resources, unexpected changes in loads, forecast errors, unexpected generating unit limitations etc.

R6. Each Balancing Authority shall assess, on at least an hourly basis, that it has sufficient Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to meet its reserve plan(s) to ensure reliable operation of the Bulk Electric System.

Do you agree with this requirement? If not, please explain in the comment area below.

**Summary Consideration:**

The vast majority of the commenters either did not agree with this requirement or did not feel that it provided enough guidance as to what was being requested and that it could be paper intensive. The SDT explained that the SDT removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. The policy would only require an explanation of how this was being addressed. The SDT agreed that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency.

Organization	Yes or No	Question 8 Comment
ISOs Standards Review Committee	No	It is unclear how compliance to R6 is achieved. R6 appears to be an hourly assessment and perhaps even a commodity standard, whereby if reserves are below a threshold, non-compliance is assessed. The requirement and measure appear to say you need to create a table of hourly values. How does this make a material contribution to reliability, particularly when there is no guidance on how the values

Organization	Yes or No	Question 8 Comment
		are created or if they are double or triple counted?
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
SERC Reliability Corporation	No	We suggest the deletion of this requirement.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Manitoba Hydro	No	In both R6 and R7 the objective of the evaluation is given as ‘ensure reliable operation of the Bulk Electric System’. It does not seem appropriate to require the entity to evaluate their plans to the standard of ensuring the reliability of the entire BES. Also, R5 refers only to the ‘support’ of the reliable operation of the BES, is this supposed to imply some lesser standard than ‘ensure’ the reliable operation of the

Organization	Yes or No	Question 8 Comment
		BES?
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
SPP Standards Review Group	No	<p>We are concerned with the somewhat ambiguous use of the term ‘assess’ in the requirement. What exactly is a compliant assessment? The Measure goes on to mention assumptions associated with the assessments. What assumptions will be acceptable to an auditor? We understand the need to ensure that adequate reserves - Regulating, Contingency and Frequency Responsive - are available in the real-time environment but we are concerned about how we will demonstrate compliance with the requirement as it is worded.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system</p>		

Organization	Yes or No	Question 8 Comment
<p>frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>Given that there have been no citation of operating reserve deficiencies causing system events and that there have been no violations due to insufficient operating reserves, we simply do not see how adding this requirement is technically justified. It essentially just expands the existing BAL-002-1 R1 requirement to include regulating and frequency responsive reserves. Given that CPS1 cannot be satisfied without adequate regulating reserve and BAAL puts a limit on ACE, we see no reliability benefit to include the need to demonstrate explicitly the regulating reserve amount. For these and additional reasons discussed question 1, we do not think frequency responsive reserve should be included.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p> <p>In addition, the requirements for frequency response will be developed and expressed in Project 2007-12, Frequency Response. This project intends to link reserve policy requirements to those developed in that project.</p>		
<p>Bonneville Power Administration</p>	<p>No</p>	<p>This requirement is not necessary because performance based BAL standards already govern reliable operation of the Bulk Electric System. It has been shown that when FERC/NERC requires a plan, they expect it to be followed. If not followed, then it is a compliance violation. The phrase ‘at least’ should be removed from the requirement</p>

Organization	Yes or No	Question 8 Comment
		because it could lead to inconsistent audit application.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Associated Electric Cooperative, Inc., JRO00088	No	BAAL-012-1 R6 Changes :Remove R6 entirely.Rationale: This requirement, while again a good idea, places entities into double-jeopardy when related BAAL standards are violated. AECE there sees no value in its existence, because it is inherent to meeting the BAAL standards that address real-time performance.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
MISO Standards Collaborators	No	This requirement is redundant to requirements contained in IRO-005-3. Specifically, Requirement 1 requires monitoring of a number of characteristics of the BES

Organization	Yes or No	Question 8 Comment
		<p>including System Real and Reactive Reserves, Capacity and Energy Adequacy Conditions, and Contingency Events by Reliability Coordinators. Although Requirement 1 of IRO-005-3a is not applicable to Balancing Authorities, MISO respectfully suggests that the dual monitoring of these parameters could result in ambiguity regarding delineation of responsibilities that could, ultimately, be detrimental to the reliability of the BES.</p>
<p><b>Response:</b> Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Progress Energy	No	<p>This requirement to perform this analysis and thus keep hourly records on this type of analysis in order to prove compliance is overly burdensome and does not improve the Reliability of the BES. The job of a NERC Certified System Operator is to perform this type of analysis constantly. This requirement should be deleted from the proposed Standard.</p>
<p><b>Response:</b> Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state</p>		

Organization	Yes or No	Question 8 Comment
<p>what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Southern Company	No	We question the reliability reason for requirement 8 and suggest that it be deleted.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
LG&E and KU Services	No	LG&E and KU Services suggest the deletion of this requirement.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
ReliabilityFirst	No	ReliabilityFirst offers the following comment for consideration:1. Requirement R6a.

Organization	Yes or No	Question 8 Comment
		RFC recommends removing the phrase “to ensure sufficient reserves to support reliable operation of the Bulk Electric System” from Requirement R6. This phrase is ambiguous and does not add any value to the associated requirements.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Independent Electricity System Operator	No	It is unclear how compliance to R6 is achieved. R6 appears to be an hourly assessment and perhaps even a commodity standard, whereby if reserves are below a threshold, non-compliance is assessed. We believe the intent of this requirement is to assess reserve adequacy, and take remedial actions is found inadequate. We therefore suggest revising this requirement to the following:R6. Each Balancing Authority shall assess, on at least an hourly basis, if it has sufficient Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve to meet its reserve plan(s) to ensure reliable operation of the Bulk Electric System, and take remedial actions to provide the required amount of reserve if any of the available reserves are found to be inadequate.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to</p>		

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<p>require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
American Electric Power	No	How far into the future does the hourly assessment need to occur? Is it for the next hourly interval or for the next 24 hours?
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Tucson Electric Power	No	Already done in the western Interconnection. Current Control Performance Standards are adequate. Added paperwork for no real gain.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system</p>		

Organization	Yes or No	Question 8 Comment
<p>frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>ISO New England Inc.</p>	<p>No</p>	<p>The definition Frequency Responsive Reserve raises several questions. Is inertia a quantity of reserve? Is the referenced reserve strictly related to post point C response? Requirements 1-4 are documentation-driven and offer no benefit to reliability; they are not results-based and provide simply paperwork exercises. Further, requiring BAs, who may not own or operate resources, to have access to a product for which they have no control is unacceptable. The requirements need to be written for the resources to provide such capabilities to the BA who, in turn, similar to reserves and DCS recovery, will dispatch to a reliability threshold accordingly. We encourage the SDT to alter this proposed standard to be more performance-based, such as “Each BA shall operate to have Contingency reserves equal the MSSC at all times except following an event for which it has deployed said Contingency reserves.”; “Each BA shall replenish its Contingency reserves ... following an event for which it has deployed said reserves.”</p>
<p><b>Response: Thank you for your comments. Consistent with present practice, Project 2007-12, Frequency Response, will address the provision of sufficient frequency response. The SDT recognizes that many resources and different types of reserves may qualify to be used for multiple purposes. Due to the overlap of these capabilities, and the need to address the FERC directive to establish a Contingency Reserve policy, the SDT has determined that operating reserve overall must be addressed so that its three primary components, regulating reserve, frequency responsive reserve, and contingency reserve are appropriately identified and provided.</b></p> <p><b>Further, NERC has identified three types of results-based requirements; namely, performance-based, risk-based, and capability-based. The SDT has chosen, for this project, to use the capability-based type of requirement. These requirements establish that the functional entity has the capability to provide the regulating reserve, contingency reserve, and frequency responsive reserve that constitute an overall provision of operating reserve. As you are aware, there are many different types and names of reserves in use across the regions of the north American BES. However, in general, all the types fit into one of these three primary types of operating reserve.</b></p> <p><b>The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to</b></p>		

Organization	Yes or No	Question 8 Comment
<p>address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>South Carolina Electric and Gas</p>	<p>No</p>	<p>South Carolina Electric and Gas supports the comments submitted by the SERC OC Standards Review Group.</p>
<p>Response: Thank you for your comment. Please see the responses to comments submitted by the SERC OC Standards Review Group.</p>		
<p>City of Tallahassee</p>	<p>No</p>	<p>TAL is unclear as to the distinction/purpose of this requirement for an entity compliant with BAL-001, -002, and -003. Real-time operators are performing this function constantly. Documenting an assessment every hour is unnecessary for an entity compliant with the other standards, and would be unduly burdensome.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
<p>Duke Energy</p>	<p>No</p>	<p>While we agree that this is a good practice, the evidence necessary to prove</p>

Organization	Yes or No	Question 8 Comment
		<p>compliance is unduly burdensome. This requirement appears to be a means to an end, the desired end result being to have adequate reserves to respond to an event. There are already requirements that sufficiently specify the desired result.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Xcel Energy	No	<p>This requirement tells a system operator that the verification of reserves at least hourly is more important than anything else that might be going on at that time. This is unreasonable. NERC should not be trying to tell the industry how it must operate. This is likely to cause more problems than it addresses. Xcel Energy recommends to the extent that the drafting team believes this concept should go forward, a requirement to have this information readily available to the operator would be reasonable without telling the operator how to do the job.</p>
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system</p>		

Organization	Yes or No	Question 8 Comment
<p>frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Idaho Power Company	Yes	Yes, if real-time monitoring is sufficient.
<p>Response: Thank you for your comment.</p>		
Tacoma Power	Yes	While Tacoma Power does agree with the intent of this Requirement, the phrase, "... to ensure reliable operation of the Bulk Electric System," is beyond the control of any single Balancing Authority. Therefore, we suggest striking the phrase.
<p>Response: Thank you for your comment. The SDT has removed this as a stand-alone requirement and included it as part of the sub-bullets for the development of a policy for addressing reserves. This policy would require an explanation of how this was being addressed. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 ("We direct the ERO...to include a continent-wide contingency reserve policy."). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT agrees that good operating practices do not have to be stated in the standard, but that the standard is to state what is required. In this case, what is required is for policy to exist and to be used to provide for and enable regulation of system frequency, response to frequency deviations, and restoration of operations following experience of a contingency. Please review the updated draft standard.</p>		
Hydro-Québec TransÉnergie	Yes	
Arizona Public Service Company	Yes	
American Wind Energy Association	Yes	
Sacrametno Municipal Utility	Yes	

Organization	Yes or No	Question 8 Comment
District		

**9. The BARC SDT has developed Requirement R7 to eliminate the possibility of “double counting” reserves.**

R7. Each Balancing Authority shall evaluate that its aggregate amount of planned Regulating Reserve, Contingency Reserve and Frequency Responsive Reserve margin(s) above and below its forecasted demand is within the operating limits of its resources to ensure reliable operation of the Bulk Electric System.

**Do you agree with this requirement? If not, please explain in the comment area below.**

**Summary Consideration:**

**Almost all of the commenters felt that this requirement was confusing and possibly unenforceable. The SDT explained that they agreed that the draft requirement was confusing. The SDT made significant modifications to this requirement to provide clarity. In addition, the SDT turned this requirement into a policy that would state how “double accounting” of reserves is addressed.**

Organization	Yes or No	Question 9 Comment
ISOs Standards Review Committee	No	It is not clear how R7 is evaluated or how it is measured or really what the requirement is intended to accomplish.
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
SPP Standards Review Group	No	The wording used in the requirement is cumbersome at best. The use of forecasted demand when referring to Regulating, Contingency and Frequency Responsive Reserves is confusing. We think the SDT means that reserves, in all three categories, are required to be able to handle variations both above and below forecasted levels. If this is not the intent, the SDT needs to rewrite the requirement such that the true intent is evident. If that is the intent of the SDT, then it needs to clarify the requirement to eliminate any confusion. Additionally, we have some question about

Organization	Yes or No	Question 9 Comment
		<p>designating Contingency Reserves in the downward direction. This may be related to BAL-013 and the loss of large loads. Whereas for generation contingencies, reserves are needed to fill in for the capacity lost, when load is lost there is an excess of generation. The proper action to take at that time is to reduce generation. It appears to us that what is needed is the ability to ramp generation down in this situation yet the standard doesn't mention maintaining ramp capability.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how "double accounting" of reserves is addressed.</b></p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>While we have no issues with the attempt to avoid double counting, we see no need for this requirement. BAs already have strong controls in place to avoid double counting reserves. Given that there have been virtually no violations of BAL-002 contingency reserve requirements and that there are no system events caused by double counting of reserves, there simply is no technical justification. As a result, it is essentially an administrative requirement.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how "double accounting" of reserves is addressed.</b></p>		
<p>Manitoba Hydro</p>	<p>No</p>	<p>In both R6 and R7 the objective of the evaluation is given as 'ensure reliable operation of the Bulk Electric System'. It does not seem appropriate to require the entity to evaluate their plans to the standard of ensuring the reliability of the entire BES. Also, R5 refers only to the 'support' of the reliable operation of the BES, is this supposed to imply some lesser standard than 'ensure' the reliable operation of the BES?</p> <p>Also, there is no direction given with respect to when or how often this evaluation needs to occur.</p>

Organization	Yes or No	Question 9 Comment
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Hydro-Québec TransÉnergie	No	<p>The wording in the requirement may lead to a lot of interpretation. The aggregated amount of reserves is something that is not clear since the aggregation technique is not defined. Is this simply the sum of the reserve requirements, or something else?</p> <p>The reason for preventing double-counting is also questionable. There are requirements to measure the performance of BA’s with regards with the three reserves products. Regulating reserve is measured through BAL-002 (CPS1, BAAL). Contingency reserve activation performance is measured through BAL-001 (DCS) and frequency responsive reserve through the new BAL-003 under development (FRM vs FRO). Adding this requirement will lead BA’s to carry more reserves than what is needed based on the individual requirements and adds unnecessary complexity to the dispatching.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Bonneville Power Administration	No	<p>There is no time frame referenced and BPA believes that the requirement needs additional clarity. If the goal is to eliminate double counting, then BPA recommends simplifying to, “no double counting” or “separately account for”. BPA requests clarification on how the drafting team anticipates BAs to separately account for frequency responsive reserves.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Associated Electric	No	See SERC comment for R7.

Organization	Yes or No	Question 9 Comment
Cooperative, Inc., JRO00088		
<p><b>Response: Thank you for your comment. Please see response to SERC comment for R7.</b></p>		
MISO Standards Collaborators	No	<p>MISO respectfully reiterates its comments to No. 8 above. Additionally, it notes that no time horizon or other indication of the type, frequency, or timing of the proposed evaluation is indicated. Without this information, this requirement is likely to be interpreted in a number of variable ways by different Registered Entities, which would significantly diminish any benefit to reliability of the BES intended by this requirement.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Western Electricity Coordinating Council	No	<p>It’s not clear what aggregate margin above and below forecasted demand means. Please clarify what “above and below” means. Not sure how this addresses “double counting”</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Progress Energy	No	<p>This requirement seems to duplicate R5 with different language. Combine the requirements to achieve the objective of eliminating double-counting.</p>
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Southern Company	No	<p>It is unclear what the evaluation period is for R7?</p>

Organization	Yes or No	Question 9 Comment
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
ReliabilityFirst	No	<p>ReliabilityFirst offers the following comment for consideration:1. Requirement R7a. RFC recommends removing the phrase “to ensure sufficient reserves to support reliable operation of the Bulk Electric System” from Requirement R7. This phrase is ambiguous and does not add any value to the associated requirements.</p>
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
Idaho Power Company	No	No, this requirement is confusing.
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
Independent Electricity System Operator	No	<p>The type of planned reserve and the timing for completing this assessment are not explicit. When does this assessment need to be completed and is this assessment to be performed for the operational plans or for real-time operations? These need to be clearly spelled out.</p>
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
Tucson Electric Power	No	<p>Already done in the western Interconnection. Current Control Performance Standards are adequate. Added paperwork for no real gain.</p>

Organization	Yes or No	Question 9 Comment
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
<p>ISO New England Inc.</p>	<p>No</p>	<p>The definition Frequency Responsive Reserve raises several questions. Is inertia a quantity of reserve? Is the referenced reserve strictly related to post point C response? Requirements 1-4 are documentation-driven and offer no benefit to reliability; they are not results-based and provide simply paperwork exercises. Further, requiring BAs, who may not own or operate resources, to have access to a product for which they have no control is unacceptable. The requirements need to be written for the resources to provide such capabilities to the BA who, in turn, similar to reserves and DCS recovery, will dispatch to a reliability threshold accordingly. We encourage the SDT to alter this proposed standard to be more performance-based, such as “Each BA shall operate to have Contingency reserves equal the MSSC at all times except following an event for which it has deployed said Contingency reserves.”; “Each BA shall replenish its Contingency reserves ... following an event for which it has deployed said reserves.”</p>
<p>Response: Thank you for your comment. The answers to the questions you are raising concerning Frequency Response can be found in the Background Document of BAL-003-1.</p> <p>The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		
<p>City of Tallahassee</p>	<p>No</p>	<p>TAL is unsure how R7 differs from R6 without a specified periodicity. While TAL agrees that two different entities should not use the same reserves, TAL does not agree that if a single entity "double counts" a portion of a unit response capability for Contingency Reserves and Frequency Response Reserves that it increases risk to the Bulk Electric System. The Contingency Reserves are only used for 15 minutes and Regulating Reserves can be Frequency Responsive Reserves. TAL is concerned that</p>

Organization	Yes or No	Question 9 Comment
		this standard introduces double jeopardy for any violations of BAL-001, -002, or -003.
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Duke Energy	No	This appears to prohibit a resource from being counted as Frequency Responsive Reserves if it is being counted as Regulating Reserves, even if it is physically capable of doing so. This should be revised to require the Balancing Authority to define how this is accounted for in its annual plan.
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Xcel Energy	No	It is unclear how the requirement eliminates the possibility of double counting.
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</b></p>		
Arizona Public Service Company	Yes	
LG&E and KU Services	Yes	Note: the parenthetical expression should be double “accounting”.
<p><b>Response: Thank you for your comment and for your support. The SDT agrees that the question should have used the term “accounting”.</b></p>		
American Electric Power	Yes	

Organization	Yes or No	Question 9 Comment
Tacoma Power	Yes	While Tacoma Power does agree with the intent of this Requirement, the phrase, "... to ensure reliable operation of the Bulk Electric System," is beyond the control of any single Balancing Authority. Therefore, we suggest striking the phrase.
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how "double accounting" of reserves is addressed.</b></p>		
SERC Reliability Corporation	Yes	Note: the parenthetical expression should be double "accounting".
<p><b>Response: Thank you for your comment and for your support. The SDT agrees that the question should have used the term "accounting".</b></p>		
Texas Reliability Entity	Yes	Is this intended to imply exclusive counting of the reserves in each category (see question 5 comment)?
<p><b>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how "double accounting" of reserves is addressed.</b></p>		
South Carolina Electric and Gas	Yes	
Sacramento Municipal Utility District	Yes	
Public Service Enterprise Group		Although double counting between BAs is addressed, double counting among Regulating Reserve, Contingency Reserve, and Frequency Response Reserve are not addressed. The answer to this question requires the BARC SDT and the Project 2007-12 SDT explain the relationship between Regulating Reserve, Contingency Reserve,

Organization	Yes or No	Question 9 Comment
		and Frequency Response Reserve contained in BAL-012-1. See the response to #5 above
<p>Response: Thank you for your comment. The SDT agrees that the draft requirement was confusing. The SDT has made significant modifications to this requirement to provide clarity. In addition, the SDT has turned this requirement into a policy that would state how “double accounting” of reserves is addressed.</p>		

10. The BARC SDT has developed Measures for the proposed Requirements within this standard. Do you agree with the proposed Measures in this standard? If not, please explain in the comment area.

**Summary Consideration:**

Almost all of the commenters were concerned with the documentation that could be required with the draft standard as it was previously written. The SDT explained that they had revised the requirements to now develop policies on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.

A couple of commenters were concerned that the term “Frequency Response Sharing Group” had not been defined and yet it was being used in this standard. They also raised the question as to why it was not included in the Applicability section of the standard. The SDT explained that the term was defined in the Project 2007-12 Frequency Response and that they had corrected the oversight on not including it in the Applicability section.

Organization	Yes or No	Question 10 Comment
ISOs Standards Review Committee	No	The first four measures appear to say that if you have a binder that discusses the items in the requirements, you meet the standard. The remaining measures can be met by creating tables with checkmarks or values within them. We’re not sure how this helps reliability.
<p><b>Response:</b> Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</p>		
SPP Standards Review Group	No	Measure 5 needs to be revised to make it more closely parallel what is stated in

Organization	Yes or No	Question 10 Comment
		<p>Requirement 5. We suggest replacing ‘...as needed..’ with ‘...at least weekly...’.Please refer to our comment in Question 8 regarding Measure 6.To clarify what specific elements are intended in Measure 7, we suggest inserting the phrase ‘...as contained in Requirements R1, R2 and R3,...’ following the word ‘elements’.</p>
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
Manitoba Hydro	No	<p>‘Frequency Response Sharing Group’ is not defined and is not listed in the applicability section, yet has requirements in M3 and M4.</p> <p>M5 – does not seem to match up with the language of R5. R5 requires weekly review of its operational plan for the upcoming week and doesn’t talk about the development of the plan or updating it. M5 requires a dated plan and evidence that it was reviewed and updated.</p> <p>M7 – delete semi color in first line.</p>
<p><b>Response: Thank you for your comment. The SDT believes that the Frequency Response sharing group is really just another form of Reserve Sharing Group that may be formed around the sharing of frequency responsive reserve. The SDT will revise the draft to address your concern and clarify the intent.</b></p>		
Bonneville Power Administration	No	<p>BPA does not agree with the proposed Measures in the standard as BPA does not agree with the requirements. In M5, the “as needed” review should be replaced with “weekly” review wording, consistent with our suggestion for R5.</p>
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		

Organization	Yes or No	Question 10 Comment
Associated Electric Cooperative, Inc., JRO00088	No	M1 through M4 are fine. M5 would need to go if R5 goes, and M6 and M7 should be deleted along with R6 and R7.
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
MISO Standards Collaborators	No	MISO respectfully suggests that the measures proposed underscore the non-substantive, administrative nature of the requirements proposed in BAL-012-1 and, further, do not provide any guidance beyond the plain language of the requirements and are, in fact, almost a restatement thereof.
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
Southern Company	No	See comments regarding the requirements within the standard.
<p><b>Response: Thank you for your comment. Please see the responses to your comments where they are as you suggest.</b></p>		
Tucson Electric Power	No	Disagree with the need for the Standard
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
Tacoma Power	No	Tacoma Power generally does not agree with the proposed Requirements and Measures. The use of the term “Balancing Authority” should be clarified. Tacoma

Organization	Yes or No	Question 10 Comment
		<p>Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This Requirement should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the Requirements and Measures in M1 through M5 may be counter-productive. The configuration of a Reserve Sharing Group’s or Balancing Authority’s reserve on its units, how it is calculated, and contracts terms can vary considerably over time. Compliance with sufficient reserves is already apparent in the entity’s compliance with BAL-001, BAL-002, and the economics of the system. It is not necessary to further bind an entity to documentation of this Requirement that may prevent undocumented, yet prudent actions by the entity.</p>
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
City of Tallahassee	No	<p>TAL is not clear as to what constitutes an acceptable assessment for M6. Would an entity be in compliance with this measure with an alarm that warns of insufficient reserves? Would an entity need three individual alarms, one each for Regulating Reserves, Contingency Reserves, and Frequency Response Reserves? This requirement would add to the task-loading of real-time operators.</p>
<p><b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b></p>		
Duke Energy	No	<p>For the requirements that we have proposed changes to, the measures would need to be adjusted accordingly.</p>

Organization	Yes or No	Question 10 Comment
<b>Response: Thank you for your comment.</b>		
ACES Power Marketing Standards Collaborators	No	Please see our comments in other questions.
Xcel Energy	No	Refer to our comments related to the purpose statement.
Arizona Public Service Company	Yes	
Idaho Power Company	Yes	
Hydro-Québec TransÉnergie	Yes	
American Electric Power	Yes	
SERC Reliability Corporation	Yes	
South Carolina Electric and Gas	Yes	
Sacrametno Municipal Utility District	Yes	
Independent Electricity System Operator		We have concerns and objections to a number of requirements in this standard, hence we are unable to support the Measures as presented.
<b>Response: Thank you for your comment. The SDT has revised the requirements to now develop a policy on how an entity is addressing reserves. The SDT has also developed three new requirements addressing implementation of the requirements for a Regulating Reserve policy, a Contingency Reserve policy and a Frequency Responsive Reserve policy that utilizes the “find, fix and track” methodology. This should eliminate the need for all of the documentation to which you have raised a concern.</b>		

11. The BARC SDT has developed a document “BAL-012-1 Operating Reserve Planning Standard Background Document” which provides information behind the development of the standard. Do you agree that this new document provides sufficient clarity as to the development of the standard? If not, please explain in the comment area.

**Summary Consideration:**

The majority of the commenters either did not agree with the need for the standard or felt that the standard was going beyond the SAR. The SDT stated that the intent of the SDT was to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.

A few of the commenters felt that the Background Document was not clear. The SDT explained that it had modified the document to provide additional clarity on the development of the requirements.

One commenter was concerned with the discussion on Frequency Response. The SDT explained that they were only trying to provide additional clarification regarding Frequency Response. In addition, the two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.

Organization	Yes or No	Question 11 Comment
ISOs Standards Review Committee	No	It is not clear how the document is intended to be used, particularly once the standard is approved. The team has gone beyond the directive in Order No. 693, which related to a “contingency reserve policy”. The background document goes into regulating and frequency responsive reserves and appears to set a commodity standard. A policy is not a standard.
<p><b>Response: Thank you for your comments. The document is meant to provide information on the development of the requirements within the standard.</b></p>		

Organization	Yes or No	Question 11 Comment
<p>The SDT reviewed the topic of a “contingency reserve policy” in depth, including seeking guidance from NERC legal. The SDT concluded that the requirements of a standard would embody the policy that has been directed by FERC.</p> <p>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p> <p>When exploring a contingency reserve policy, the SDT recognized that the various resources used to provide the various types of reserves represent many qualifying overlaps. The resources that provide regulating function may also qualify to provide contingency reserve, and possibly even frequency response. However, there are some types of reserves that will not qualify for multiple types. The SDT agrees that the need is for a sufficient amount of resources to meet the load demand and to provide for all the required types of reserves (which vary between regions and between market and contractual arrangements).</p> <p>The SDT selected a type of results-based requirement designated as a capability-based requirement. The SDT believes the revised draft standard will meet the requirement of the FERC directive and will not create new requirements that present practices cannot meet.</p>		
SPP Standards Review Group	No	The document only contains an introductory paragraph, the requirements themselves and another brief paragraph consisting of only a few lines of background and rationale material. The document contains no helpful information that provides any further clarity to the standard.
<p><b>Response: Thank you for your comments. The SDT has added language to provide clarification.</b></p>		
ACES Power Marketing Standards Collaborators	No	This document provides no technical justification for the development of this standard. It does not explain why these requirements are so important to become enforceable particularly given that there have been no violations or events caused by a lack of operating reserve. Reliability is being served adequately with the existing BAL-002. Only a few refinements are necessary. There are two specific issues. On page 8 in the first paragraph, there is a statement that says R4 allows reserve sharing groups to be formed. Reserve sharing groups can be formed today without this requirement. Thus, it seems to be an incorrect statement. Also on page 8 in the third

Organization	Yes or No	Question 11 Comment
		<p>paragraph, there is a contradiction. It states R5 compels the BA to perform it operating reserves plan review as necessary or on an at least weekly basis. The requirement actually only requires a weekly review.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p> <p><b>The Background document has been modified to provide additional clarity. With regards to your comment concerning reserve sharing groups being allowed to form, the SDT has un-capitalized the term “Reserve Sharing Group” as they were intending it to apply to all three types of reserve sharing groups not just a contingency Reserve Sharing Group.</b></p>		
Bonneville Power Administration	No	<p>BPA believes this standard is going far beyond the SAR directives to the drafting team (listed below) and that the directives are not related to planning reserves. The original Standards Authorization Request (SAR) directed the drafting team to consider the following directives points from FERC Order 693.</p> <ul style="list-style-type: none"> <li>o Include a continent-wide Contingency Reserve policy, which should include uniform elements (definitions and requirements).</li> <li>o Include a requirement that explicitly provides that Demand Side Management (DSM) may be used as a resource for Contingency Reserves.</li> <li>o Recognizes the loss of Transmission, as well as generation; thereby providing a realistic simulation of possible events that might affect the Contingency Reserves.</li> </ul>
<p><b>Response: The SDT disagrees with your comment. The SDT believes that BAL-012-1 provides a method to comply with the directive to develop a continent wide Contingency Reserve policy. The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping characteristic.</b></p>		
MISO Standards Collaborators	No	<p>The background document supports MISO’s comments that BAL-012-1 goes beyond the original SAR, the Commission directives in Order 693, and the original approved content of BAL-002. More specifically, the standard goes beyond the directive which the Commission indicated should “include procedures to determine the appropriate</p>

Organization	Yes or No	Question 11 Comment
		<p>mix of operating reserves, spinning and non-spinning, as well as requirements pertaining to the specific amounts of operating reserves based on the load characteristics and magnitude, topology, and mix of resources available in the region.” The standard as proposed prescribes significant amounts of detailed documentation and reviews, which were not described in or otherwise indicated by the original SAR, the Commission directives in Order 693, and the original approved content of BAL-002.</p>
<p><b>Response: The SDT disagrees with your comment. The SDT believes that BAL-012-1 provides a method to comply with the directive to develop a continent wide Contingency Reserve policy. The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping characteristic. However, the SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
Idaho Power Company	No	No, it provides very little actual information.
<p><b>Response: Thank you for your comments. The SDT has added language to provide clarification.</b></p>		
Tucson Electric Power	No	This Standard goes beyond the original Standards Authorization Request (SAR) that directed the drafting team to consider the directives points from FERC Order 693.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
City of Tallahassee	No	TAL is not clear that the background document adequately explains the need for this standard. The document does not explain how some of the required elements should be acquired, e.g. R3.4, where an entity would need to measure the Frequency Responsive capabilities of load operating inside the Balancing Area or Frequency Response Sharing Group. Operating as an island to measure this would be

Organization	Yes or No	Question 11 Comment
		problematic and a violation of several other standards. This document does not provide sufficient guidance to eliminate subjectivity by audit teams.
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
Xcel Energy	No	Refer to our comment related to the purpose statement.
<p>Response: Thank you. Please see the response to that comment.</p>		
Tacoma Power	Yes	<p>Tacoma Power generally does agree with the background document. However, the use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This standard should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the standard may be counter-productive when requirements documented plans. The configuration of a Reserve Sharing Group’s or Balancing Authority’s Frequency Responsive Reserve on its units, how it is calculated, and contracts terms can vary considerably over time. Compliance with sufficient reserves is already apparent in the entity’s compliance with BAL-001, BAL-002, and the economics of the system. It is not necessary to further bind an entity to documentation of this standard that may prevent undocumented, yet prudent actions by the entity.</p>
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria</p>		

Organization	Yes or No	Question 11 Comment
<p>listed in the standard. The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping characteristic.</p>		
Associated Electric Cooperative, Inc., JRO00088	Yes	
Arizona Public Service Company	Yes	
Hydro-Québec TransÉnergie	Yes	
SERC Reliability Corporation	Yes	
Manitoba Hydro	Yes	
American Wind Energy Association	Yes	
American Electric Power	Yes	
Tacoma Power	Yes	<p>Tacoma Power generally does agree with the background document. However, the use of the term “Balancing Authority” should be clarified. Tacoma Power suggests that the term be replaced with “Reserve Sharing Group or a Balancing Authority not in a Reserve Sharing Group.” This standard should allow for Reserve Sharing Groups and only apply to an individual Balancing Authority when the Balancing Authority is not a member of a Reserve Sharing Group. Additionally, the standard may be counter-productive when requirements documented plans. The configuration of a Reserve Sharing Group’s or Balancing Authority’s Frequency Responsive Reserve on its units, how it is calculated, and contracts terms can vary considerably over time. Compliance with sufficient reserves is already apparent in the entity’s compliance with BAL-001, BAL-002, and the economics of the system. It is not necessary to further bind an</p>

Organization	Yes or No	Question 11 Comment
		entity to documentation of this standard that may prevent undocumented, yet prudent actions by the entity.
<p><b>Response:</b> Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard. The SDT felt that it makes sense to evaluate all type of reserves within the same standard because of their overlapping characteristic.</p>		
South Carolina Electric and Gas	Yes	
Sacrametno Municipal Utility District	Yes	
Independent Electricity System Operator		We do not have any major concerns with the Background Document. However, we question the need to include discussion on Frequency Response in the Document in view of the parallel development of BAL-003. There is no mention of the coordination between this project and the BAL-003 project.
<p><b>Response:</b> The SDT thanks you for your comment. The SDT was only trying to provide additional clarification regarding Frequency Response. In addition, the two standards are being coordinated since the SDT is comprised of several members of the BARCDT as well as members of the FRRSDT.</p>		
ISO New England Inc.		Given the rampant need in the industry for Requests for Interpretations, Rapid Revisions, and CANs, we believe that future Standards need to be written so that they can "stand alone" upon scrutiny.
<p><b>Response:</b> The SDT agrees with your comment. The background document should serve to add clarity without adding requirements.</p>		

12. If you are aware of any conflicts between the proposed standard and any regulatory function, rule order, tariff, rate schedule, legislative requirement, or agreement please identify the conflict here.

**Summary Consideration:**

There were only two commenters providing a response to this question. One commenter pointed to their comment for Question #5. The SDT responded by pointing them to their Question #5 response.

The second commenter raised an issue concerning the possibility of “double jeopardy” with other standards. The SDT stated that they had modified the standard to now require development of a policy (rather than a plan) addressing certain issues concerning reserves. They further explained that they felt this should eliminate the possibility of “double jeopardy” as they described.

Organization	Yes or No	Question 12 Comment
Tacoma Power		Tacoma Power does not have any comments at this time.
<b>Response: Thank you.</b>		
Public Service Enterprise Group		The answer to this question is unknown until the BARC SDT and the Project 2007-12 SDT explain the relationship between Regulating Reserve, Contingency Reserve, and Frequency Response Reserve contained in BAL-012-1. See the response to #5 above. Regulating Reserve and Contingency Reserves are required ancillary service functions in the OATT, Regulating Reserves are required by Schedule 3 - Regulation and Frequency Response; Contingency Reserves are required by Schedule 5 - Operating Reserve - Spinning Reserve Service and Schedule 6 - Operating Reserve - Supplemental Reserve Service.
<p><b>Response: Thank you for your comment. Please see our response to your comments for Question #5.</b></p> <p><b>The SDT also agrees with your statement that Regulating Reserves and Contingency Reserves are a required ancillary service in the</b></p>		

Organization	Yes or No	Question 12 Comment
<p>OATT.</p> <p>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
Bonneville Power Administration		<p>There is potential for double jeopardy with the performance based standards. At times there could be a problem where your plan doesn’t meet real-time conditions. This standard could lead to a situation forcing the choice to follow your plan or meet DCS. BPA recommends that 2.2.2 and 2.2.3 be removed. At this point if there were reserves, they would have been deployed. EEA2 and EEA3 are declared when the plan doesn’t work and reserves run out.</p>
<p>Response: Thank you for your comment. The SDT has modified the standard to now require development of a policy (rather than a plan) addressing certain issues concerning reserves. This should eliminate the possibility of “double jeopardy” as you have described.</p>		
Associated Electric Cooperative, Inc., JRO00088		No
Idaho Power Company		No
SERC Reliability Corporation		No
Tucson Electric Power		no
South Carolina Electric and Gas		No
Arizona Public Service Company		No conflicts

Organization	Yes or No	Question 12 Comment
SPP Standards Review Group		Not aware of any conflicts.

**13. Do you have any other comment on BAL-012-1, not expressed in the questions above, for the BARC SDT?**

**Summary Consideration:**

The majority of the commenters felt that the standard was redundant with BAL-001, BAL-002 and BAL-003 and that it was not necessary. The SDT stated that the intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.

A couple of commenters noted that the compliance elements were not included in the draft of the stand posted. The SDT explained that the compliance elements were purposely left out of the initial draft of the standard. The SDT wanted the industry to focus on the requirements without having to evaluate the compliance elements at the same time. The SDT felt that this would provide for the opportunity to gain a better understanding of the industry’s concerns.

A few of the commenters were unsure if there was any coordination between this project and Project 2007-12 Frequency Response. The SDT explained that this project SDT and the FR SDT have coordinated and agree that the Frequency Response team will identify any frequency response obligations.

A couple of commenters felt the data retention was not consistent. The SDT explained that they were using standard language used in other standards.

One commenter did not feel that the standard should be written as requiring a plan to be developed. The SDT agreed and explained that they had revised the standard to require the development of policies rather than plans. This would also better align with the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent wide contingency reserve policy.”).

Organization	Yes or No	Question 13 Comment
ISOs Standards Review		1) The original SAR for this standard was to clean up the BAL standards and address

Organization	Yes or No	Question 13 Comment
Committee		<p>693 directives. BAL-002-0 really had only 2 material requirements (get back from all reportable events in 15 minutes and replenish contingency reserves in 90 minutes). The rest of the requirements were administrative and explanatory text caught up in the V0 effort. The SAR intended for these to be cleaned out. This standard goes beyond the existing BAL-002 or the 693 directives and now has nearly 40 requirements and sub requirements.2) It appears that this standard is attempting to address the Order No. 693 directive to develop a “continent wide contingency reserve policy”. A policy is not the same thing as a standard. Also, the directive solely mentioned contingency reserves. An alternative approach to meeting the directive would be to develop a set of common definitions of the different types of reserves and that BAs provide projected (next day) and real time data to their Reliability Coordinators (RCs). RCs could then use this information to support the EEA process. This would make a material contribution to reliability.3) The SRC would note that the CPS and DCS requirements are the performance requirements, reserves are a means of complying with those objectives. 4) It is time to rethink how we are presently creating standards and move and eliminate prescriptive “How to” requirements such as reserves. These requirements penalize an entity for not complying with the reliability objective and then penalize the entity for not having the “reserves”. In addition, the SDT’s reserve proposal would in effect eliminate DR and Smart Grid concepts that would switch loads in or out on an “as needed” basis since such assets would not necessarily be specifically set aside as “reserves”.</p>
<p><b>Response: Thank you for your comments. The SDT reviewed the topic of a “contingency reserve policy” in depth, including seeking guidance from NERC legal. The SDT concluded that the requirements of a standard would embody the policy that has been directed by FERC.</b></p> <p><b>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p> <p><b>When exploring a contingency reserve policy, the SDT recognized that the various resources used to provide the various types of</b></p>		

Organization	Yes or No	Question 13 Comment
<p>reserves represent many qualifying overlaps. The resources that provide regulating function may also qualify to provide contingency reserve, and possibly even frequency response. However, there are some types of reserves that will not qualify for multiple types. The SDT agrees that the need is for a sufficient amount of resources to meet the load demand and to provide for all the required types of reserves (which vary between regions and between market and contractual arrangements).</p> <p>The SDT selected a type of results-based requirement designated as a capability-based requirement. The SDT believes the revised draft standard will meet the requirement of the FERC directive and will not create new requirements that present practices cannot meet.</p> <p>Your suggested alternative approach has merit, but is covered by other standards requirements that the RC and TOP and BA inform other entities what information is needed to perform their reliability functions and for those entities to provide that information.</p>		
<p>Independent Electricity System Operator</p>		<p>1. Frequency Responsive Reserve is a proposed defined term but Frequency Responsive by itself is not a defined term. There are places in the standard that apply Frequency Responsive to describe certain word (e.g. Frequency Responsive resources in Part 3.6, which is confusing. We suggest the SDT to review such applications, and replace them with the appropriate wording to drive home the intent of the requirements.2. Some of the requirements proposed in this standard are contingent on the approval of BAL-003, which is under development. We suggest the SDT to closely coordinate with the BAL-003 SDT, and consider merging the two projects or synchronize the balloting and approval of the two sets of standard to avoid unintended consequence.</p>
<p><b>Response: Thank you for your comments. The concept of frequency response and how much is required for each Interconnection is to be addressed by Project 2007-12, Frequency Response. That project SDT and this SDT have coordinated and agree that the Frequency Response team will identify any frequency response obligations. Your point about the need for project coordination and avoidance of unintended consequences is well made.</b></p>		
<p>SERC Reliability Corporation</p>		<p>This Standard is somewhat redundant with BAL-001, BAL-002, proposed BAL-003 in that an entity's compliance with these standards would inherently require implementation of the plans as outlined in this draft standard.</p>

Organization	Yes or No	Question 13 Comment
		<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>
<p>Associated Electric Cooperative, Inc., JRO00088</p>		<p>AECI believes much of this particular standard, R5-R7, to be overly prescriptive as to how entities are to achieve BAL-001, BAL-002, and proposed BAL-003. While offering great guidance, they instead risk double-jeopardy for entities that are found in non-compliance of those other BAL standards. Either R5-R7 should be removed, or they provide sufficient reliability assurances such that BAL-001, BAL-002, and BAL-003 will be unnecessary and can be removed.</p>
		<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>
<p>SPP Standards Review Group</p>		<p>As proposed the approved standard would take effect 12 months following approval by the appropriate regulatory bodies. There is a considerable amount of work that needs to be done for the BAs to prepare for the compliance burden this standard will place on them. While assessments of reserve capability are currently being performed for regulating and contingency reserves, there is very little being done in this area for frequency responsive reserves. Additionally, once the standard is approved, BAs will have to maintain documentation on all the assessments that are conducted. This effort, coupled with work required by other standards activity in addition to the day-to-day efforts to keep the lights on, puts quite a burden on the</p>

Organization	Yes or No	Question 13 Comment
		<p>BAs. We suggest that the standard not become effective until 18 months following regulatory approval.</p>
<p>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p>		
Bonneville Power Administration		<p>BPA believes that the Frequency Responsive Reserves standard should not be referenced as it has not been approved by FERC.</p>
<p>Response: Thank you for your comment. The SDT agrees with the need for close coordination between this project and Project 2007-12, Frequency Response. While the Frequency Response project will identify any frequency response obligation, the concept of frequency responsive reserve is not being addressed in that project. This project is proposing a definition of Frequency Responsive Reserve to indicate its role as part of Operating Reserves that must be addressed in policy.</p> <p>The SDT reviewed the topic of a “contingency reserve policy” in depth, including seeking guidance from NERC legal. The SDT concluded that the requirements of a standard would embody the policy that has been directed by FERC.</p> <p>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p> <p>When exploring a contingency reserve policy, the SDT recognized that the various resources used to provide the various types of reserves represent many qualifying overlaps. The resources that provide regulating function may also qualify to provide contingency reserve, and possibly even frequency response. However, there are some types of reserves that will not qualify for multiple types. The SDT agrees that the need is for a sufficient amount of resources to meet the load demand and to provide for all the required types of reserves (which vary between regions and between market and contractual arrangements).</p>		
City of Tallahassee		<p>Data Retention: TAL suggests a clarification to the requirement language that data retention is the longer of either (a) the data retention period defined in the standard</p>

Organization	Yes or No	Question 13 Comment
		or (b) the period since the last audit. As the proposed language reads, the need to retain evidence since the previous audit (if longer than the defined retention period) is addressed in a separate area from the defined retention period.
<p><b>Response: The SDT is not sure as to the meaning of your comment. The data retention is listed in the same section of the standard (D 1.2). The SDT also noted that it was using standard NERC language for the Data Retention Section.</b></p>		
Idaho Power Company		I agree with the intent of this standard, but I'm concerned about additional excessive documentation requirements.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
Arizona Public Service Company		No comments
South Carolina Electric and Gas		South Carolina Electric and Gas supports the comments submitted by the SERC OC Standards Review Group.
Southern Company		Southern suggests that BAL-001, BAL-002 and proposed BAL-003 already addresses the compliance requirements that are re-stated in BAL-012-0.
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
Tacoma Power		Tacoma Power does not have any additional comments at this time. Thank you for

Organization	Yes or No	Question 13 Comment
		consideration of our comments.
<p><b>Response: Thank you for your participation.</b></p>		
KCP&L		<p>The amount of data needed to show compliance with R6 seems to be overly burdensome. The combination of proving hourly assessments were performed and the data retention period specified in section D - 1.2 could make for a large amount of retained data.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
Northeast Power Coordinating Council		<p>The requirements for regulation and contingency reserve are met for the most part by existing operating procedures, reserve monitors, and business practices. Compliance will generate additional paperwork. Frequency responsive reserve requirements will be substantial. Balancing Authorities will need to know which resources provide frequency response, determine how much in aggregate is needed, include those constraints in its day-ahead commitment, monitor the actual value in real-time, and take corrective action in real-time when becoming deficient in frequency responsive reserve. Other than the reason that it meets a FERC directive, the usefulness of the Standard is questionable. It will draw greater attention to the frequency response issue, but opinions throughout the industry vary as to whether that attention is needed.</p>
<p><b>Response: Thank you for your comments. The SDT believes that you have given a good start to a summary of content that states an effective operating reserve policy.</b></p> <p><b>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard</b></p>		

Organization	Yes or No	Question 13 Comment
<p>contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</p> <p>The SDT reviewed the topic of a “contingency reserve policy” in depth, including seeking guidance from NERC legal. The SDT concluded that the requirements of a standard would embody the policy that has been directed by FERC.</p> <p>When exploring a contingency reserve policy, the SDT recognized that the various resources used to provide the various types of reserves represent many qualifying overlaps. The resources that provide regulating function may also qualify to provide contingency reserve, and possibly even frequency response. However, there are some types of reserves that will not qualify for multiple types. The SDT agrees that the need is for a sufficient amount of resources to meet the load demand and to provide for all the required types of reserves (which vary between regions and between market and contractual arrangements).</p>		
Duke Energy		<p>There is concern that there will be double jeopardy in that a failure to meet CPS requirements, for example, would also be judged as a failure to have an adequate reserve plan. There are no VRFs, VSLs, or Time Horizons for any of the requirements.</p>
<p><b>Response: Thank you for your comment. The SDT has modified the standard to now require development of a policy (rather than a plan) addressing certain issues concerning reserves. This should eliminate the possibility of “double jeopardy” as you have described.</b></p>		
Progress Energy		<p>There is no proposed restoration period for frequency responsive reserves. Should there be?</p>
<p><b>Response: Thank you for your comment. The SDT is only developing policy documents with BAL-012-1. The SDT has added a sub-bullet to Requirement R5 (old R3) requiring entities to provide information on how they will replenish depleted reserves.</b></p>		
American Electric Power		<p>There needs to be an understanding and appreciation of the increasing number of newly-registered market participant Generator Operators that are not from the traditional, vertically integrated utility environment, and their impact on a Balancing Authority’s ability to balance. We encourage the SDT to think of opportunities to develop appropriate requirements in order to ensure that Generator Operators can help support the objectives of balancing load and generation in a reliable manner. The</p>

Organization	Yes or No	Question 13 Comment
		<p>background information on balancing sometimes refers back to the former “NERC Policy”, at a time when the preceding “Control Area” model applicability had different operating characteristics than today’s more granular functional model entity in terms of Balancing Authority, Generator Operator, Load Serving Entity (Demand Side Load Management), Market Operator, etc. The stated compliance applicability within the proposed Standard fails to address inherent impact of these other functional entities and variables on a Balancing Authority’s sole ability to comply with these requirements in today’s actual practice. Balancing Authorities that are part of regional energy and/or ancillary service markets may have unique challenges with respect to deployment of Balancing Authority resources. For example, the failure of following market deployment may only involve a financial market charge, however the results could have significant impact on Balancing Authority obligations.</p>
<p><b>Response: Thank you for your comments. The SDT intends to describe what is needed for reliability. Since the Balancing Authority is identified as the entity responsible to ensure balancing takes place, it is appropriate for the requirements to be applicable to the Balancing Authority. You identify valid concerns that must be addressed by the Balancing Authorities in determining “how” they will meet their requirements.</b></p> <p><b>The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria listed in the standard.</b></p>		
<p>LG&amp;E and KU Services</p>		<p>This Standard is somewhat redundant with BAL-001, BAL-002, proposed BAL-003 in that an entity’s compliance with these standards would inherently require implementation of the plans as outlined in this draft standard.</p>
<p><b>Response: Thank you for your comment. The intent of the SDT is to address the FERC directive to establish a Contingency Reserve Policy. See Order No. 693 at P 340 (“We direct the ERO...to include a continent-wide contingency reserve policy.”). The SDT agrees that the previous draft standard contained too many prescriptive and administrative requirements. Thus, the SDT has revised the draft standard to require that the functional entities have a policy that requires a robust treatment of practice to meet the criteria</b></p>		

Organization	Yes or No	Question 13 Comment
<b>listed in the standard.</b>		
ACES Power Marketing Standards Collaborators		We disagree with the data retention requirements of up to four years. It is not consistent with NERC Rules of Procedure. Section 3.1.4.2 of Appendix 4C - Compliance Monitoring and Enforcement Program states that the compliance audit will cover the period from the day after the last compliance audit to the end date of the current compliance audit. The “current year, plus three calendar years” exceeds the compliance audit period of three years for the BA.
<b>Response: The SDT is using standard NERC language for the Data Retention Section.</b>		
Manitoba Hydro		See comments related to 5. Effective Date provided in the BAL-001 comment form.  In all the requirements, VRF and Time Horizon are blank. Will these be filled in later?  Compliance 1.2 – insert ‘previous’ before three calendar years.
<b>Response: Thank you for your comment. All compliance elements will be provided later to ensure that developed standards are complete and contain all required elements. The SDT agrees and has added the word “previous” as you suggested.</b>		

END OF REPORT