

Implementation Plan for BAL-003-1 – Frequency Response & Frequency Bias Setting Standard

Prerequisite Approvals

There are no other reliability standards or Standard Authorization Requests (SARs), in progress or approved, that must be implemented before this standard can be implemented.

Modified Standards

BAL-003-0.1b-Requirements R1, R2, R3, R4 and R6 should be retired <u>midnight of the day immediately</u> prior to the Effective Date of when BAL-003-1 in the Jurisdiction in which the new standard is becoming becomes effective.

BAL-003-0 Re1quirement R5 should be retired as outlined in the following table.

For those Balancing Authorities that serve native load:

- May 2011 through December 2011 -0.8% of peak/0.1 Hz
- January 2012 through December 2012 0.6% of peak/0.1 Hz
- January 2013 through December 2013 -0.4% of peak/0.1 Hz
- January 2014 through December 2014 -0.2% of peak/0.1 Hz
- January 2015 through
 0.0% of peak/0.1 Hz

For those Balancing Authorities that do not serve native load:

- May 2011 through December 2011 -0.8% of upcoming years maximum generation/0.1 Hz
- January 2012 through December 2012 -0.6% of upcoming years maximum generation/0.1 Hz
- January 2013 through December 2013 -0.4% of upcoming years maximum generation/0.1 Hz
- January 2014 through December 2014 -0.2% of upcoming years maximum generation/0.1 Hz
- January 2015 through -0.0% of upcoming years maximum generation/0.1 Hz

The FRR drafting team, NERC and the NERC Resources Subcommittee will observe the impact on frequency and will implement a reversion plan should frequency performance decline.

New or Modified Definitions

The following definitions shall become effective when BAL-003-1 Requirements R2, R3, R4 and R5 become effective:

July 12, 2011

116-390 Village Boulevard, Princeton, New Jersey 08540-5721 Phone: 609.452.8060 • Fax: 609.452.9550 • www.nerc.com **Frequency Response Measure (FRM):** The median of all the Frequency Response observations reported annually on FRS Form 1.

Frequency Response Obligation (FRO): The Balancing Authority's share of the required Frequency Response needed for the reliable operation of an Interconnection.

Frequency Bias Setting: A number, either a fixed or variable, usually expressed in MW/0.1 Hz, included in a Balancing Authority's Area Control Error equation to account for the Balancing Authority's Frequency Response contribution to the Interconnection, and discourage response withdrawal through secondary control systems.

The existing definition of Frequency Bias Setting should be retired midnight of the day immediately prior to the Effective Date of BAL-003-1 in the Jurisdiction in which the new standard is becoming effective.

The proposed revised definition for "Frequency Bias Setting" is incorporated in the following <u>NERC approved standards:</u>

- BAL-001-0.1a Real Power Balancing Control Performance
- BAL-004-0 Time Error Correction
- BAL-004-1 Time Error Correction
- BAL-005-0.1b Automatic Generation Control

Compliance with Standards

Once this standard becomes effective, the responsible entities identified in the applicability section of the standard must comply with the requirements. These include:

- Balancing Authorities
- <u>Reserve Sharing Groups</u>

Proposed Effective Date

Compliance with BAL-003-1 shall be implemented over a two-year period, as follows:

- In those jurisdictions where regulatory approval is required, Requirements R24, R3, R4 and R54 of this standard shall become effective the first calendar day of the first calendar quarter 12 months after applicable regulatory approval. In those jurisdictions where no regulatory approval is required, Requirements R24, R3, R4 and R54 of this standard shall become effective the first calendar day of the first calendar quarter 12 months after Board of Trustees adoption.
- In those jurisdictions where regulatory approval is required, Requirements R12 of this standard shall become effective the first calendar day of the first calendar quarter 24 months after applicable regulatory approval. In those jurisdictions where no regulatory approval is required, Requirements R12 of this standard shall become effective the first calendar day of the first calendar quarter 24 months after Board of Trustees adoption.