

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

BAL-002-2 – Contingency Reserve for Recovery from a Balancing Contingency Event Standard Background Document

January 2012

RELIABILITY | ACCOUNTABILITY



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Introduction

Since loss of generation occurs so often and impacts all Balancing Authorities throughout an Interconnection, BAL-002 was created to specify recovery actions and associated timeframes. This document provides background on the development and implementation of BAL-002-2 - Contingency Reserve for Recovery from a Balancing Contingency Event. This document explains the rationale and considerations for the requirements and their associated compliance information. The original Standards Authorization Request (SAR), approved by the industry, presumes there is presently sufficient contingency reserve in all the North American Interconnections. The underlying goal of the SAR was to update the standard to make the measurement process more objective and to provide information to the Balancing Authority or Reserve Sharing Group, such that the parties would better understand the use of Contingency Reserve to balance resources and demand following a Reportable Contingency Event. The primary objective of BAL-002-2 is to measure the success of implementing a Contingency Reserve plan.

Background and Rationale by Requirement

Requirement 1

R1. Each Balancing Authority or Reserve Sharing Group experiencing a Reportable Contingency Event shall implement its Contingency Reserve plan so that the Balancing Authority or Reserve Sharing Group can demonstrate that, within the Contingency Recovery period:

- The Balancing Authority or Reserve Sharing Group returned its ACE to:
 - Zero, less the sum of the magnitudes of all subsequent Balancing Contingency Events that occur within the Contingency Event Recovery Period, if its ACE just prior to the Reportable Contingency Event was positive or equal to zero, or
 - Its Pre-Reportable Contingency Event ACE Value, less the sum of the magnitudes of all subsequent Balancing Contingency Events that occur within the Contingency Event Recovery Period, if its ACE just prior to the Reportable Contingency Event was negative.
- Provided, however, that in either of the foregoing cases, if the Reportable Contingency Event (individually or when combined with any previous Balancing Contingency Events that have not completed their Contingency Reserve Restoration Periods) exceeded the Balancing Authority's or Reserve Sharing Group's Most Severe Single Contingency (MSSC), then the Balancing Authority or

Reserve Sharing Group need only demonstrate ACE recovery of at least equal to its MSSC, less the sum of the magnitudes of all previous Balancing Contingency Events that have not completed their Contingency Reserve Restoration Periods.

Background and Rationale

This requirement reflects the operating principles first established by NERC Policy 1. Its objective is to measure the successful implementation of the Contingency Reserve Plan for Reportable Contingency Events. It requires the Balancing Authority to have Contingency Reserve available to recover from events that would be less than or equal to the Balancing Authority's MSSC. It establishes a ceiling for the amount of Contingency Reserve and timeframe the BA or RSG must demonstrate for compliancy evaluation. It is intended to eliminate the ambiguities and questions associated with the existing standard. In addition, it allows BAs and RSGs to have clear way to show compliance and support the Interconnection to full extent of MSSC.