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**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

TIME ERROR CORRECTION                    )  
RELIABILITY STANDARD                    )     **Docket No. RM09-13-000**

**MOTION TO DEFER ACTION**

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August 20, 2010

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**MOTION TO DEFER ACTION**

**I. INTRODUCTION**

Pursuant to Rule 212 of the Federal Energy Regulatory Commission’s (“FERC” or “the Commission”) Rules of Practice and Procedure, 18 C.F.R. §385.212, the North American Electric Reliability Corporation (“NERC”)<sup>1</sup> hereby submits this Motion to Defer Action regarding NERC’s request to approve the BAL-004-1 Time Error Correction Reliability Standard.<sup>2</sup> As discussed in NERC’s comments on the March 18, 2010 Notice of Proposed Rulemaking (“NOPR”),<sup>3</sup> the issue of Time Error Correction is one which is currently being reviewed by NERC’s stakeholders for its impact to reliability, as well as to whether or not the value of time error correction in the modern world justifies the associated risks to reliability of performing time error adjustments. Given that this research and analysis regarding Time Error Correction is ongoing, that NERC and its stakeholders are exploring the possibility of implementing a Field Test to evaluate elimination of Time Error Corrections, and that the results of such a field test may lead to the withdrawal of NERC’s request for the approval of BAL-004-1 and the retirement of BAL-004-0, NERC believes that to issue a Final Rule in this proceeding at

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<sup>1</sup> The Federal Energy Regulatory Commission (“FERC” or “Commission”) certified NERC as the electric reliability organization (“ERO”) in its Order issued on July 20, 2006 in Docket No. RR06-1-000. *North American Electric Reliability Corporation*, “Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing,” 116 FERC ¶ 61,062 (July 20, 2006).

<sup>2</sup> *Time Error Correction Reliability Standard*, Comments of the North American Electric Reliability Corporation in Response to Notice of Proposed Rulemaking, Docket No. RM09-13-000 (April 28, 2010).

<sup>3</sup> *Time Error Correction Reliability Standard*, Notice of Proposed Rulemaking, Docket No. RM09-13-000 (March 18, 2010).

this time would be premature. To that end, NERC asks that the Commission defer action regarding the BAL-004-1 Time Error Correction standard until August 20, 2011 to allow NERC sufficient time to conduct research and analysis to determine the usefulness of Time Error Corrections and propose appropriate follow-on actions.

## **II. NOTICES AND COMMUNICATIONS**

Notices and communications with respect to this filing may be addressed to:

Gerald W. Cauley  
President and Chief Executive Officer  
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\*Persons to be included on FERC's official service list. NERC requests waiver of FERC's rules and regulations to permit the inclusion of more than two people on the service list.

## **III. BACKGROUND**

The Commission approved the current Time Error Correction Reliability Standard, BAL-004-0, on March 16, 2007, as part of Order No. 693.<sup>4</sup> Approximately two years later, NERC filed a request for Commission approval of a revised version of the standard, BAL-004-01.<sup>5</sup> In response, the Commission issued a NOPR on March 18, 2010, that proposed to remand the standard and direct NERC to make specific changes to address Commission concerns. NERC

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<sup>4</sup> *Mandatory Reliability Standards for the Bulk-Power System*, 118 FERC ¶ 61,218, FERC Stats. & Regs. ¶ 31,242 (2007) at PP 382-386 (“Order No. 693”), *order on reh’g, Mandatory Reliability Standards for the Bulk-Power System*, 120 FERC ¶ 61,053 (“Order No. 693-A”) (2007).

<sup>5</sup> *North American Electric Reliability Corporation*, Petition of the North American Electric Reliability Corporation for Approval of BAL-004-1 Reliability Standard, Docket No. RM06-16-000 (March 11, 2009).

and several other entities submitted comments back to the Commission regarding the NOPR. General support for the NOPR seemed lacking, as reflected in comments from NERC, the Edison Electric Institute, the Midwest Independent Transmission System Operator, Inc., and the ISO/RTO Council. No entity submitted comments in direct support of the NOPR.

In its comments, NERC noted that its Balancing Authority Controls Standards Drafting Team (BACSDT) was considering whether or not eliminating Time Error Corrections altogether might be beneficial to reliability. NERC stated the reasons as to why Time Error Corrections may in fact be obsolete, and recommended the Commission hold a technical conference to discuss Time Error Corrections and their possible elimination.

#### **IV. MOTION**

In this filing, NERC respectfully requests that the Commission defer action on NERC's BAL-004-1 filing until August 20, 2011. NERC and its stakeholders are in the process of researching and analyzing the possibility of eliminating Time Error Corrections. Because Time Error Correction is a process that has broad-reaching effects, NERC believes it is critical that any action taken with regard to the elimination of Time Error Correction be pursued with due care. Although NERC and many of NERC's stakeholders do not anticipate any problems with the elimination of Time Error Correction, prudence dictates that we must execute the transition with appropriate caution and careful observation. Should NERC's stakeholders decide to move forward with the elimination of Time Error Corrections, NERC will need to develop an extensive campaign to alert the industry and educate the public regarding this transition, and work with the industry to design a deliberate and detailed Field Test to verify the impacts of eliminating Time Error Correction. In short, the first steps that may ultimately lead to the elimination of Time Error Correction are being explored and may be initiated in the near future.

NERC anticipates that if elimination of Time Error Correction moves forward, NERC will be withdrawing its request for approval of the BAL-004-1 Reliability Standard, and ultimately retiring the currently approved BAL-004-0 Reliability Standard entirely. Accordingly, taking action that would further entrench this practice within the operation of the bulk power system would be premature and potentially detrimental to bulk power system reliability.

Therefore, NERC requests that the Commission defer action on the BAL-004-1 standard for 12 months from the date of this filing, or until August 20, 2011. NERC and its stakeholders will work with Commission staff as we develop the details of the next steps. NERC will file a status report with the Commission in six months.

## **V. CONCLUSION**

NERC respectfully requests that FERC defer action on BAL-004-1 until August 20, 2011 as discussed above, to allow further research and analysis to be performed by NERC.

Respectfully submitted,

/s/ Holly A. Hawkins

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**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 20<sup>th</sup> day of August, 2010.

*/s/ Holly A Hawkins*

Holly A. Hawkins

*Attorney for North American Electric  
Reliability Corporation*