Unofficial Comment Form

# Project 2017-01 Modifications to BAL-003, Phase II

**Do not** use this form for submitting comments. Use the [Standards Balloting and Commenting System (SBS)](https://sbs.nerc.net/) to submit comments on the White Paper for Phase II of Project 2017-01 Modifications to BAL-003 by **8 p.m. Eastern, April 27, 2021.
m. Eastern, Thursday, August 20, 2015**

Additional information is available on the [project page](http://nercdotcomstage/pa/Stand/Pages/Project201701ModificationstoBAL00311.aspx). If you have questions, contact Standards Developer, Laura Anderson, or at 404-446-9671.

## Background Information

Reliability Standard BAL-003-1 became effective in 2015. Supporting documents for BAL-003-1 were developed using engineering judgment on the data collection and process needed to determine the Interconnection Frequency Response Obligation (IFRO), as well as the processing of raw data to determine compliance. In the course of implementing the standard, minor errors in assumptions and process inefficiencies have been identified. Further, it was anticipated that as frequency response improves, the approaches embedded in the standard for collecting annual samples would need to be modified.

In addition to fixing the inconsistencies identified in the Frequency Response Annual Analysis Report[[1]](#footnote-1) (FRAA) supporting procedural and process steps have been removed from Attachment A and reassigned to the *Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard*, an ERO and NERC Operating Committee approved reference document.[[2]](#footnote-2), an ERO and NERC Operating Committee approved Reference Document, such that timely process improvements can be made as future lessons are learned.

This project is a two-phase approach. The first phase addressed the Phase 1 recommendations in the SAR. The scope of the work identified in the second phase will be to (1) establish a real-time reliability standard addressing the necessary frequency response to maintain reliability; (2) establish comparability for the correct responsible entity; (3) develop real-time measurements incorporating topology difference, and (4) eliminate the incorrect indicators.

The second phase will address the Phase II recommendations in the SAR: Make the Interconnection Frequency Response Obligation (IFRO) calculations and associated allocations: (1) more reflective of current conditions; (2) consider all characteristics affecting Frequency Response (e.g., load response, mix and type of generation); (3) include all applicable entities; and (4) be as equitable as possible; and Frequency Response Measure (FRM): (1) ensure that over-performance by one entity does not negatively impact the evaluation of performance by another; (2) measure types/periods of response in addition to secondary Frequency Response, particularly primary Frequency Response; (3) include all applicable entities; and (4) make allocations as equitable as possible.

## Questions

1. Concerns related to the current performance metric for Balancing Authorities, where the median performance of all Operating Year selected events is used to determine compliance, potentially allows for an entity to perform well in the first half of the year and then “detune” their performance for the second half of the year. Discussions related to the current requirement (Requirement R1) concluded that the after-the-fact methodology, with a median performance metric, is the preferred method to measure performance.

To address the concern of Balancing Authorities only performing for a partial year, the Standards Drafting Team (SDT) is proposing a requirement similar to BAL-002-3, Requirement R2. This new requirement in BAL-003 would mandate that an entity must have an Operating Process as part of its Operating Plan to address the needed Frequency Responsive reserves (See BA-R3 in White Paper).

Based on discussions in the White Paper, do you agree or disagree that there is a need to add the requirement BA-R3 as described in the White Paper? Please provide the reasoning or justification for your position.

[ ]  Agree

[ ]  Disagree

Please provide the reasoning or justification for your position:

1. Comments have been made that the Balancing Authorities are not seeing the Frequency Response expected from resources. To address this concern, the drafting team has discussed whether the Balancing Authorities should be directing the Generator Owners to set droop and deadband characteristics, within certain parameters, and have a process to allow for exemption from these parameters. In the White Paper, BA-R4 and BA-R5 would address this process.

1. Do you support adding requirements similar to BA-R4 and BA-R5 in the White Paper to

BAL-003?

[ ]  Yes

[ ]  No

Please provide the reasoning or justification for your position:

1. Instead of BA-R4 and R5, do you support a requirement for the BA to request the governor droop and deadband settings (or functional equivalent) information from the Generator Owner and a companion requirement for the Generator Owner to provide this information?

[ ]  Yes

[ ]  No

Please provide the reasoning or justification for your position:

1. The SAR directs the SDT to review the applicability of the standard to determine if other entities should have some obligation under BAL-003. Most of the comments related to this issue focus on a concern that the majority of the response comes from generators and that Balancing Authorities cannot provide response without the generators performing as expected. Therefore, the SDT discussed if the GO/GOP should be an applicable entity to the standard and if performance requirements for generators are necessary.

(a.) The SDT has discussed this issue as documented in Section 3 of the White Paper. After reading Section 3, do you believe generator performance requirements are needed?

[ ]  Yes

[ ]  No

Please provide the reasoning or justification for your position:

(b.) If a generator performance requirement moves forward, what option detailed in Section 3 of the White Paper would be best?

[ ]  Option 1

[ ]  Option 2

[ ]  Option 3

[ ]  Option 4

Please provide the reasoning or justification for your position:

1. During the SDT discussions, it has been identified that the Balancing Authority would be better able to plan to operate with adequate responsive reserves if the Balancing Authority has knowledge of the resources that have the Frequency Response capability in service, and notification if the capability is not in service. Do you agree with adding requirements to BAL-003 for the Generator Owner to have the Frequency Response capability in service and for the Generator Operator to notify the Balancing Authority if there is a change in capability status?

[ ]  Agree

[ ]  Disagree

Please provide the reasoning or justification for your position:

1. Is there any other feedback you would like to provide, which you haven’t already provided, to the SDT at this time related to potential modifications to the standard for a Balancing Authority, Generator Owner, and/or Generator Operator?

[ ]  Yes

[ ]  No

Comments:

1. *See e.g.,* FRAA Report, at p. v, *available at,* <http://www.nerc.com/comm/OC/Documents/2016_FRAA_Report_2016-09-30.pdf> (discussing IFRO calculations). [↑](#footnote-ref-1)
2. As provided in the Procedure, any changes must be “… submitted to the ERO or its designee for consideration. The request must provide a technical justification for the suggested modification. The ERO shall publicly post the suggested modification for a 45-day formal comment period and discuss the request in a public meeting. The ERO will make a recommendation to the NERC Board of Trustees (BOT), which may adopt the revision request, reject it, or adopt it with modifications. Any approved revision to this Procedure shall be filed with the Federal Energy Regulatory Commission (FERC) for informational purposes.” [↑](#footnote-ref-2)