

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

The SAR Drafting Team thanks all commenters who submitted comments on Draft 1 of the BAL-006 SAR. This SAR was posted for a 30-day public comment period from June 1 through June 30, 2006. The SAR Drafting Team asked stakeholders to provide feedback on the SAR through a special SAR Comment Form. There were 19 sets of comments, including comments from more than 69 different people from more than 40 companies representing 6 of the 9 Industry Segments as shown in the table on the following pages. *(Note that although there are 10 Industry Segments today, there were only 9 Industry Segments when this SAR was posted for comment.)*

At the request of the Standards Committee, the SAR Drafting Team is recommending that the Standards Committee accept the withdrawal of this SAR as a separate project with the understanding that revisions to BAL-006 proposed in this SAR will be addressed in a larger project that will address BAL-002, BAL-004, BAL-005, and BAL-006 (Project 2007-05).

Based on comments received, the drafting team is recommending that the SAR for Project 2007-05 include the following changes to BAL-006:

- Revise the standard to bring it into conformance with the modifications identified in the Reliability Standards Work Plan 2007-2009.
- Address the FERC directives relative to BAL-005 contained in Order 693.
- Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction
- Add clarifying language to the regional variances to address MISO and SPP's use of "scheduling agents;" or add inadvertent interchange requirements to eliminate regional differences for MISO, SPP, and other ISOs/RTOs use of "scheduling agents"
- Add inadvertent interchange dispute resolution requirements, including adding requirements to provide data to identify and resolve disputes about interchange quantities
- Add requirements to use NERC designated electronic application for inadvertent interchange accounting
- Consider the following comments and suggestions:
 - In R1, the phrase "for any jointly owned generating units or remote load" should be dropped from the NIa and Nis definitions. Supplemental regulation should be included in either term.
 - R1.4 and R1.5 have redundancy in referring to the NERC OC designated electronic tool.
 - In R.2, it is not clear what hourly adjustments are, but it seems like a replacement for the end of the month meter correction presently performed when one reads the strikeout language.
 - In R2.4, replace intermediate with intermediary.
 - R2.5 and R2.6 are changing the present rules (currently, Balancing Authorities give their data to their regional representative by the 15th, who then cross-checks and resolves

differences by the 22nd when it is forwarded to NERC via entry into the SPP Inadvertent Tool). The due date has been changed by one day to the 21st. It is not clear what benefit there is to decreasing the process by one day, and, re-education and changing of business processes are required (small tweaks, it is true) to support it.

- All objections to ATEC in BAL-004-1 apply here, and are not repeated for brevity.
- R7 needs some additional work. Bilateral payback is a method to reduce accumulated inadvertent, and it is not a type of accumulated energy. Given the extreme difficulty in doing sufficient bilateral payback to keep inadvertent levels at low values, it is impractical to suggest that all past accumulated energy will be paid back bilaterally.
- R1.1.6's first sentence should replace the phrase "removed from" with "removed from and added to". Also, it is suggested that its final sentence be modified to read: "The net of these "settlement" schedules equal zero in the absence of scheduling errors".
- R1.1.7 refers to a seemingly non-existent section F.

In this 'Consideration of Comments' document stakeholder comments have been organized so that it is easier to see the responses associated with each question. All comments received on the SAR can be viewed in their original format at:

<http://www.nerc.com/~filez/standards/Balance-Resources-Demand4.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 Director of Standards, Gerry Adamski at 609-452-8060 or at gerry.adamski@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Reliability Standards Process Manual: <http://www.nerc.com/standards/newstandardsprocess.html>.

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Commenter		Organization	Industry Segment											
			1	2	3	4	5	6	7	8	9			
1.	David Hawkins	CAISO		✓										
2.	Jeff Baker	Duke Energy	✓											
3.	Doug Hils	Duke Energy	✓											
4.	Mark Thieman	Duke Energy	✓											
5.	Jim Hall	Duke Energy	✓											
6.	Howard F. Illiam	Energy Mark, Inc.											✓	
7.	Ed Davis	Entergy Services, Inc.	✓											
8.	Maurice Casadaban	Entergy Services, Inc.												
9.	Ron Falsetti	IESO		✓										
10.	Charles Yeung (SPP)	IRC Standards Review Cmte.		✓										
11.	Anita Lee (AESO)	IRC Standards Review Cmte.		✓										
12.	Nancy Traweek (CAISO)	IRC Standards Review Cmte.		✓										
13.	John Dumas (ERCOT)	IRC Standards Review Cmte.		✓										
14.	Ron Falsetti (AESO)	IRC Standards Review Cmte.		✓										
15.	Pete Brandien (ISONE)	IRC Standards Review Cmte.		✓										
16.	Bill Phillips (MISO)	IRC Standards Review Cmte.		✓										
17.	Mike Calimano (NYISO)	IRC Standards Review Cmte.		✓										
18.	Tom Bowe (PJM)	IRC Standards Review Cmte.		✓										
19.	Kathleen Goodman	ISO New England		✓										
20.	Jim Cyrulewski	ITC Transmission	✓											
21.	Donovan Greening	ITC Transmission	✓											
22.	Mike Moltane	ITC Transmission	✓											
23.	Guy V. Zito (NPCC)	NPCC CP9 Reliability Stand. WG		✓										
24.	Ralph Ruffano (NYPA)	NPCC CP9 Reliability Stand. WG	✓											
25.	Bill Shemley (ISONE)	NPCC CP9 Reliability Stand. WG		✓										
26.	Greg Campoli (NYISO)	NPCC CP9 Reliability Stand. WG		✓										
27.	Ed Thompson (ConEd)	NPCC CP9 Reliability	✓											

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	Commenter	Organization	Industry Segment											
			1	2	3	4	5	6	7	8	9			
		Stand. WG												
28.	Kathleen Goodman (ISONE)	NPCC CP9 Reliability Stand. WG		✓										
29.	Mike Gopinathan (NU)	NPCC CP9 Reliability Stand. WG	✓											
30.	Roger Champagne (TE)	NPCC CP9 Reliability Stand. WG	✓											
31.	Ron Falsetti (IESO)	NPCC CP9 Reliability Stand. WG		✓										
32.	Don Nelson (MDT&E)	NPCC CP9 Reliability Stand. WG												✓
33.	David Kiguel (Hydro One)	NPCC CP9 Reliability Stand. WG	✓											
34.	Al Adamson (NYSRC)	NPCC CP9 Reliability Stand. WG		✓										
35.	Joe Willson (PJM)	PJM ICCC		✓										
36.	Al DiCaprio (PJM)	PJM ICCC		✓										
37.	Mark Kuras (PJM)	PJM ICCC		✓										
38.	Phil Riley	PSC of South Carolina												✓
39.	Mignon Clyburn G. O'Neal Hamilton	PSC of South Carolina												✓
40.	John Howard	PSC of South Carolina												✓
41.	Randy Mitchell	PSC of South Carolina												✓
42.	Robert Moseley	PSC of South Carolina												✓
43.	David Wright	PSC of South Carolina												✓
44.	Robert Moseley	PSC of South Carolina												✓
45.	J.T. Wood	Southern	✓											
46.	Roman Carter	Southern	✓											
47.	Jim Busbin	Southern	✓											
48.	Marc Butts	Southern	✓											
49.	Mark Pfeister	SRP	✓											
50.	Raymond Vojdani	WACM	✓											
51.	Terry Bilke (MISO)	MRO Standards Committee		✓										
52.	Robert Coish (MHEB)	MRO Standards Committee		✓										
53.	Alan Boesch (NPPD)	MRO Standards Committee		✓										
54.	Dennis Florom (LES)	MRO Standards Committee		✓										
55.	Todd Gosnell (OPPD)	MRO Standards Committee		✓										
56.	Wayne Guttormson (SPC)	MRO Standards Committee		✓										
57.	Jim Maenner (WPS)	MRO Standards Committee		✓										
58.	Darick Moe (WAPS)	MRO Standards Committee		✓										

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Commenter		Organization	Industry Segment								
			1	2	3	4	5	6	7	8	9
59.	Pam Oreschnick (Xcel)	MRO Standards Committee		✓							
60.	Dave Rudolph (BEPC)	MRO Standards Committee		✓							
61.	Tom Mielnik (MEC)	MRO Standards Committee		✓							
62.	Dick Pursley (GRE)	MRO Standards Committee		✓							
63.	Joe Knight (MRO)	MRO Standards Committee		✓							

Index to Questions, Comments, and Responses

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1. Do you believe there is a reliability-related need for the proposed SAR?

Summary Considerations:

The majority of the commenters agreed that there is a reliability-related need for the proposed SAR. The commenters that responded “No” to this question were primarily concerned with the lack reliability-related justification in the SAR. The current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance.

Question 1 – Do you believe there is a reliability-related need for the proposed SAR?			
Commenter	Yes	No	Comment
MRO (2) Terry Bilke (MISO) Alan Boesch (NPPD) Dennis Florom (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE) Joe Knight (MRO)		<input checked="" type="checkbox"/>	SAR requestor did not do a good job in explaining the reliability related implications for this SAR. The MRO would like the SAR requestor to explain the reliability implications. Are these requirements going to have high, medium or lower violation risk factors assigned to them? The MRO does not see any impact on reliability unless inadvertent payback criteria is incorporated into the standard.
<p>Response: The SAR Drafting Team agrees with the comment. Current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance.”</p> <p>The SAR Drafting Team included the following in the new SAR for Project 2007-05 “Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction.”</p>			
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	
ISO New England (2) Kathleen Goodman		<input checked="" type="checkbox"/>	
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2) Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2)		<input checked="" type="checkbox"/>	

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Question 1 – Do you believe there is a reliability-related need for the proposed SAR?			
Commenter	Yes	No	Comment
Ed Thompson – ConEd (1) K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State Reliability Council (2)			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2) Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SRC does not find enough explanation for the reliability-related need in the explanation for the proposed SAR. All standards proposals should provide more substantive reasons as to why a new reliability standard (or change to a standard) is important to reliability. The requestor should explain what reliability issue is addressed with the use this standard.
Response: The SAR Drafting Team agrees with the comment. Current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance. The SAR Drafting Team included the following in the new SAR for Project 2007-05 "Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction."			
PJM Interregional Compliance and Coordination Cmte. (2) Joe Willson Al DiCaprio Mark Kuras		<input checked="" type="checkbox"/>	The proposed SAR does not address any reliability issues. Inadvertent Interchange by definition is an after-the-fact measure. It can not "affect frequency". It can show whether or not a BA DID affect frequency but then again so will Area Control Error show whether or not the BA affected frequency. The idea that because unilateral paybacks can be made then "it (Inadvertent) reflects reliability implications" is a round about way of dropping the 'reliability' word. Yes, unilateral payback changes generation levels. But as long as the real reliability standards (CPS, IROL, EOP) are followed why (other than for commercial reasons) should anyone payback II? If II is a reliability issue why would the requestor continue the concept of on and off peak II? The only reason for On peak / Off peak exists is to reflect the difference

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Question 1 – Do you believe there is a reliability-related need for the proposed SAR?			
Commenter	Yes	No	Comment
			average COSTS of those hours. It’s a commercial activity. It has nothing to do with frequency. The II requirements were properly assigned to NAESB. It is a Market issue and should stay with NAESB.
<p>Response: The SAR Drafting Team agrees with the comment. Current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance. The SAR Drafting Team included the following in the new SAR for Project 2007-05 “Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction.”</p>			
Entergy Services, Inc. (1) Ed Davis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
CAISO (2) David Hawkins	<input checked="" type="checkbox"/>		
Salt River Project (1) Mike Pfeister	<input checked="" type="checkbox"/>		
Midwest Control Area Operation Jeff Baker – Duke Energy (1) Doug Hils Mark Theiman Jim Hall	<input checked="" type="checkbox"/>		
Independent Electricity System Operator (2) Ron Falsetti	<input checked="" type="checkbox"/>		
Energy Mark, Inc. (8) Howard F. Illian	<input checked="" type="checkbox"/>		
Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright	<input checked="" type="checkbox"/>		
Southern Company Services, Inc. (1) J.T. Wood	<input checked="" type="checkbox"/>		

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Question 1 – Do you believe there is a reliability-related need for the proposed SAR?			
Commenter	Yes	No	Comment
Roman Carter Jim Busbin Marc Butts			

2. Do you agree with the applicability of the proposed SAR?

Summary Considerations:

Most commenters agreed with the applicability of the proposed SAR. Some commenters suggested that the standard should only be applicable to the Balancing Authority. The SAR Drafting Team agreed with this and the new SAR for Project 2007-05 does not propose any change to the applicability of the approved standard – which assigns responsibility for all requirements to the Balancing Authority.

Question 2 – Do you agree with the applicability of the proposed SAR?			
Commenter	Yes	No	Comment
Entergy Services, Inc. (1) Ed Davis		<input checked="" type="checkbox"/>	BAs are responsible for interchange and need to be added to the applicability of the SAR.
Response: The SAR Drafting Team agrees and the new SAR for Project 2007-05 does not propose any change to the applicability of the approved BAL-006 standard – which assigns responsibility for all requirements to the Balancing Authority. The standard should apply to Balancing Authorities because it is a result of imbalance.			
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	If there is to be a standard, then the standard applies to Balancing Authority, Interchange Authority, Generation Owner, Generation Operator, Purchase Selling Entity, Market Operator and Load Serving Entity. Does not apply to Reliability Authority.
Response: The standard does apply to Balancing Authorities because it is a result of imbalance. It should not apply to any other Responsible Entities. The new SAR for Project 2007-05 does not propose any change to the applicability of the approved BAL-006 standard – which assigns responsibility for all requirements to the Balancing Authority.			
Independent Electricity System Operator (2) Ron Falsetti		<input checked="" type="checkbox"/>	This standard should be applied to the BA, not the RC.
Response: The SAR Drafting Team agrees and the new SAR for Project 2007-05 does not propose any change to the applicability of the approved BAL-006 standard – which assigns responsibility for all requirements to the Balancing Authority. The standard does apply to Balancing Authorities because it is a result of imbalance.			
MRO (2) Terry Bilke (MHEB) Alan Boesch (NPPD) Dennis Florum (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE) Joe Knight (MRO)		<input checked="" type="checkbox"/>	See comment #1.

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Question 2 – Do you agree with the applicability of the proposed SAR?			
Commenter	Yes	No	Comment
<p>Response: The SAR Drafting Team agrees with the comment. Current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance. The SAR Drafting Team included the following in the new SAR for Project 2007-05 "Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction."</p>			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2) Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)		<input checked="" type="checkbox"/>	Why is the Balancing Authority not affected by this BAL standard?
<p>Response: The SAR Drafting Team agrees with the comment and the new SAR for Project 2007-05 does not propose any change to the applicability of the approved BAL-006 standard – which assigns responsibility for all requirements to the Balancing Authority. The standard does apply to Balancing Authorities because it is a result of imbalance.</p>			
PJM Interregional Compliance and Coordination Cmte. (2) Joe Willson Al DiCaprio Mark Kuras		<input checked="" type="checkbox"/>	The Reliability Coordinator has nothing to do with II, it is the entity that computes ACE that would have II - i.e. only the BA is affected.
<p>Response: The SAR Drafting Team agrees with the comment and the new SAR for Project 2007-05 does not propose any change to the applicability of the approved BAL-006 standard – which assigns responsibility for all requirements to the Balancing Authority. The standard does apply to Balancing Authorities because it is a result of imbalance.</p>			
CAISO (2) David Hawkins	<input checked="" type="checkbox"/>		
Salt River Project (1) Mike Pfeister	<input checked="" type="checkbox"/>		
Midwest Control Area Operation Jeff Baker – Duke Energy (1) Doug Hils Mark Theiman Jim Hall	<input checked="" type="checkbox"/>		
ISO New England (2) Kathleen Goodman	<input checked="" type="checkbox"/>		

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Question 2 – Do you agree with the applicability of the proposed SAR?			
Commenter	Yes	No	Comment
Energy Mark, Inc. (8) Howard F. Illian	<input checked="" type="checkbox"/>		
Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright	<input checked="" type="checkbox"/>		
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2) Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2) Ed Thompson – ConEd (1) K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State Reliability Council (2)	<input checked="" type="checkbox"/>		
Southern Company Services, Inc. (1) J.T. Wood Roman Carter Jim Busbin Marc Butts	<input checked="" type="checkbox"/>		

3. Do you agree with the scope of the proposed SAR?

Summary Considerations:

Most of the commenters agreed with the proposed scope of the SAR. Some of the commenters that did not agree with the proposed scope of the SAR requested additional calculations, requirements, and measures be added to the SAR. The SAR Drafting Team explained that these details will be developed by the Standards Drafting Team.

Question 3 – Do you agree with the scope of the proposed SAR?			
Commenter	Yes	No	Comment
Entergy Services, Inc. (1) Ed Davis		<input checked="" type="checkbox"/>	Based on the SAR we do not understand the expected scope of the SAR. We would appreciate the SAR authors adding to the SAR detail about the additional calculations and requirements expected to be added to the Standard BAL-006. Adding measures to the standard will be very helpful to the industry.
Response: The SAR Drafting Team agrees with the comment and has tried to be more explicit in explaining the scope of proposed changes to BAL-006 in the new SAR for Project 2007-05. The additional calculations, requirements, and measures will be determined and specified by the standard drafting team during the standard drafting phase.			
MRO (2) Terry Bilke (MHEB) Alan Boesch (NPPD) Dennis Florom (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE) Joe Knight (MRO)		<input checked="" type="checkbox"/>	See comment #1.
Response: The SAR Drafting Team agrees with the comment. Current uncoordinated unilateral payback practices have significant real-time reliability implications. The standard provides a means of ensuring the integrity of the control performance evaluations and EMS operation. Inadvertent provides a method of validating performance. The SAR Drafting Team included the following in the new SAR for Project 2007-05 "Consider payback options including, but not limited to, unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, and automatic time error correction."			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2)		<input checked="" type="checkbox"/>	It is unclear in the SAR whether the intent is to reflect only the MISO and SPP scheduling arrangements for their Balancing Authorities into the standard or whether there will be a more universal approach in the language to be incorporated into the standard. The SRC prefers to see a more universal approach as the MISO and SPP market designs may change in

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Question 3 – Do you agree with the scope of the proposed SAR?			
Commenter	Yes	No	Comment
Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)			the future and thus will require either a revision to the language or a waiver.
<p>Response: The SAR Drafting Team agrees with the comment. The intent of the standard is to hold each individual Balancing Authority responsible for its inadvertent interchange accounting and reconciliation with its adjacent Balancing Authorities.</p> <p>The SAR Drafting Team added the following to the new SAR for Project 2007-05: Add clarifying language to the regional variances to address MISO and SPP's use of "scheduling agents;" or add inadvertent interchange requirements to eliminate regional differences for MISO, SPP, and other ISOs/RTOs use of "scheduling agents"</p>			
PJM Interregional Coordination and Coordination Cmte. (2) Joe Willson Al DiCaprio Mark Kuras		<input checked="" type="checkbox"/>	It is unclear in the SAR what the scope of this SAR is. It appears that the SAR wants to duplicate a NAESB requirement. Why should the Industry be subjected to the same requirement two times? FERC mandates that NEASB Business Practices be included in our tariffs. What added reliability benefits will come from this SAR? The scope of this SAR seems to revolve around data definitions and data collection. It is not clear why data definitions and data collection are viewed as reliability issues.
<p>Response: The responsibility of the Balancing Authority (BA) is to maintain load-interchange-resources balance within its metered boundaries and support system frequency in real-time. Inadvertent interchange is created by a BA when its ACE is not zero. A single BA's non-zero ACE will not significantly affect its interconnection ACE or frequency. The aggregate ACE variation of all BAs within an interconnection will cause the actual frequency to fluctuate from schedule frequency. When this frequency variance accumulates over a period of time above 60 Hz it is designated as fast time error; likewise if the accumulated frequency variance accumulates over a period of time below 60 Hz, it is designated as slow time error. Unless a BA maintains an average ACE of zero, it contributes positively or negatively to the interconnection ACE. Since ACE is a determined, pro-rata balance between interchange and interconnection frequency support resulting in inadvertent interchange, the accumulation and settlement of inadvertent interchange must be considered reliability issues and need to be addressed by reliability requirements. In addition, without an inadvertent interchange calculation and payback data quality check our perception of good/bad control performance has no foundation.</p>			
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	
CAISO (2) David Hawkins	<input checked="" type="checkbox"/>		The variety of components to be added to the ACE Equation demands that we have standard definition and standard implementation by all control areas/ Balancing authorities to ensure reliable operation of the interconnection.
<p>Response: The SAR Drafting Team appreciates your comment and support.</p>			
Salt River Project (1) Mike Pfeister	<input checked="" type="checkbox"/>		

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Question 3 – Do you agree with the scope of the proposed SAR?			
Commenter	Yes	No	Comment
Midwest Control Area Operation Jeff Baker – Duke Energy (1) Doug Hils Mark Theiman Jim Hall	<input checked="" type="checkbox"/>		
Independent Electricity System Operator (2) Ron Falsetti	<input checked="" type="checkbox"/>		
ISO New England (2) Kathleen Goodman	<input checked="" type="checkbox"/>		
Energy Mark, Inc. (8) Howard F. Illian	<input checked="" type="checkbox"/>		
Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright	<input checked="" type="checkbox"/>		
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2) Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2) Ed Thompson – ConEd (1) K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State	<input checked="" type="checkbox"/>		

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Commenter	Yes	No	Comment
Reliability Council (2)			
Southern Company Services, Inc. (1) J.T. Wood Roman Carter Jim Busbin Marc Butts	<input checked="" type="checkbox"/>		

4. Do you agree with the SAR drafting team working cooperatively with NAESB to revise this standard to ensure it is developed in harmony with NAESB business practices standards?

Summary Considerations:

The majority of the commenters agreed that the SAR drafting team should work cooperatively with NAESB to revise this standard. There were two commenters that specifically suggested that this standard should be a NAESB business practice only. To ensure reliability-related issues are addressed, the SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.

Question 4 – Do you agree with the drafting team working cooperatively with NAESB?			
Commenter	Yes	No	Comment
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	Only a NAESB Business Practice is needed.
<p>Response: The SAR Drafting Team disagrees. The responsibility of the Balancing Authority (BA) is to maintain load-interchange-resources balance within its metered boundaries and support system frequency in real-time. Inadvertent interchange is created by a BA when its ACE is not zero. A single BA's non-zero ACE will not significantly affect its interconnection ACE or frequency. The aggregate ACE variation of all BAs within an interconnection will cause the actual frequency to fluctuate from schedule frequency. When this frequency variance accumulates over a period of time above 60 Hz it is designated as fast time error; likewise if the accumulated frequency variance accumulates over a period of time below 60 Hz, it is designated as slow time error. Unless a BA maintains an average ACE of zero, it contributes positively or negatively to the interconnection ACE. Since ACE is a determined, pro-rata balance between interchange and interconnection frequency support resulting in inadvertent interchange, the accumulation and settlement of inadvertent interchange must be considered reliability issues and need to be addressed by reliability requirements.</p> <p>The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.</p>			
PJM Interregional Compliance and Coordination Cmte. (2) Joe Willson Al DiCaprio		<input checked="" type="checkbox"/>	PJM would prefer that this SAR be dropped from NERC and left with NAESB.

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 4 – Do you agree with the drafting team working cooperatively with NAESB?			
Commenter	Yes	No	Comment
Mark Kuras			
<p>Response: The SAR Drafting Team disagrees. The responsibility of the Balancing Authority (BA) is to maintain load-interchange-resources balance within its metered boundaries and support system frequency in real-time. Inadvertent interchange is created by a BA when its ACE is not zero. A single BA's non-zero ACE will not significantly affect its interconnection ACE or frequency. The aggregate ACE variation of all BAs within an interconnection will cause the actual frequency to fluctuate from schedule frequency. When this frequency variance accumulates over a period of time above 60 Hz it is designated as fast time error; likewise if the accumulated frequency variance accumulates over a period of time below 60 Hz, it is designated as slow time error. Unless a BA maintains an average ACE of zero, it contributes positively or negatively to the interconnection ACE. Since ACE is a determined, pro-rata balance between interchange and interconnection frequency support resulting in inadvertent interchange, the accumulation and settlement of inadvertent interchange must be considered reliability issues and need to be addressed by reliability requirements.</p> <p>The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.</p>			
Energy Mark, Inc. (8) Howard F. Illian		<input checked="" type="checkbox"/>	
Salt River Project (1) Mike Pfeister	<input checked="" type="checkbox"/>		Developing measurable requirements for reliability should be the focus.
<p>Response: The SAR Drafting Team agrees with the comment. The new SAR for Project 2007-05 clarifies that the modifications to BAL-006 will include adding measures and other modifications to bring the standard into compliance with the latest version of the NERC Reliability Standards Development procedure.</p>			
Entergy Services, Inc. (1) Ed Davis	<input checked="" type="checkbox"/>		In general we agree with this philosophy. However, we are not sure what is meant by working in harmony with NAESB in the context of this SAR. Please see our response to Question 6.
<p>Response: The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.</p>			
ISO New England (2) Kathleen Goodman	<input checked="" type="checkbox"/>		Inadvertent payback, improperly implemented, could conceivably affect reliability.
<p>Response: The SAR Drafting Team agrees with your comment. The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and</p>			

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 4 – Do you agree with the drafting team working cooperatively with NAESB?			
Commenter	Yes	No	Comment
then appropriately revise the inadvertent interchange reliability requirements and business practices.			
MRO (2) Terry Bilke (MISO) Alan Boesch (NPPD) Dennis Florom (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE) Joe Knight (MRO)	<input checked="" type="checkbox"/>		The NERC process is open so there is nothing precluding the drafting team working with NAESB. However, there should be only one standard. Having more than one standard maintained by different organizations is bound to cause confusion and process problems as things change. We would expect NAESB to cooperate in this effort as well.
Response: The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2) Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)	<input checked="" type="checkbox"/>		SRC would like to understand how NERC and NAESB will proceed with these complementary standards going forward. Is the intent that each organization will retain standards with identical requirements? Or will each organization have distinct requirements those for reliability and those for business in their respective document? The SRC does not believe these requirements are readily distinguishable between reliability and business.
Response: The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.			
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2)	<input checked="" type="checkbox"/>		Inadvertent payback, improperly implemented, could conceivably affect reliability.

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 4 – Do you agree with the drafting team working cooperatively with NAESB?			
Commenter	Yes	No	Comment
Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2) Ed Thompson – ConEd (1) K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State Reliability Council (2)			
<p>Response: The SAR Drafting Team agrees with your comment. The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the inadvertent interchange reliability requirements and business practices.</p>			
Independent Electricity System Operator (2) Ron Falsetti	<input checked="" type="checkbox"/>		
Midwest Control Area Operation Jeff Baker – Duke Energy (1) Doug Hils Mark Theiman Jim Hall	<input checked="" type="checkbox"/>		
Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright	<input checked="" type="checkbox"/>		

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 4 – Do you agree with the drafting team working cooperatively with NAESB?			
Commenter	Yes	No	Comment
CAISO (2) David Hawkins	<input checked="" type="checkbox"/>		
Southern Company Services, Inc. (1) J.T. Wood Roman Carter Jim Busbin Marc Butts	<input checked="" type="checkbox"/>		

5. Are you aware of any regional differences that should be included in the proposed SAR?

Summary Considerations:

Some commenters did identify regional differences (now called regional variances) that should be included in the proposed SAR. The SAR Drafting Team agrees that regional differences are an option and recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options, and then appropriately revise the inadvertent interchange reliability requirements and business practices. Through this process, the NERC-NAESB inadvertent interchange payback requirements recommendations may be adequate to eliminate the need for a regional variance.

Question 5 – Are you aware of any regional differences that should be included in the proposed SAR?			
Commenter	Yes	No	Comment
CAISO (2) David Hawkins	<input checked="" type="checkbox"/>		WECC has implement a procedure for automatic hourly payback of primary inadvertent energy that should be included as a regional difference
<p>Response: The SAR Drafting Team agrees that a WECC regional variance is an option. However, the SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options, and then appropriately revise the inadvertent interchange reliability requirements and business practices. Through this process the NERC-NAESB inadvertent interchange payback requirements recommendations may be adequate to eliminate the need for a regional variance.</p>			
Midwest Control Area Operation Jeff Baker – Duke Energy (1) Doug Hils Mark Theiman Jim Hall	<input checked="" type="checkbox"/>		The waivers for "Scheduling Agent", "Enhanced Scheduling Agent", "Financial Inadvertent Settlement" and "RTO Inadvertent Interchange Accounting" should be incorporated into this standard.
<p>Response: The SAR Drafting Team agrees with your comment. These variances have been included in the new SAR for Project 2007-05 and will be reviewed by the standard drafting team and may be incorporated into requirements or retained as Regional Variances in order to maintain the integrity of the entire accounting system. The standard drafting team will consider retention of the current regional variances as an option.</p>			
Independent Electricity System Operator (2) Ron Falsetti		<input checked="" type="checkbox"/>	It is already included in version zero.
<p>Response: The SAR Drafting Team envisions that the NERC standard drafting team will consider all inadvertent interchange related options including revising BAL-006-1, to add language to eliminate regional variances that address MISO, SPP, and other ISOs/RTOs use of "scheduling agents." The standard drafting team will consider the retention of the current regional variances as an option.</p>			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2)		<input checked="" type="checkbox"/>	If the language specifically refers to MISO and SPP, then this should be considered a regional difference.

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 5 – Are you aware of any regional differences that should be included in the proposed SAR?			
Commenter	Yes	No	Comment
Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)			
<p>Response: The SAR Drafting Team agrees with the comment. The SAR Drafting Team envisions that the NERC standard drafting team will consider all inadvertent interchange related options including revising BAL-006-1, to add language to eliminate regional variances that address MISO, SPP, and other ISOs/RTOs use of “scheduling agents.” The standard drafting team will consider retention of the current regional variances as an option.</p>			
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2) Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2) Ed Thompson – ConEd (1) K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State Reliability Council (2)		<input checked="" type="checkbox"/>	<p>The SPP Urgent Action Regional Difference necessitated a need for a BAL-006-1. This SAR should be BAL-006-2?? Also it was noted that the BAL-006-1 which is currently in effect was adopted by the BOT on May 2 yet there is an effective date listed of May 1 (before the adoted BOT date).</p> <p>The following consensus comments were developed by NPCC Task Forces and Working Groups;</p> <p>In R1, the phrase “for any jointly owned generating units or remote load” should be dropped from the NIa and Nis definitions. Supplemental regulation should be included in either term.</p> <p>R1.4 and R1.5 have redundancy in referring to the NERC OC designated electronic tool.</p> <p>In R.2, it is not clear what hourly adjustments are, but it seems like a replacement for the end of the month meter correction presently performed when one reads the strikeout language.</p> <p>In R2.4, replace intermediate with intermediary.</p> <p>R2.5 and R2.6 are changing the present rules (currently, Balancing Authorities give their data to their regional representative by the 15th, who then cross-checks and resolves differences by the 22nd when it is forwarded to NERC via entry into the SPP Inadvertent Tool). The due date has been changed by one day to the 21st. It is not clear what benefit there is to decreasing the process by one day, and, re-education and changing of business processes are required (small tweaks, it is true) to support it.</p> <p>All objections to ATEC in BAL-004-1 apply here, and are not repeated for brevity.</p> <p>R7 needs some additional work. Bilateral payback is a method to reduce accumulated inadvertent, and it is not a type of accumulated energy. Given the extreme difficulty in doing sufficient bilateral payback to keep inadvertent levels at low values, it is impractical to suggest that all past accumulated energy will be paid back bilaterally.</p>

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 5 – Are you aware of any regional differences that should be included in the proposed SAR?			
Commenter	Yes	No	Comment
			R1.1.6’s first sentence should replace the phrase “removed from” with “removed from and added to”. Also, it is suggested that its final sentence be modified to read: “The net of these “settlement” schedules equal zero in the absence of scheduling errors”. R1.1.7 refers to a seemingly non-existent section F.
Response: The SAR Drafting Team appreciates these comments and suggests the commenter critique the proposed versions of the NERC BAL-006-2 and NAESB WEQBPS 005-001 when the standard drafting teams post their documents for public comment. The SAR Drafting Team added the list of suggestions to the list of items (in the new SAR for Project 2007-05) to be considered by the drafting team assigned to revise BAL-006.			
Entergy Services, Inc. (1) Ed Davis		<input checked="" type="checkbox"/>	
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	
ISO New England (2) Kathleen Goodman		<input checked="" type="checkbox"/>	
Energy Mark, Inc. (8) Howard F. Illian		<input checked="" type="checkbox"/>	
Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright		<input checked="" type="checkbox"/>	
MRO (2) Terry Bilke (MHEB) Alan Boesch (NPPD) Dennis Florom (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE)		<input checked="" type="checkbox"/>	

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 5 – Are you aware of any regional differences that should be included in the proposed SAR?			
Commenter	Yes	No	Comment
Joe Knight (MRO)			
PJM Interregional Compliance and Coordination Cmte. (2) Joe Willson Al DiCaprio Mark Kuras		<input checked="" type="checkbox"/>	
Southern Company Services, Inc. (1) J.T. Wood Roman Carter Jim Busbin Marc Butts		<input checked="" type="checkbox"/>	

6. Do you have any other comments on the proposed SAR?

Question 6 – Do you have any other comments on the proposed SAR?			
Commenter	Yes	No	Comment
Entergy Services, Inc. (1) Ed Davis	<input checked="" type="checkbox"/>		<p>We agree that there are reliability concerns with the Inadvertent Interchange payback process. We have several concerns with some of the details of this SAR including: existing and future coordination with NAESB standards and the scope of work contained in the SAR.</p> <p>The authors state they intend to include the NAESB WEQBPS-005 standard into this NERC standard. A continuing concern of the industry and Entergy is how NERC and NAESB will coordinate changes to standards. In this SAR, it is not clear how that NERC/NAESB coordination for this standard is expected to occur. Will NAESB delete all of the requirements in its WEQBPS-005, except the definitions of on-peak and off-peak hours? Will the NAESB and NERC standards, at least initially, contain the same requirements? Will there be a coordination development requirement be placed on the NERC and NAESB standards for all future changes to either the NERC or NAESB Inadvertent Interchange standards?</p> <p>In this particular case FERC jurisdictional utilities are required by FERC in Order 676 to comply with NAESB business practice standard WEQBPS-005. Therefore, NAESB can not just delete WEQBPS-005. NAESB must petition FERC to somehow unapprove WEQBPS-005.</p> <p>Until FERC unapproves WEQBPS-005 the industry will have ongoing issues concerning the coordination, modification, and compliance with two possibly uncoordinated and mandatory sets of standards concerning the same process.</p> <p>The scope of work has been discussed in the response to Question 3 above.</p>
<p>Response: The SAR Drafting Team recommends, in the new SAR for Project 2007-05, that a NERC standard drafting team work in conjunction with a NAESB team to review and evaluate all inadvertent interchange creation and payback options (e.g. options include but are not limited to: unilateral inadvertent interchange payback, bilateral inadvertent interchange payback, financial inadvertent interchange settlement, automatic time error correction, manual time error correction, using a smaller time error correction over a longer period of time, increase the time error correction trigger values and initiate an all day 24 hour correction), and then appropriately revise the time error correction reliability requirements and business practices. The first step is for the NERC standard drafting team - NAESB team to make unified recommendations and attain industry consensus on its inadvertent interchange reliability/business practices recommendations.</p>			
ISO New England (2) Kathleen Goodman	<input checked="" type="checkbox"/>		<p>The SPP Urgent Action Regional Difference necessitated a need for a BAL-006-1. This SAR should be BAL-006-2?? Also it was noted that the BAL-006-1 which is currently in effect was adopted by the BOT on May 2 yet there is an effective date listed of May 1 (before the adoted BOT date).</p> <p>In R1, the phrase “for any jointly owned generating units or remote load” should be dropped from the NIa and NIs definitions. Supplemental regulation should be included in either term.</p>

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 6 – Do you have any other comments on the proposed SAR?			
Commenter	Yes	No	Comment
			<p>R1.4 and R1.5 have redundancy in referring to the NERC OC designated electronic tool.</p> <p>In R.2, it is not clear what hourly adjustments are, but it seems like a replacement for the end of the month meter correction presently performed when one reads the strikeout language.</p> <p>In R2.4, replace intermediate with intermediary.</p> <p>R2.5 and R2.6 are changing the present rules (currently, Balancing Authorities give their data to their regional representative by the 15th, who then cross-checks and resolves differences by the 22nd when it is forwarded to NERC via entry into the SPP Inadvertent Tool). The due date has been changed by one day to the 21st. It is not clear what benefit there is to decreasing the process by one day, and, re-education and changing of business processes are required (small tweaks, it is true) to support it.</p> <p>All objections to ATEC in BAL-004-1 apply here, and are not repeated for brevity.</p> <p>R7 needs some additional work. Bilateral payback is a method to reduce accumulated inadvertent, and it is not a type of accumulated energy. Given the extreme difficulty in doing sufficient bilateral payback to keep inadvertent levels at low values, it is impractical to suggest that all past accumulated energy will be paid back bilaterally.</p> <p>R1.1.6’s first sentence should replace the phrase “removed from” with “removed from and added to.” Also, it is suggested that its final sentence be modified to read: “The net of these “settlement” schedules equal zero in the absence of scheduling errors.”</p> <p>R1.1.7 refers to a seemingly non-existent section F.</p>
<p>Response: The SAR Drafting Team appreciates these comments and suggests the commenter critique the proposed versions of the NERC BAL-006-2 and NAESB WEQBPS 005-001 when the NERC-NAESB standard drafting teams post their documents for public comment. The SAR Drafting Team added the list of suggestions to the list of items (in the new SAR for Project 2007-05) to be considered by the drafting team assigned to revise BAL-006.</p>			
<p>Public Service Comm. Of South Carolina (9) Phil Riley Mignon Clyburn G. O’Neal Hamilton John Howard Randy Mitchell Robert Moseley David Wright</p>	<input checked="" type="checkbox"/>		<p>Typo in PURPOSE Section: Delete second right parenthesis. Typo in INDUSTRY NEED Section: Unbold "Provide". Case does not agree in BRIEF DESCRIPTION Section: Point 3 - since Inadvertent Interchange payback affects frequency and IS considered A reliability REQUIREMENT...</p>
<p>Response: The SAR Drafting Team appreciates the comments.</p>			

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 6 – Do you have any other comments on the proposed SAR?			
Commenter	Yes	No	Comment
MRO (2) Terry Bilke (MISO) Alan Boesch (NPPD) Dennis Florum (LES) Todd Gosnell (OPPD) Wayne Guttormson (SPC) Jim Maenner (WPS) Darrick Moe (WAPA) Pam Oreschnick (Xcel) Dave Rudolph (BEPC) Tom Mielnik (MEC) Dick Pursley (GRE) Joe Knight (MRO)	<input checked="" type="checkbox"/>		If there is a coordinated effort between NERC and NAESB on this standard it would be helpful if this information would be posted on the NERC standards page associated with this SAR with a link to the NAESB page.
Response: The SAR Drafting Team agrees with this comment. It is up to NERC Standards Development Program and NAESB Executive Committee to determine the coordination and web page informative postings and updates.			
IRC Standards Review Cmte. Charles Yeung – SPP (2) Anita Lee – AESO (2) Nancy Traweek – CAISO (2) John Dumas – ERCOT (2) Ron Falsetti – IESO (2) ISONE – Pete Brandien (2) MISO – Bill Phillips (2) NYISO – Mike Calimano (2) PJM – Tom Bowe (2)	<input checked="" type="checkbox"/>		NERC should hold a high level of expectations in the language put into SARs. The purpose statements should be specific in identifying root causes to problems and justify that these problems if left unaddressed are risks to interconnected grid reliability.
Response: The SAR Drafting Team agrees with the comments. The new SAR for Project 2007-05 has a much clearer purpose statement.			
PJM Interregional Compliance and Coordination Cmte. (2) Joe Willson Al DiCaprio Mark Kuras	<input checked="" type="checkbox"/>		NERC should hold a high level of expectations in the language put into SARs. The purpose statements should be specific in identifying root causes to problems and justify that these problems if left unaddressed are risks to interconnected grid reliability. NERC SAR requestors must also recognize that one standard on any topic is enough, particularly if FERC is mandating those standards in both (NERC and NAESB) venues.
Response: The SAR Drafting Team agrees with the comments. The new SAR for Project 2007-05 has a much clearer purpose statement.			
NPCC CP9 Reliability Standards Working Group Guy Zito – NPCC (2) Ralph Rufrano – NYPA (1) Bill Shemley – ISONE (2) Greg Campoli – NYISO (2) Ed Thompson – ConEd (1)	<input checked="" type="checkbox"/>		Revision to the purpose statement seems to not be an improvement from the existing one. The following comments were consensus comments developed by NPCC Working Groups and Task Forces; In R2.4, replace “its ties and schedules” with “the ties and schedules of the receiving Balancing Authority”. Do we wish to say Balancing Area instead?

Consideration of Comments on First Draft of SAR to Modify BAL-006 — Inadvertent Interchange

Question 6 – Do you have any other comments on the proposed SAR?			
Commenter	Yes	No	Comment
K. Goodman – ISO-NE (2) Mike Gopinathan – NU (1) Roger Champagne TransEnergie (1) Ron Falsetti – IESO (2) Don Nelson – Mass Dept. of Telecomm. & Ener (9) David Kiguel – HydroOne (1) Al Adamson – NY State Reliability Council (2)			<p>NPCC participating members have indicated that it is improper to restrict supplemental regulation service to dynamic scheduling. For example, the NPCC ACE Diversity Interchange (ADI) project uses pseudo-ties successfully. In such an arrangement, the signed expected value of supplemental service received is 0 for an hour, however, it can and will differ and is not particularly predictable. Please change this here and in all other places to give pseudo-ties equal status with dynamic schedules for supplemental regulation. It is inconsistent to allow pseudo-ties for moving load and generation, which can have fairly predictable values and should be e-tagged for use in IDC. The NPCC ADI project, using pseudo-ties, was reviewed and approved by the NERC SAR Drafting Team prior to its implementation, its results have been shared with the NERC SAR Drafting Team, has been problem-free, and has served as useful input into the MISO ADI project and the prospective WECC ADI project. Prohibiting pseudo-ties for supplemental regulation is without technical basis, overly prescriptive, and would incur needless conversion costs.</p> <p>In R3.2.4, NIs is used in 2 places with 2 definitions, and it should be clarified if loads and generation in these equations are all positive values (or not).</p> <p>In R3.2.5, NIa is used in 2 places with 2 definitions, and it should be clarified if loads and generation in these equations are all positive values (or not). Also, the use of pseudo-ties should be added to allow for supplemental regulation.</p> <p>R2.3.6 needs to be revamped, merely stating that ACE = 0 for overlap regulation.</p> <p>Does the “may” in R3.3.3 need to be changed to “shall”?</p> <p>How does one enforce or validate the 99.95% reliability criterion of R3.5?</p> <p>Measure M1’s wording is very tedious.</p>
<p>Response: The new SAR for Project 2007-05 has a much clearer purpose statement. The SAR Drafting Team appreciates these comments and suggests the commenter critique the proposed versions of the NERC BAL-006-2 and NAESB WEQBPS 005-001 when the NERC-NAESB standard drafting teams post their documents for public comment. SAR Drafting Team added the list of suggestions to the list of items (in the new SAR for Project 2007-05) to be considered by the drafting team assigned to revise BAL-006</p>			
Energy Mark, Inc. (8) Howard F. Illian		<input checked="" type="checkbox"/>	
CAISO (2) David Hawkins		<input checked="" type="checkbox"/>	
Salt River Project (1) Mike Pfeister		<input checked="" type="checkbox"/>	
Midwest Control Area Operation Jeff Baker – Duke Energy (1)		<input checked="" type="checkbox"/>	

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Question 6 – Do you have any other comments on the proposed SAR?			
Commenter	Yes	No	Comment
Doug Hils Mark Theiman Jim Hall			
ITC Transmission (1) Jim Cyrulewski Donovan Greening Mike Moltane		<input checked="" type="checkbox"/>	
Independent Electricity System Operator (2) Ron Falsetti		<input checked="" type="checkbox"/>	
Southern Company Services, Inc. (1) J.T. Wood Roman Carter Jim Busbin Marc Butts		<input checked="" type="checkbox"/>	