

**Comment Form — Balance Resources and Demand Standards**

Please use this form to submit comments on the proposed Balance Resources and Demand standards. Comments must be submitted by **January 31, 2007**. You may submit the completed form by e-mail to [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with the acronym "BRD" in the subject line. If you have questions please contact Maureen Long at [maureen.long@nerc.net](mailto:maureen.long@nerc.net) or by telephone at 609-452-8060.

<b>Individual Commenter Information</b>		
<b>(Complete this page for comments from one organization or individual.)</b>		
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NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input checked="" type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input checked="" type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
<input type="checkbox"/> RFC	<input type="checkbox"/>	5 — Electric Generators
<input type="checkbox"/> SERC	<input type="checkbox"/>	6 — Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/> SPP	<input type="checkbox"/>	7 — Large Electricity End Users
<input type="checkbox"/> WECC	<input type="checkbox"/>	8 — Small Electricity End Users
<input type="checkbox"/> NA – Not Applicable	<input type="checkbox"/>	9 — Federal, State, Provincial Regulatory or other Government Entities
	<input type="checkbox"/>	10 - Regional Reliability Organizations; Regional Entities



### **Background Information:**

The Balance Resources and Demand standards were balloted in October 2006 and achieved a quorum, but also received many comments indicating that the implementation plan, which included retirement of BAL-002-0 — Disturbance Control, should be modified to retain BAL-002 for an indefinite period of time.

The drafting team did modify the implementation plan and the implementation plan no longer includes the retirement of BAL-002. If the standards are approved and entities want to retire BAL-002, a SAR can be submitted to initiate that action.

A new version of the Reliability Standards Development Procedure was approved by the NERC Board of Trustees on November 1, 2006. The drafting team made the following changes to the standards to bring them into conformance with the revised procedure or other changes needed to conform to the ERO Rules of Procedure:

- **Proposed Effective Dates**

The drafting team modified the proposed effective dates to reflect that the standards cannot become effective until approved by applicable regulatory authorities. The drafting team estimated that it will take approximately three months following Board of Trustee adoption, to obtain regulatory approval from FERC and Canadian authorities.

- **Violation Risk Factors**

Violation risk factors identify the potential impact to reliability when the associated requirement has been violated. The following categories of violation risk factors were approved with the latest version of the Reliability Standards Development Procedure:

***A High Risk Factor requirement:***

(a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures; or

(b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

***A Medium Risk Factor requirement***

(a) is a requirement that, if violated, could the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or

(b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the

preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

**A Lower Risk Factor requirement** is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or

(b) Is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.

The drafting team added violation risk factors for each requirement. (For this set of BAL standards, the Violation Risk Factors Drafting Team provided the violation risk factors already identified by stakeholders. If stakeholders indicate that some of the risk factors posted November 2 through December 1, 2006 need modification, the Balance Resources and Demand Standards Drafting Team will make conforming changes to the risk factors in these standards.)

▪ **Mitigation Time Horizons**

The ERO Rules of Procedure include the use of mitigation time horizons as one element used to determine the size of sanctions. The drafting team used the following guidelines in developing mitigation time horizons for each requirement:

- **Long-term Planning:** a planning horizon of one year or longer.
- **Operations Planning:** operating and resource plans from day-ahead up to and including seasonal.
- **Same-day Operations:** routine actions required within the timeframe of a day, but not real-time.
- **Real-time Operations:** actions required within one hour or less to preserve the reliability of the bulk electric system.
- **Operations Assessment:** follow-up evaluations and reporting of real time operations.

▪ **Compliance Monitor**

The drafting team modified all references to the Regional Reliability Organization as the Compliance Monitor, and replaced these references with, "Electric Reliability Organization."

▪ **Levels of Non-compliance Versus Violation Severity Levels**

The drafting team deleted "levels of non-compliance" and added "violation severity levels" to comply with the revised Reliability Standard Development Procedure. Compliance personnel assisted the drafting team in using the following criteria from the procedure to establish violation severity levels:

- **Lower:** mostly compliant with minor exceptions — The responsible entity is mostly compliant with and meets the intent of the requirement but is deficient with respect to one or more minor details. Equivalent score: 95% to 99% compliant.

- **Moderate:** mostly compliant with significant exceptions — The responsible entity is mostly compliant with and meets the intent of the requirement but is deficient with respect to one or more significant elements. Equivalent score: 85% to 94% compliant.
  - **High:** marginal performance or results — The responsible entity has only partially achieved the reliability objective of the requirement and is missing one or more significant elements. Equivalent score: 70% to 84% compliant.
  - **Severe:** poor performance or results — The responsible entity has failed to meet the reliability objective of the requirement. Equivalent score: less than 70% compliant.
- **Associated Documents**  
The drafting team added a section “F” to the standard called, “Associated Documents” to list items such as forms, related standards, reports, etc.

**You do not have to answer all questions.**

*Insert a "check" mark in the appropriate boxes by double-clicking the gray areas.*

1. The drafting team modified the implementation plan so that it does not include retirement of BAL-002 — Disturbance Control Standard. Do you agree with this modification to the implementation plan? If not, please explain.

Yes

No

Comments:

2. The drafting team modified the effective dates for the standard to align with the revised expected approval dates. Do you agree with the effective dates that appear in the revised implementation plan? If not, please explain.

Yes

No

Comments:

3. The drafting team added a "mitigation time horizon" for each requirement.

Do you agree with the mitigation time horizon for each requirement in the proposed standards? If not, please identify any requirement with a time horizon you feel is incorrect.

I agree with the proposed mitigation time horizons.

I do not agree with the following Mitigation Time Horizons:

Comments: We agree with the Violation Risk Factors and the Mitigation Time Horizons assigned to the requirements in BAL-007 to BAL-010. However, it is unclear about those sub-requirements that do not have a VRF or MTH assigned to it. Could these be regarded as having the same VRF and MTH as those of the main requirements. Please clarify, preferably in the standards themselves for all readers. For example, BAL-008 Requirements, R1 is rated "Medium" and R1.3 is rated "Lower" - what about ratings for the other sub-requirements?

4. The latest version of the Reliability Standards Development Procedure requires that each standard include "violation severity levels" rather than "levels of non-compliance". Violation severity levels identify how badly an entity violated each requirement, and are not linked to the reliability-related impact of violating a requirement. (The reliability-related impact of violating a requirement is now identified in the "violation risk factor" appended to each requirement.) Note that these severity levels are 'guidelines' and variations from the above categories are acceptable.

Do you agree with the violation severity levels for each of the proposed standards? If you disagree with any of the violation severity levels for the proposed standards, please identify the standard and requirement you feel has an incorrect violation severity level.

I agree with the violation severity levels.

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I do not agree with the following Violation Severity Levels:

Comments:

We agree with all the violation severity levels except BAL-007, Section 2.2.2: should the 90% be 95% (continuum from the threshold in 2.2.1)?

5. 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. Similarly, if you believe that any requirement in this set of standards has an unnecessary adverse impact on energy markets, please identify the requirement and its adverse impact here.

No known conflicts or unnecessary adverse impacts

Known conflict:

Unnecessary adverse impact on markets:

6. If you have any other comments on this set of standards or its implementation plan that you have not already submitted above, please provide them here.

No additional comments

Comments:

(1) The SDT in its response to comments indicate that [...the drafting team converted BAL-011 back into a reference document. The drafting team will ask the Standards Committee for approval to post this reference with the proposed standards so that it will be accessible to all stakeholders.]

The posted set includes Standard BAL-011, which is assigned the violation risk factors and the mitigation time horizons but not the violation severity levels. Is BAL-011 meant to remain as a standard or to be converted as a guide (which should not include any requirements and VRFs)?

If BAL-011 should remain as a standards, then we feel the VRFs of HIGH for R1 to R7 should be changed to MEDIUM as the V1 VRF survey so indicates, and the violation severity levels should be developed.

If this is meant to be a guide only, then it should not be posted in the same set along with BAL-007 to BAL-010, or be clearly indicated as a guide along the lines as the guide established for relay settings (Relay Loadability Standard - PRC-023) as the BAL-011 document is purely a formulation document intended to provide guidelines for establishing critical frequency (High and Low) settings.

(2) Violation Severity Levels for BAL-007 - Point 2.2.4 - "...12 month rolling average of the CPM ending in..." could be written as "...12 month rolling average of the one-minute CPM ending in..." for consistency with the other points in this section.

(3) VRF for requirements seem to be inconsistent - R2.3 in BAL-008 has been rated "MEDIUM" by both the Drafting Team and Stakeholders, but is indicated as "LOWER" in the document.

(4) The Standards document appears to be cluttered with the indication of Violation Risk Factors and Mitigation Time Horizon, especially in cases where the main requirements and sub-requirements differ in their ratings and applicability - is there a better way to indicate these?

(5) In BAL-008, Violation severity levels indicate "late" submission in days - are these "calendar" days or "business" days - shouldn't it be the latter?

(6) We find R2 of BAL-008 a bit confusing and does not stack up well with R1. We suggest a minor change to the sentence such that it reads: "If there is an FTL Violation or an FAL Violation, each Reliability Coordinator within the affected Interconnection shall take the following actions to try to return frequency to within the Frequency Trigger Limits." for clarity.

(7) In BAL-010, the Compliance Monitoring Authority is the "Regional Reliability Organization" - shouldn't this be the "Electric Reliability Organization" as with all the previous BAL standards?

(8) Under Section D of BAL-010, Items 2.4.2 and 2.4.3 read almost the same except for the different requirements (R2 and R3). we believe 2.4.2 is incorrect. It should read: "The updated Frequency Bias Setting was not submitted to NERC, and implemented in accordance with R2." since R2 requires the submission of Frequency Bias setting, not the methodology which is required by R3.

(9) There has been discussion in the industry on the potential increase in parallel flows following implementation of these BAL standards. We urge NERC to put in a place holder, the development plan for a standard that aims at controlling, minimizing and countering the increase in parallel flows if operating experience shows a linkage between the increase in parallel flows and the use of BAAL that replaces the CPS measures.

(10) An editorial correction - In the BAL-008 document, under Purpose, it currently reads as: "To maintain Interconnection frequency within a predefined frequency limits under all conditions..." - This should read as : "To maintain Interconnection frequency within predefined frequency limits under all conditions..."