

Meeting Notes

Project 2017-01 Modifications to BAL-003

Phase II

September 27 - 29, 2022

Conference Call

Administrative

1. Introductions

The meeting was brought to order by the Chair, David Lemmons, at 12:32 p.m. Eastern on Tuesday, September 27, 2022.

2. Determination of Quorum

The rule for NERC Standard Drafting Team (SDT or team) states that a quorum requires two-thirds of the voting members of the SDT. Quorum was achieved as 8 of 10 members were present.

3. NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and public announcement were reviewed by Laura Anderson, NERC staff. There were no questions raised.

4. Roster Updates

The team reviewed the team roster and confirmed that it was accurate and up to date.

Agenda

1. Review of Meeting Notes from Previous Meetings – Laura Anderson, NERC staff

2. Discussion

- a. The SDT conducted an informal poll: Keep or strike proposed Requirement R5 because it is covered in TOP-002, Requirement R4, Part 4.4
- b. The results of the informal poll were: six (6) SDT members would like to strike proposed Requirement R5, with one (1) SDT member indicated preference to keep proposed Requirement R5.
- c. Time Horizons: “Time horizons are used as a factor in determining the size of a sanction. If an entity violates a requirement and there is no time to mitigate the violation because the requirement takes place in real-time, then the sanction associated with the violation is higher than it would be for violation of a requirement that could be mitigated over a longer period of time. When establishing a time horizon for each requirement, the following criteria should be used: Long-term Planning — a planning horizon of one year or longer. 2. Operations Planning — operating and resource plans from day-ahead up to and including seasonal. 3. Same-day Operations — routine actions required within the timeframe of a day, but not real-time. 4. Real-time Operations — actions required within one hour or less to preserve the reliability of the bulk electric system. 5. Operations Assessment — follow-up evaluations and reporting of real time operations.”
- d. Order No. 842; P27 "27. “Accordingly, we find that revising the pro forma LGIA and pro forma SGIA to require all new generating facilities to install, maintain, and operate a functioning governor or equivalent controls.”
- e. Order No. 842; P82. 82. “Accordingly, we are modifying in this Final Rule the NOPR proposal to require the interconnection customer to provide its relevant balancing authority with the status and settings of the governor or equivalent controls upon request or when the interconnection customer operates the generating facility with its governor or equivalent controls not in service. We determine that this is just and reasonable because it will help improve situational awareness by helping the balancing authority assess whether there is an appropriate amount of frequency responsive capacity online.”
- f. Order No. 842 language for notification "85. “Accordingly, we will modify the pro forma LGIA and pro forma SGIA to state that when providing notice to the transmission provider of its intent to disable its governor or equivalent controls, the interconnection customer’s notice shall include: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons why the governor or equivalent controls are unable to be operated in service; and (3) a reasonable estimate as to when the governor or equivalent controls will be returned to service. The interconnection customer will be required to then make Reasonable Efforts to return its governor or equivalent controls to service as soon as practicable and notify the transmission provider and balancing authority when it has done so..”

- g. Jamie Caldron, NERC staff, joined the WebEx to offer inputs for proposed Requirement R5 in relation to TOP-002 comments received:
 - TOP-002, R4 – proposed Requirement R5 of proposed Reliability Standard BAL-003-3 would have a consistent process and review for having the plan, it can be examined separately. It does not negate it from being completed in TOP-002 but the process of implementing a plan v. just having a plan, TOP-002 does not have that process.
 - For proposed Requirements R6 and R7, there is a potential for an entity to be non-compliant from one or the other. Proposed Requirement R6 specifies a time period. From a risk perspective, TOP-003 initiate operating instructions as needed. Performance based, but second half is notification base. So if the notification aspect was taken out, it would be okay. If it is a notification requirement as written, then that is covered in TOP-003.
 - The SDT discussed that it does seem to be more of a notification requirement.
- h. Section 1600 data request from Attachment A needs to be covered in the Implementation Plan as well as the Petition.
- i. From NERC Petition for BAL-002-2 approval justification on Requirement R2 "Proper valuation of the MSSC is critical for ensuring reliable operation of the Bulk Electric System. Requirement R2 works in conjunction with the definition of MSSC, discussed below, to obligate Responsible entities to accurately calculate MSSC according to system models maintained by the RSG or BA. Specifically, Requirement R2 requires responsible entities to demonstrate proper design and implementation of an Operating Process that surveys all contingencies, including single points of failure, to identify the event that would cause the greatest loss of resource output used by the RSG or BA to meet Firm Demand and export obligation (excluding export obligation for which Contingency Reserve is met by the Sink BA).⁴⁴ Further, Requirement R2 supports Requirements R1 and R3 in BAL-002-2, as these requirements rely on proper calculation of MSSC.."

3. Action Item Review

- a. Laura Anderson, NERC staff, to merge proposed Requirement R6 language into working draft of proposed Reliability Standard BAL-003-3.
- b. Laura Anderson, NERC staff, to set up a team leadership call.

4. Future meeting(s)

- a. October 14, 2022 – WebEx
- b. October 26, 2022 – WebEx

5. Adjourn

The meeting adjourned at 12:28 p.m. Eastern on September 29, 2022

Attendance				
Name	Company	Member/ Observer	In-person (Y/N)	Conference Call (Y/N)
David Lemmons	Greybeard Compliance Services	Member	N	Y
Rich Hydzik	Avista	Member	N	Y
Tom Pruitt	Duke Energy	Member	N	Y
Greg Park	Western Power Pool	Member	N	Y
Danielle Croop	PJM Interconnection	Member	N	Y
Daniel Baker	SPP			
William Shultz	Southern Company	Member	N	Y
Joshua Boone	LG&E and KU Energy LLC	Member	N	Y
Antonio Franco	GridForce	Member	N	Y
Laura Anderson	NERC	NERC staff	N	Y
Jessica Harris	NERC	NERC staff	N	Y
Candice Castaneda	NERC	NERC staff	N	Y
Brad Gordon	NERC	NERC staff	N	Y
David Deerman	Southern Company	Observer	N	Y
Syed Ahmad	FERC	Observer	N	Y
Pamela Hunter	Southern Company	Observer	N	Y
Nikki Carson-Marquis	MPC	Observer	N	Y
Joseph Bezzam	ERCOT	Observer	N	Y
Steve Swan	MRO	Observer	N	Y
Mike Johnson	Precision Electric	Observer	N	Y
Ruida Shu	NPCC	Observer	N	Y

Attendance				
Name	Company	Member/ Observer	In-person (Y/N)	Conference Call (Y/N)
Chris Bultsma	WAPA	Observer	N	Y
Sean Erickson	WAPA	Observer	N	Y
Tom Siegrist	Stone, Mattheis, Xenopoulos & Brew, PC	Observer	N	Y