

Comment Form — Balancing Authority Controls SAR (Project 2007-05)

Please use this form to submit comments on the proposed Balancing Authority Controls (Project 2007-05) SAR. Comments must be submitted by **August 1, 2007**. You may submit the completed form by e-mail to sarcomm@nerc.net with the words "BA Controls (Project 2007-05)" in the subject line. If you have questions please contact Linda Clarke at linclrke@msn.com or by telephone at 610-310-7210.

Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Jeff Hackman	
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NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input 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 and Regional Entities

Background Information

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This SAR is intended to address the following:

- To include the directives from the FERC Final Rule "Mandatory Reliability Standards for the Bulk-Power System, FERC Order 693" on the NERC standards BAL-002, 004, 005, and 006
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Yes

No

Comments:

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3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

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4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Craig McLean	
Organization:	Manitoba Hydro	
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NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
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(Complete this page for comments from one organization or individual.)		
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Organization:	Energy Mark, Inc.	
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E-mail:	howard.illian@energymark.com	
NERC Region	Registered Ballot Body Segment	
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Comments: 1. The Disturbance Control Standard currently addresses recovery from sudden resource losses. Before this standard can be modified to address the inclusion of Demand Side Management as a resource to meet this standard, the reserve definitions currently used by NERC will need to be rewritten. This action will be required because some of the reserves are defined based on the specific resources that have traditionally used to supply those reserves. For example, Spinning Reserve currently includes the subcategory of Frequency Responsive Reserve. If the Frequency Response Standard moves to implementation, then it will probably be necessary to define that reserve separately as was recommended by the NERC IOS ITF many years ago. In addition, if this standard is modified to include both loss of supply resources and loss of load, the the issue of holding reserves for reliability will need to be expanded to the holding of maneuvering margin for reliability. This change may require additional changes in the way we think about reserves and set up the system for operation. Finally, with respect to DCS, recent research has revealed that interconnection failure from an imbalance condition would most likely occur as the result of a precursor frequency event (a large frequency excursion) and a concurrent sudden loss of generation or load event. It has

also revealed that 9 of 10 large frequency excursions on the Eastern Interconnection and 8 of 10 large frequency excursions on the Western Interconnection (precursor events) are experienced without a disturbance. If DCS is intended to insure appropriate recovery from precursor events that could result in interconnection failure, the current standard that only requires action when there is a disturbance may not be addressing the correct events for maintaining interconnection reliability. 2. The Time Error Correction Standard scope is about right, but the results of the suggested research may result in changes in the scope. 3. The Automatic Generation Control standard have its name changed to address the primary issue that the standard addresses, the specific requirements for implementation of the ACE Equation. I recommend that the standard name be changed to ACE Equation Implementation. The standards currently fail to define two necessary conditions for maintaining interconnection reliability that are currently the basis for ACE Equation implementation. The first requirement for coordinated control on an interconnection is that all BAs control to the same scheduled frequency value. The second requirement is that all scheduled interchange sum to zero across the interconnection. (This is the balanced schedule requirement implemented in the interchange standards.) Both of these requirements should be stated clearly in the NERC Standards, and this standard is the place to do so. NERC took the direction a number of years ago of setting requirements for the BA to achieve with their implementation of Automatic Generation Control rather than how AGC should work. As a consequence, any requirements for specific amounts of Regulating Reserve would be addressed in other balancing standards. The holding and use of the correct amount of reserves including Regulating Reserves is currently measured by CPS1 and CPS2. Any other specification of minimum Regulating Reserve amounts would be redundant to these measures, and as a consequence could only increase the costs of holding reserves without providing necessary additional reliability. The primary reason for having this standard is to assure that the Balancing Authority Operator and the Reliability Coordinator are provided the necessary information about ACE and balancing to assure situationally awareness. 4. The Inadvertent Interchange Standard should have automatic inadvertent payback added to the list of options considered to address the issue of large inadvertent accounts.

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Organization:		
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E-mail:		
NERC Region		Registered Ballot Body Segment
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Yes

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Comments:

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Yes

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Comments:

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Yes

No

Comments: Transmission Operator, and Load Serving Entity are listed in BAL-005 and should be marked as being applicable.

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Comments:

The revised standards should be balloted separately so that the entire set is not rejected because of an issue with one of the standards, nor approved as a set with flaws/concerns in one or more of the standards.

BAL-002:

- Add VRFs

- Several Requirements have no Measures (some are statements rather than requirements) (e.g. R1, R1.1, R2 - 2.6, R6-6.2).

- Consider adding a frequency measure as component of recovery (i.e. an entity has a DCS event but Interconnect frequency remains/recovers to within "defined limits" as stated in the Purpose section. We are inclined to believe there should not be a penalty if frequency remains within "defined limits".)

- Consider removing the first paragraph in the Levels of Non-Compliance section for requiring an entity to increase contingency reserves. It is not clear as to whether the

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increase in reserves is for a valid reliability reason or if it is intended to penalize the entity. Penalties are now assessed via the compliance program so if there is a need for increased reserves from a reliability standpoint, why is it only for one quarter, and why is offset by one month?

- Revise the Levels of Non-compliance to meet the VSL format for project 2007-23.

BAL-004:

- Add VRFs
- Several Requirements have no Measures (some are statements rather than requirements)
- Consider removing time error correction altogether - is there a reliability need?
- If there is a reliability need for time error correction, having to follow the NERC standard and NAESB standard is a setup for confusion and errors. An example - The NAESB standard states in step 7 that BAs will participate using one of two methods: "Frequency offset... in accordance to the directives of the Interconnection Time Monitor"; the NERC standard states that "...BAs shall offset its frequency schedule by 0.02 HZ..."
- Why does the comment regarding a "regional variance" for the EI to not initiate a fast time error correction between 04 and 11 CPT need support? The NAESB standard appears to already state that fast time corrections cannot occur during this period regardless of which interconnect. What is the goal of this requirement? Based on frequency response at 22:00 CPT it appears that there should be a constraint on fast time error corrections around the on to off peak transition as well.
- Does the NERC OC have a criteria for selecting the Interconnection Time Monitor? Is it voluntary as to whether a chosen RC accepts the responsibility, and is the Time Monitor chosen from a pool of volunteers?
- The RC serving as the Interconnection Time Monitor does have responsibilities and should remain as an applicable entity.

BAL-005

- Add VRFs
- Add Measures
- Agree with the suggestion to change the title of the standard
- What revision will this process produce? There is already a Rev 1 approved by the BOT.
- R1 - R1.3 needs to be more detailed as to what is actually desired. Stating that generation facilities in an Interconnection must be included within the metered boundaries of a BA area is vague. Does this mean there must be metering on the generator itself? By default, aren't all generating facilities within some metered boundary of a BA? Likewise with Transmission and Load.
- Define "adequate" in R3
- Define "adversely" in R7
- Should R7 state the goal is to maintain ACE rather than Net Scheduled Interchange?
- Consider moving the requirements for ACE into BAL-001, as they seem to be more applicable to that standard than this one.
- NAESB's special cases for ACE equations should be included here or in BAL-001, assuming ACE is a reliability parameter.

BAL-006

- add VRFs
- add Measures
- R4 "business day" needs definition, this is a 24x7 industry
- the RRO has obligations listed in the Compliance section, should RRO be added to the Applicability?
- Some reference to the NAESB standard on inadvertent payback needs to be included

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Steve Myers	
Organization:	ERCOT	
Telephone:	512-248-3077	
E-mail:	smyers@ercot.com	
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input checked="" type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
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Comments: The team possibly should consider Bias Setting determination for single Balancing Authority, single Region Interconnections and whether that should constitute the need for a Regional Variance

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Comments: Please clarify that the team should determine whether a Regional Standard will be required to support the continent-wide standard requirements regarding contingency reserves

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Name:	Roger Champagne	
Organization:	Hydro-Québec TransÉnergie	
Telephone:	524 289-2211, X 2766	
E-mail:	champagne.roger.2@hydro.qc.ca	
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Comments: To be consistent with current BAL-005-0 Applicability, which is applicable to GOP, TOP and LSE, we should include TOP and LSE unless the Standards are rewritten to exclude TOP and LSE.

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Comments: Québec Interconnection being a single BA interconnection:

BAL-004 Requirements R2 to R4 would not apply; however, R1 objective would be respected.

BAL-005 Requirements R7 should be modified by adding at the end: or control frequency in the case of a single Balancing Authorities operating asynchronously.

BAL-006 Requirements are not required for reliability purpose but all the data are obtained for commercial purposes.

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Name:	Michael Gammon	
Organization:	Kansas City Power & Light	
Telephone:	816-654-1242	
E-mail:	mike.gammon@kcpl.com	
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- To include the directives from the FERC Final Rule "Mandatory Reliability Standards for the Bulk-Power System, FERC Order 693" on the NERC standards BAL-002, 004, 005, and 006
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Insert a "check" mark in the appropriate boxes by double-clicking the gray areas.

1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: The Western System has differences regarding time correction from the Eastern System and ERCOT.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: The scope is rather broad and does not go into any substantial detail for proposed changes. The scope does indicate industry comments included with the SAR will be given consideration for changes to the standards. To that end, here are some concerns regarding some of those comments:

1. Some of the suggestions are recommending to establish minimum reserve levels for purposes of regulation of load. Each Balancing Authority should be allowed to establish their own regulation reserves based on their unique load characteristics. As an example, the regulating reserves a Balancing Authority with a steel furnace load will be much different from a Balancing Authority with a less volatile load. The performance measures for adequate regulating reserves are the Control Performance Standards and are a good measure of adequate regulating reserves. There is no need to establish a minimum regulating reserve in the standards.

2. There are suggestions recommending to establish minimum reserve levels for the sudden loss of generation. Each Balancing Authority, Region and Reserve Sharing Group should be allowed to establish the levels of Contingency Reserves based on their unique

operating characteristics. The performance measure for the sudden loss of generation already exists and is well established under the Disturbance Control Standard. Meeting this performance standard is the true measure of adequate contingency reserve levels. There is no need to establish minimum contingency reserve in the standards.

3. There is a suggestion to include dispute resolution requirements to the standards. Reliability standards are to establish minimum operating criteria to maintain a reliable bulk electric system. Dispute resolution processes are administrative in nature and have no place in reliability standards. Dispute resolution processes should be included in regional membership agreements, interchange agreements, etc.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Dave Folk	
Organization:	FirstEnergy Corp.	
Telephone:	330-384-4668	
E-mail:	folkd@firstenergycorp.com	
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input checked="" type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
<input checked="" type="checkbox"/> RFC	<input checked="" type="checkbox"/>	5 — Electric Generators
<input type="checkbox"/> SERC	<input checked="" 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 and Regional Entities

Background Information

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1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments: However, the scope should be expanded to include a review of any existing and pending Regional Reliability Organization/Regional Entity standards, policies, requirements, etc. that contain Balancing Authority Controls that enhance reliability and that can and should be elevated to one of the NERC Balancing Authority Control standards to eliminate duplication and address or eliminate fill-in-the-blank standards. This SAR should also include direction on ensuring that this standard development recognizes and is consistent with the Markets that exist and are pending including the methods and concepts used by those markets to ensure reliability. In addition, this SAR should include direction on identifying and addressing issues, if any, associated with Balancing Authority Area size as it relates to Balancing Authority Controls.

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: Not aware of any Regional Variances beyond those already specified in the SAR.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: We suggest the following grammatical changes to improve clarity:

Under Brief Description, in bullet item 1, the word "need" should be changed to "needed"; in bullet item 2, the phrase "comments receive" should be changed to "comments received"; and, in bullet item 9 the word "requirement" should be changed to "requirements."

Under Detailed Description, the phrase "while also and" should be changed to the word "in" in the last sentence of the first paragraph.

Under Attachment 1 the phrase "in considering these comments" in the first paragraph should be changed to "consider existing comments."

Lastly, under BAL-002-0 bullet item 2 of Attachment 1, the bullet item should be revised to "Include requirement that explicitly provides for the use of Demand Side Management (DSM) as a resource for contingency reserves."

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
E-mail:		
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
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Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

Group Comments (Complete this page if comments are from a group.)

Group Name: SERC OC Standards Review Group (Project 2007-05)
Lead Contact: Jim Griffith, Chair - SERC Operating Committee
Contact Organization: Southern Company Services, Inc.
Contact Segment: Transmission Owner
Contact Telephone: 205-257-6892
Contact E-mail: jsgriffi@southernco.com

Additional Member Name	Additional Member Organization	Region*	Segment*
Jim Case	Entergy Services, Inc.	SERC	1
Ken Parker	Entegra Power Group	SERC	5
Brett Koelsch	Progress Energy Carolinas	SERC	1
John Neagle	Associated Electric Coop., Inc.	SERC	1
Raymond Vice	Southern Co. Services, Inc.	SERC	1
Mike Oatts	Southern Co. Services, Inc.	SERC	1
Tim Hattaway	Alabama Electric Coop., Inc.	SERC	4
Stan Williams	PJM	SERC/RFC	2
Roman Carter	Southern Co. Services, Inc.	SERC	1
Marc Butts	Southern Co. Services, Inc.	SERC	1
Jim Busbin	Southern Co. Services, Inc.	SERC	1
Carter Edge	SERC Reliability Corp.	SERC	10
Pat Huntley	SERC Reliability Corp.	SERC	10
John Troha	SERC Reliability Corp.	SERC	10
Gerald Beckerle	Ameren	SERC	1
Robert Thomasson	Big Rivers Electric Corp.	SERC	1

*If more than one Region or Segment applies, indicate the best fit for the purpose of these comments. Regional acronyms and segment numbers are shown on prior page.

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

1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments:

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: The SERC OC Standards Review Group (Project 2007-05) submits the following comments on the Balancing Authority Controls SAR:

BAL-002 - Disturbance Control Standard:

We recommend that NERC define, either in the NERC Glossary or Section D1.4 - Additional Compliance Information, the following terms applicable to BAL-002 and identified in Requirements 4 and 6:

- (1) Reportable Disturbances (defined in NERC Glossary),
- (2) Disturbance Recovery Criterion,
- (3) Disturbance Recovery Period,
- (4) Contingency Reserve Restoration Period

This action would eliminate the need for Requirements 4.1, 4.2, 6.1 and 6.2 in either option and also Section D1.4 if the definitions are removed from the Standard and included in the NERC Glossary.

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

Three of the above terms are defined as non-measurable requirements and the fourth is defined in D1.4. Adopting one of the above recommended options would provide a common and consistent reference for definitions utilized in the BAL-002 Standard.

BAL-004 - Time Error Correction

We recommend the following action should be taken by the BAL-004 SAR Drafting Team:

- (1) Coordinate with NAESB to assure that there are no overlapping and / or redundant requirements regarding time error correction,
- (2) Consider eliminating time error corrections during market transitions (0600 CPT and 2200 CPT), and
- (3) Develop a modified version of the Western Automatic Time Error Correction (WATEC) process in response to FERC directives and industry comments for implementation in the Eastern Interconnection. This can be done under the Balancing Authority Controls (Project 2007-05) or as a separate SAR, if this is more efficient for NERC from a Project Management standpoint.

BAL-005 - Automatic Generation Control

We recommend that the FERC directive for development of minimum Regulating Reserve requirements in BAL-005-0 be consolidated with the directive to develop continent-wide contingency reserve requirements in BAL-002-0 so that all reserve requirements are consolidated in a single easily accessible location, preferably BAL-002. All requirements concerning operating reserves should be contained in one Standard; spreading requirements over a variety of Standards creates confusion and ambiguity and adding requirements in any Standard to separate regulating and spinning reserves is too prescriptive. Order 693 under BAL-002 suggests "Include a continent-wide contingency reserve policy, which should include uniform elements (definitions and requirements)", which supports this recommendation.

We agree with NPCC that Supplemental Regulation may be provided by various and different types of Dynamic Transfers (including Pseudo Ties), as defined in the NERC Dynamic Transfer Reference Document. It does not appear, however, that this should be included in the Balancing Authority Controls (Project 2007-05) SAR, but passed on to the Balancing Authority Controls (Project 2007-05) Standard Drafting Team for consideration in the detailed crafting of the final standards.

We support the following comment by First Energy, with additional clarification shown in brackets: "FirstEnergy states that Requirement R17 should include only "control center [frequency] devices" instead of devices at each substation. FirstEnergy states that accuracy at the substation level is unnecessary and the costs to install automatic generation control equipment at each substation would be high. FirstEnergy also states that the term "check" in Requirement R17 needs to be clarified.

We recommend that the first sentence of Requirement 6 be deleted: "The Balancing Authority's AGC shall compare total Net Actual Interchange to total Net Scheduled Interchange plus Frequency Bias obligation to determine the Balancing Authority's ACE." This sentence attempts to informally describe the ACE equation. It is better to rely on BAL-001, Req. 1 to define the ACE equation in a more exact and thorough manner.

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

We recommend that the BAL-005 Standard also include a requirement that states "The Balancing Authority shall include all Pseudo Ties in the calculation of Net Scheduled Interchange for the ACE equation, similar to Requirement 10, which ensures that Dynamic Schedules are included in the calculation of Net Scheduled Interchange for the ACE equation.

We also offer these general comments on the BAL-005 SAR:

- (1) Measurements are missing from this standard.
- (2) If performance is measured against DCS and CPS criteria already included in other Standards, and members are penalized for non-compliance with those Standards, then isn't having Standard BAL-005-0 require how to achieve compliance too prescriptive?

BAL-006-1 - Inadvertent Interchange Data

We recommend that the FERC Order 693 suggestion to "Add measures concerning the accumulation of large inadvertent interchange balances and levels of non-compliance" should be coordinated with NAESB. Accumulated balances are not a reliability issue.

We note that references to Standards (i.e., Requirements, etc.) in the SAR Form are not consistent with the latest approved Standards.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Thad K. Ness	
Organization:	American Electric Power (AEP)	
Telephone:	614-716-2053	
E-mail:	tkness@aep.com	
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input checked="" type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
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1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments: For BAL-004, BAL-005 and BAL-006, AEP believes that the Reliability-Related to Business Practice relationship has been well vetted through unified efforts of NERC and NAESB, which included large and small industry participants as well as respected industry subject matter experts. There is not a reliability need to re-examine these, and some requests to do so may be ill informed. As an example, FERC 693 expresses concern of "large" inadvertent energy interchange balances and levels of non-compliance. The body of work from the above referenced efforts support the conclusion that the existence of "large" inadvertent energy interchange balances is not necessarily a bad thing. In many cases, correctly responding BAs will accumulate inadvertent energy interchange by supporting the system frequency; this is what they are supposed to do. A BA should not be held to an artificial repayment timeline when the inadvertent energy accumulation was a result of their correct support of the interconnection. There is no reliability relationship with the accumulation of inadvertent energy; it is purely a market/business practice/equity issue. The Standard referenced timing deadlines, already in place to agree and settle, are a somewhat effective criteria for recognition of the overall accumulation of inadvertent energy and the need to identify and to prevent cause. The standard business practice for financial disincentive of inadvertent energy accumulation belongs in accord with NAESB.

From a reliability perspective AEP is more concerned about the actual magnitude/impact of inadvertent energy interchange on the Bulk Electric System as it occurs in real-time, along with the timely recognition and cause resolution. Instead of being overly concerned about the accumulation/payback of inadvertent energy interchange balances over time, the reliability focus for benefit to the Bulk Electric System would be more effective to measure and enforce reporting criteria for the identification, cause, real-time magnitude of impact, and resolution follow-up in a timely manner. Measures to force real-time inadvertent identification, prevention mechanisms/processes, and to report root cause for compliance assessment would be more appropriate tool for maintaining reliability in real-time and preventing detrimental impact on the Bulk Electric System, than worrying about settlement business practices. Then habitual non-compliance could be measured and addressed. With the independent nature of the entities involved in the NERC functional model, the BAs sometimes are not totally responsible for the impact on inadvertent energy accumulation. Various entities can have a meaningful impact on affecting inadvertent energy by their operational practices with very little recourse mechanism from the BAs to prevent the causes of inadvertent energy.

AEP believes that the more appropriate fix to the inadvertent energy issue is to re-write portions of BAL-001 that would prompt proper control behavior.

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

Yes

No

Comments: With respect to BAL-004, BAL-005 and BAL-006, the NERC SAR should only be looking at editing the existing language to better align them with the new NERC proforma.

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: BAL-006 has regional vaiances for the MISO and SPP RTO footprints.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments:

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Greg Rowland	
Organization:	Duke Energy	
Telephone:	704-382-5348	
E-mail:	gdrowlan@duke-energy.com	
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
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1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments: The scope of this SAR should be combined with the scope of the SAR for proposed standards BAL-007 thru BAL-011.

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments:

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: Comments: The entire set of BAL standards should be addressed in unison, and the current piece-meal approach avoided. Currently there is a SAR for proposed standards BAL-007 thru BAL-011 as well as this SAR for BAL-002 thru BAL-006.

A concept paper on balancing (ACE & frequency management, AGC, etc.) and the effect on reliability (system flows, frequency excursions, etc.) should be authored by a group of industry experts to reach a consensus on which issues are related to reliability. At a minimum, the concept paper should address concerns and issues brought forth previously by BAL-007 thru BAL-011 and concerns and issues identified by this SAR for BAL-002 thru BAL-006. This concept paper should be used to develop a comprehensive set of BAL standards that address the issues related to reliability.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Ron Falsetti	
Organization:	IESO	
Telephone:	905-855-6187	
E-mail:	ron.falsetti@ieso.ca	
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
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Insert a "check" mark in the appropriate boxes by double-clicking the gray areas.

1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: None

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: R1 in BAL-005 lacks clarity on measurability. How can a facility owner ensure that his facilities are included within the metered boundaries of a Balancing Authority Area? These requirements should be rewritten such that:

A) There should be a requirement for facility owners to provide accurate metering data to BAs (measurable – contracts between facility owners and Metering Service Providers can act as a measure that this requirement is being satisfied); and

B) A separate requirement for the BA to include these facilities in their metered boundary (It should be the BA as the responsible entity responsible for ensuring that all the facility owners are being metered and not the other way around as the current requirement seems to suggest.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
E-mail:		
NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input 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 and Regional Entities

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Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: WECC Automatic Time Error Correction, SPP II Accounting Waiver, MISO II Accounting Waiver, and the Eastern Interconnection restriction on fast time errors need to be considered during the drafting process.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments:

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Kathleen Goodman	
Organization:	ISO New England	
Telephone:	413-535-4308	
E-mail:	mpotishnak@iso-ne.com	
NERC Region	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
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Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

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Comments: Single balancing area interconnections may need some special treatment in some aspects.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: While I agree with the basic thrust of the SAR, I feel the need to re-emphasize important comments offered earlier, and also to provide additional comments on input that has been received from prior SARs and summarized in Attachment 1.

(a) With respect to FERC Order 693 calling for DSM to provide contingency reserves within BAL-002, this should be achieved with comparability to the extent practical with generation resources, particularly as it relates to metering, testing, communications, and sustainability requirements.

(b) FERC Order 693 with respect to BAL-002 discusses recognition of transmission losses, and it is noteworthy that the present standard refers to resource loss, which includes loss of transmission that deprives a Balancing Area of energy, causing a large negative ACE. For example, loss of HydroQuebec imports into New England has been included in its DCS reporting for more than a decade. Also, it is not clear from the text whether requirements related to bottling of contingency reserve due to transmission

limitations are being addressed by FERC, and further clarification seems necessary. Perhaps BAL-002 should be upgraded to state specifically that contingency reserve must be deliverable when locational concerns arise.

(c) A BPL comment about BAL-002 calling for restoration of language concerning the Disturbance Recovery Period is correct and should be considered.

(d) Existing BAL-002 requirement R3 discussed the need for reviewing First Contingency Losses at least annually. It should be noted that events such as changing equipment status on a transmission path (e.g., only 1 line remains in service to deliver energy from more than one generator) could necessitate review on a daily or even more frequent basis.

(e) With respect to BAL-004, the regional variance for the Eastern Interconnection to not initiate a time error correction at 59.98 Hz between 0400 and 1100 Central Prevailing Time needs to be refined. "Initiated" should be replaced with "in use" or "implemented". If one does not want to accept some difficult to quantify increase in risk during the morning pickup by running at 59.98 Hz, what difference does it make if it was initiated before 0400 and retained, or if it was initiated after 0400? Once the frequency schedule is in place, the laws of probability and risk and the physics of the situation "don't care" when it began. This comment should not only be carried forward to the SAR, but, this hole in the process should be fixed right now with a clarification to the Interconnection Time Error Monitor. We believe the intent was to avoid 59.98 Hz during the morning pickup, not to avoid its initiation during that period. Unfortunately, the ultimate technical writing that is in place has misconstrued the original intent, and a specific case has been observed in which a 59.98 Hz schedule continued to be used after 0400. We question whether the Interconnection Time Monitor has the tools, skills, or authority to distinguish between acceptable and unacceptable interconnection risks for each upcoming day.

(f) With respect to BAL-005, FERC discusses the development of a calculation for determining a regulating requirement as a function of load, generation and interchange variations expected. Another factor that can impact this is how efficiently generators not providing AGC are moved along to match the generation requirement. For example, a manual process deployed hourly will probably cause a far greater need for regulation than an electronic dispatch that moves non-AGC generation along by sending out new desired dispatch points every 5 minutes. Also, there is a significant time of day impact to consider. Perhaps a process that allows requirements to be reduced on an hourly basis based on meeting standards within that hour of day is needed. As metrics such as CPS1 and CPS 2 monitor the successful deployment of regulating reserves continuously, perhaps regulation reserve compliance should in effect be based on control performance as opposed to computed values.

(g) With respect to FERC's interest in verifying that sufficient regulating resources are deployed per BAL-005, having more regulating resources during very light load periods can actually be a detriment to reliability, as low regulating limits are often greater than low operating limits, resulting in even more over-generation than would result if a resource was simply at its low operating limit. These conditions should be covered within compliance monitoring strategies.

(h) With respect to First Energy's suggestion that all generation above a certain size be required to provide AGC in BAL-005, certain generation types such as nuclear, tire burners, trash burners, wind generation, some hydros, and some atypical generation facilities would be impractical to provide AGC.

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

(i) In BAL-005 comments, BPL-PBL correctly asks for a clear definition of what "becoming a burden on the interconnection" means with respect to providing or receiving supplemental regulation service.

(j) Within BAL-005, there is still a need to re-iterate NPCC's concerns about pseudo-ties and supplemental regulation: prohibiting pseudo-ties for supplemental regulation is without technical basis, overly prescriptive, and would incur needless conversion costs.

(k) Within BAL-005 requirement R7, it states that maintaining tie line schedules should be performed manually when AGC equipment becomes inoperable. A change may be desirable for single Balancing Area interconnections to allow for maintaining frequency manually instead.

(l) Within BAL-006, there is a need to re-iterate NPCC's concerns about deploying automatic time error correction using primary inadvertent as per the WECC. Before the Eastern Interconnection adopts a similar strategy, it needs to reach a consensus on why it should be done.

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
E-mail:		
NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
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<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
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	<input type="checkbox"/>	10 — Regional Reliability Organizations and Regional Entities

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

Group Comments (Complete this page if comments are from a group.)
Group Name: Midwest Reliability Organization (MRO)
Lead Contact: Michael Brytowski
Contact Organization: Midwest Reliability Organization (MRO)
Contact Segment: 10
Contact Telephone: 651-855-1728
Contact E-mail: mj.brytowski@midwestreliability.org

Additional Member Name	Additional Member Organization	Region*	Segment*
Neal Balu	WPS	MRO	10
Terry Bilke	MISO	MRO	10
Robert Coish	MHEB	MRO	10
Carol Gerou	MP	MRO	10
Jim Haigh	WAPA	MRO	10
Ken Goldsmith	ALTW	MRO	10
Tom Mielnik	MEC	MRO	10
Pam Oreschnick	XCEL	MRO	10
Dave Rudolph	BEPC	MRO	10
Eric Ruskamp	LES	MRO	10
Larry Brusseau	MRO	MRO	10
Michael Brytowski (secretary)	MRO	MRO	10
Jason Marshall	MISO	MRO	10
27 additional MRO members	not names above	MRO	10

*If more than one Region or Segment applies, indicate the best fit for the purpose of these comments. Regional acronyms and segment numbers are shown on prior page.

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1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: N/A

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments:

1. For BAL-002-0 ("Disturbance Control Standard"), the FERC Order 693 includes a definition of a significant frequency deviation and reportable event taking into all events that have an impact on frequency. (see FERC Order 693, paragraph 355)

2. For BAL-002-0 ("Disturbance Control Standard"), shouldn't the terms in section 1.4("Additional Compliance Information") be moved to the NERC glossary? These terms are "Reportable Disturbances", "Simultaneous Contingencies", "Multiple Contingencies within the reportable disturbance period", and "Multiple Contingencies within the Contingency Reserve Restoration Period".

3. The MRO supports the addition of Violation Severity Levels so as to comply with the current approved Standard form.

4. Would the Regional Entities be released from their requirement of submitting a monthly Inadvertent report to NERC, if the requirement is added that all entities that are

Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

required to report Inadvertent Interchange through the NERC inadvertant reporting application?

5. Note: The Violation Severity Level methodology is currently out for comment and has not been approved. I would be premature to assign Violation Severity Levels to these standards until the SAR vor Violation Severity Levels has ben approved by the industry.

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Organization:		
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E-mail:		
NERC Region		Registered Ballot Body Segment
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Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

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Comments:

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Comments: See other attachment for grammatical / typographical suggestions.

Page SAR-3

Brief Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

The standard drafting team will:

- Work collaboratively with NAESB to ensure that the elements of these standards that are needed to support reliability are included in the revised standard
- Consider comments received during the initial development of this set of standards and other comments received from ERO regulatory authorities and stakeholders
- Bring the standards into conformance with the latest version of the Reliability Standards Development Procedure and the ERO Rules of Procedures

The standard drafting team will review all of the requirements in the following set of standards:

- BAL-002 – Disturbance Control Standard
- BAL-004 – Time Error Correction
- BAL-005 – Automatic Generation Control
- BAL-006 – Inadvertent Interchange

For each existing requirement, the standard drafting team will also work with NAESB and stakeholders to:

- Eliminate redundancy (or overlap) in the requirements and associated business practices
- Identify requirements that should be moved into other SARs, standards, or business practices
- Eliminate requirements that do not support bulk power reliability
- Improve clarity of, improve measurability of, and remove ambiguity from the remaining requirements

Detailed Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

The standard drafting team will, working cooperatively with NAESB and representatives of the Compliance Program, address the comments from stakeholders and directives from FERC identified in Attachment 1 (relative to the following standards) while also bringing the requirements and compliance elements into conformance with the latest version of the Reliability Standards Development Procedure and the ERO Sanctions Guidelines while also (some additional words appear to be needed) and Attachment 2:

- BAL-002 – Disturbance Control Standard
- BAL-004 – Time Error Correction
- BAL-005 – Automatic Generation Control
- BAL-006 – Inadvertent Interchange

Page SAR-8

Attachment 1 – Comments and Directives to Address in Revising BAL-002, BAL-004, BAL-005 and BAL-006

In addition to working collaboratively with NAESB to confirm the “location” of currently overlapping requirements in the NERC standards and NAESB business practices, the standard drafting team will assist the stakeholders in considering these comments in determining the changes to make to the standards, including directives from FERC Order 693, regional fillin-the-blank team comments, Version 0 (V0) industry comments, Violation Risk Factor comments, and SAR modifications that were posted for comments.

Page SAR-10

VO Industry Comments

- Purpose statement
 - BPL-PBL — To properly communicate the purpose of this complex standard to those who are unfamiliar with this subject, it is necessary to first discuss "what we are trying to accomplish" before stating "how we will accomplish it through use of ACE and Regulating Reserves". This can be achieved by reversing the order of the two sentences in this paragraph and rewording them such that they flow appropriately.
- Re-order and re-work requirements
 - BPL-PBL — Placing the requirements in this standard in the order that they appeared in the NERC Policies has resulted in them being in a confusing and seemingly random order. Clarity of this standard would be improved immensely if these many requirements were to be reordered in more of a building block approach; beginning with the most fundamental and working toward the most complex. A suggestion would be to put them in the order of R1, R6 - R8, R13 - R16, R9 - R12, R2, R3, R4, R5.
 - BPL-PBL — The three sentences of this requirement are actually three separate requirements that will require separate measures for compliance. Therefore, we ask that they be split into (three??) two separate requirements.

Deleted: to

Page SAR-13

- Non-compliance is missing:
 - ISO-NE, NPCC, IMO — Levels of Non-Compliance — These are missing and need to be added in Standard simultaneously.

Deleted: s

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Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:	Jacquie Smith	
Organization:	ReliabilityFirst Corp.	
Telephone:	330-247-3067	
E-mail:	jacquie.smith@rfirst.org	
NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
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Comment Form — SAR for Balancing Authority Controls (Project 2007-05)

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Additional Member Name	Additional Member Organization	Region*	Segment*

*If more than one Region or Segment applies, indicate the best fit for the purpose of these comments. Regional acronyms and segment numbers are shown on prior page.

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Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments:

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments:

Comment Form — Balancing Authority Controls SAR (Project 2007-05)

Please use this form to submit comments on the proposed Balancing Authority Controls (Project 2007-05) SAR. Comments must be submitted by **August 1, 2007**. You may submit the completed form by e-mail to sarcomm@nerc.net with the words "BA Controls (Project 2007-05)" in the subject line. If you have questions please contact Linda Clarke at linclrke@msn.com or by telephone at 610-310-7210.

Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
E-mail:		
NERC Region	<input type="checkbox"/>	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input checked="" type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input checked="" type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
<input type="checkbox"/> RFC	<input type="checkbox"/>	5 — Electric Generators
<input checked="" 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 and Regional Entities

Background Information

The purpose of this set of standards is to ensure that Balancing Authorities take actions to maintain interconnection frequency with each Balancing Authority contributing its fair share to frequency control.

This SAR is intended to address the following:

- To include the directives from the FERC Final Rule "Mandatory Reliability Standards for the Bulk-Power System, FERC Order 693" on the NERC standards BAL-002, 004, 005, and 006
- To specify the Time Error Correction, special Area Control Error cases, and Inadvertent Interchange reliability requirements/business practices with NERC and NAESB collaborative participation
- To incorporate the necessary content, structure, and language to comply with the NERC standards process

This SAR expands on the work already under way with the BAL-004, 005, and 006 SARs, by requiring that BAL-002, 004, 005, and 006 be upgraded in accordance with the NERC Reliability Standards Development Plan 2007–2009.

The Balancing Authority Controls SAR Drafting Team would like to receive industry comments on SAR. Accordingly, we request that you include your comments on this form and e-mail to sarcomm@nerc.net with the subject "BA Controls (Project 2007-05)" by **August 1, 2007**.

You do not have to answer all questions. Enter All Comments in Simple Text Format.

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

1. Do you agree that there is a reliability-related reason for the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the proposed standard action? If not, please explain in the comment area.

Yes

No

Comments:

3. Do you agree with the applicability of the proposed standard action? If not, what function entities do you think need to be added or delete?

Yes

No

Comments:

4. If you are aware of any Regional Variances associated with the proposed standard action, please identify here.

Comments: We are not aware of any Regional Variances associated with the proposed standard action.

5. If you have any other comments on this SAR that have not already been provided, please provide them here.

Comments: Southern Company Transmission supports the comments submitted by Mr. Jim Griffith on behalf of the SERC Operating Committee.