Prerequisite Approvals and Activities

There are no other reliability standards or Standard Authorization Requests (SARs), in progress or approved, that must be implemented before this set of Balance Resources and Demand standards can be implemented.

As part of this implementation plan, the drafting team is recommending that some Version 0 Balance Resources and Demand requirements be retired because they will be replaced with Version 1 Balance Resources and Demand requirements.

Balloting

The drafting team recommends that this set of standards be balloted with a single ballot so that only one Ballot Pool will be formed.

Effective Dates

The following table shows the proposed effective dates for the Version 1 Balance Resources and Demand standards as well as for the conforming modifications to Version 0 Balance Resources and Demand standards. The effective date is contingent on the approval of the reliability standards by a vote of the Ballot Pool that is scheduled for October 2006. The effective date is also contingent on adoption of these Standards by the NERC Board of Trustees. The board will approve the final effective date when it adopts the standards for implementation. These standards are scheduled for consideration by the board on November 1, 2006. Note that the effective dates were revised because the compliance staff requested that drafting teams begin selecting effective dates that begin on the first day of a calendar year's quarter.

Version 1 Standard	Proposed Effective Date for Eastern Interconnection and ERCOT	Reason for Delay in Implementation	Proposed Effective Date for WECC and Hydro-Québec
BAL-007 Balance of Resources and Demand	October 1, 2007	Entities that didn't participate in the field test need to update system operator tools so that system operators can monitor BAALs and Frequency Limits.	April 1, 2008
BAL-008 Frequency and Area Control Error	October 1, 2007	Entities that didn't participate in the field test need to update system operator tools so that system operators can monitor BAALs and Frequency Limits.	April 1, 2008
BAL-009 Actions to Return Frequency to within Frequency Trigger Limits	October 1, 2007	Entities that didn't participate in the field test need to update system operator tools so that system operators can monitor BAALs and Frequency Limits.	April 1, 2008
BAL-010	April 1, 2007	Time needed for entities to update	October 1, 2007

Frequency Bias Settings		their frequency bias settings.	
BAL-011 Frequency Limits	January 1, 2007	Limits have already been established for each Interconnection	July 1, 2007

Delayed Effective Dates for WECC and Hydro-Québec Interconnections

WECC and Hydro-Québec did not participate in the field test. WECC expressed interest in the field test but could not get approval to waive compliance to CPS2 under the WECC Reliability Management System program. Hydro-Québec was not a recognized interconnection when the field test was started, and did not identify itself as an interconnection or express any interest in participating in the field test until the last comment period provided for development of the standards. To ensure that the limits developed for these interconnections work as intended, the drafting team recommends that members of WECC and Hydro-Québec have a six-month field test to operate under the proposed standards, with any adjustments needed to the interconnection-wide frequency limits made during the field test period.

Delayed Retirement of BAL-002 – Disturbance Control Standard

The drafting team is recommending that BAL-002 be retired 18 months beyond the date that BAL-007 and BAL-008 become effective — or 27 months beyond the date of BOT adoption.

While stakeholder comments overwhelmingly support the proposed set of Balance Resources and Demand standards, stakeholders also voiced a level of discomfort with an *immediate* transition from the current Version 0 control standards to the new consensus control standards. The 18 month extension of the DCS standard is meant to provide a transitional safety net. Although the SDT and the commenters find no technical rationale for retaining DCS, the SDT does find the following benefits with a phased-in transition:

- Time to observe full implementation of operation to the new frequency limits over multiple seasons; including the time for the industry to implement any new processes for control and to gain experience with those new processes (*some commenters noted that without full participation the field test is not totally conclusive*)

- Time for appropriate NERC committees to monitor the system interactions and integration with other standards (*some commenters noted concern that other standards may not provide the level of support the current Version 0 standard provides*)

- Time to process a standard to retain DCS if real-time operations indicate DCS is still needed.

Version 0 Standard	Proposed Effective Date
BAL-001 Real Power Balancing Control Performance	Retire when compliance with BAL-007 becomes effective
BAL-002 Disturbance Control Performance	Retire 18 months after the effective date for BAL-007 through BAL-009.
BAL-003 Frequency Response and Bias	Retire when compliance with BAL-010 becomes effective
BAL-005 Automatic Generation Control	1st set of modifications effective when BAL-007 through BAL-009 become effective 2nd set of modifications become effective when BAL-002 is retired.
EOP-002 Capacity and Energy Emergencies ▪ EOP-002-2 R5 (EOP-002-0 R6) ▪ EOP-002-2 R6 (EOP-002-0 R7)	1st set of modifications become effective when BAL-007 through BAL-009 become effective; 2nd set of modifications become effective when BAL-002 is retired.
IRO-005 Reliability Coordination — Current Day Operations	1st set of modifications become effective when BAL-007 through BAL-009 become effective; 2nd set of modifications become effective when BAL-002 is retired.

Compliance with Balance Resources and Demand Standards

Once the Version 1 Balance Resources and Demand standards are effective, the responsible entities identified in each of the standards must comply with the requirements in that standard in accordance with the effective dates. The following maps the Balance Resources and Demand requirements to each applicable function. Note that some of the standards in this set are revised Version 0 standards. Entities must continue to comply with all requirements in approved Version 0 standards until the requirements in the approved Version 0 standards are replaced or retired.

> For example, BAL-001 should be retired when BAL-007 becomes effective. BAL-001 has requirements for Balancing Authorities. The Balancing Authority is responsible for compliance with all requirements in BAL-001 until the requirements in BAL-007 become effective.

Earlier Compliance Allowed

Following the approval of the Board of Trustees and prior to the effective date, any Balancing Authority that has the agreement of its Reliability Coordinator and the approval of its Compliance Monitor may begin operating under the Version 1 Balance Resources and Demand standards.

Recommended Modifications to Version 0 Standards

The following table shows the Balance Resources and Demand Standard Drafting Team's recommendations for modifying or deleting some of the following Version 0 Balance Resources and Demand standards. Justification for these recommendations is provided in the table. Redline versions showing the proposed changes to BAL-005 and IRO-005 have been posted.

Version 0 Standard	Recommendation	Reason
BAL-001 -Real Power Balancing Control Performance	Retire entire standard	BAL-001 requires compliance with CPS1 and CPS2; CPS1 is addressed in the new BAL-007; CPS2 is being retired based on stakeholder consensus
BAL-002 - Disturbance Control Performance	Retire entire standard	DCS is being retired based on stakeholder consensus.
BAL-003 - Frequency Response and Bias	Retire entire standard	BAL-003 requires calculation of frequency bias, but the requirements aren't as objective as desired; BAL-010 contains more objective requirements for the calculation of frequency bias.
BAL-005 - Automatic Generation Control	Revise standard to remove references to DCS	BAL-005 contains some language in the compliance elements that requires Balancing Authorities to keep or provide data from DCS calculations. Since the requirement to calculate and report DCS is being retired, these data retention requirements should also be retired.
EOP-002 – Capacity and Energy Emergencies	Revise standard to replace references to CPS and eliminate references to DCS	DCS should be retired 18 months after BAL-007 and BAL-008 become effective. EOP-002 contains a reference to DCS and CPS – the requirement was updated to retain the intent while updating the reference to either CPM or BAAL.
IRO-005 Reliability Coordination — Current Day Operations	Revise standard to replace references to CPS and eliminate references to DCS	IRO-005 contains some references to DCS and CPS — the requirements have been updated to retain the intent of each requirement while updating the reference to either CPM or BAAL.

Functions That Must Comply with the Proposed Standards

Standard	Functions That Must Comply With the Requirements
BAL-007 Balance of Resources and Demand	Balancing Authority (All requirements)
BAL-008 Frequency and Area Control Error	Reliability Coordinator (All requirements)
BAL-009 Actions to Return Frequency to within Frequency Trigger Limits	Balancing Authority (All requirements)
BAL-010 Frequency Bias Settings	Balancing Authority (All requirements)
BAL-011 Frequency Limits	NERC (All requirements)