



## NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

June 20, 2005

Linda Campbell  
Chair of the Standards Authorization Committee

Dear Ms. Campbell,

### **BALANCE RESOURCES AND DEMAND DRAFT STANDARD PHASE II FIELD TEST WAIVER OF CPS2 COMPLIANCE**

Several months ago the Compliance and Certification Managers Committee reviewed the Balance Resources and Demand Standard Drafting Team's request for approval of its proof-of-concept field test. The Compliance and Certification Managers Committee agreed to waive compliance to CPS-2 measures for entities who participate in the proof-of-concept field test for the duration of the field test with concurrence of the NERC Operating Committee. The proof-of-concept field test is being phased in, with entities beginning participation on different dates.

The following entities have volunteered and have been approved for participation in the Balance Resources and Demand proof-of-concept field test. For the duration of their participation in the field test, these entities will not be held accountable for compliance with CPS-2, found in Standard BAL-001, Real Power Balancing Control Performance.

- Alliant Energy
- Cinergy
- East Kentucky Power Cooperative
- Entergy
- Manitoba Hydro
- Northern Indiana Public Service Company
- PJM
- Central and Southwest
- FirstEnergy
- Michigan Electric Coordinated Systems
- Nebraska Public Power District
- Tennessee Valley Authority ESO
- Wisconsin Energy Corporation

The Chair of the Balance Resources and Demand Standard Drafting Team, Raymond Vice, will provide us with prompt notification of the initiation and termination of the field test as well as any changes to this list of approved participating Balancing Authorities. Mr. Vice will send notice of these changes to the applicable Regional Managers for use in their Compliance Enforcement Programs.

Sincerely,  
Dave Hilt  
NERC VP – Compliance

Copy to: Regional Managers

A New Jersey Nonprofit Corporation

Phone 609-452-8060 ■ Fax 609-452-9550 ■ URL [www.nerc.com](http://www.nerc.com)

May 22, 2007

**Regional Entity Management Group**

Sam R. Jones (ERCOT)  
Sarah Rogers (FRCC)  
Daniel P. Skaar (MRO)  
Edward A. Schwerdt (NPCC)

Timothy R. Gallagher (RFC)  
Gerry W. Cauley (SERC)  
Charles H. Yeung (SPP)  
Louis McCarren (WECC)

Dear Managers:

The purpose of this letter is to advise you that on May 10, 2007, the Standards Committee authorized a continuation and expansion of the field test for the draft Balance Resources and Demand standards (BAL-007 through BAL-011). The Standards Committee's extension of the field test is based on submission of a new standards authorization request that includes proposed standards BAL-007 through BAL-011, but also addresses the transmission-related concerns cited by many ballot pool members from the NPCC and WECC regions who voted against approval of these standards in the most recent ballot.

The balancing authorities currently participating in this field test have a waiver from compliance with standard BAL-001-0 – Real Power Balancing Control Performance, Requirement R2 (CPS2). This waiver will continue for these and any new field test participants as we move forward. I am highly encouraged that certain balancing authorities within WECC and NPCC have expressed an interest in participating in the continuing field test. Their participation will hopefully enhance the drafting team's ability to obtain overall industry consensus on the standards ultimately brought forth to ballot.

I will advise you as balancing authorities are added to or deleted from the field test, or if the field test is curtailed.

Sincerely,



GA:an

cc: Linda Campbell  
Larry D. Grimm  
Douglas E. Hils  
David W. Hilt

June 29, 2007

Mr. Gerry Adamski  
Director of Standards  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, New Jersey 08540

**Balance Resources and Demand Draft Standard Continuation Field Test and  
Waiver of CPS2 Compliance**

Dear Gerry:

The purpose of this letter is to confirm the extension of the CPS2 waiver for the entities participating in the continuing field test of the BAL standard currently under development.

The proof-of-concept field test is now expected to continue with the submission of a standard authorization request (SAR) to continue the development effort after the previous standard failed to achieve consensus in an earlier ballot. NERC compliance staff will direct the regional entities to waive compliance to CPS-2 measures for entities who participate in the proof-of-concept field test for the duration of the field test assuming continuing concurrence of the NERC Operating Committee.

To assure clarity with this field test, NERC compliance staff will need to be notified of all entities participating in the field test along with the duration of the field test. Such an end date can be either a specific date, or based on either the effective date of the standard or failure of the standard to continue approval. Please provide any notices of participants and effective date information to the attention of Ms. Cherie Broadrick.

Sincerely,



David W. Hilt

cc: Don Benjamin  
Cherie Broadrick  
Mike DeLaura  
Tim Kucey  
Regional Entity Compliance Managers  
Standards Committee  
Operating Committee