

VIA ELECTRONIC FILING

February 27, 2024

Ms. Debbie-Anne A. Reese
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: Informational Filing, BAL-003-2 Procedure Errata
Docket No. RD20-9-000**

Dear Ms. Reese:

The North American Electric Reliability Corporation (“NERC”) hereby submits an informational filing to correct a typographical error in a procedure document associated with Reliability Standard BAL-003, the Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard (“ERO Support Procedure”).¹ This errata corrects the ERO Support Procedure as shown in the attached.²

The ERO Support Procedure was updated in 2019 as part of the BAL-003-2 package approved by the NERC Board of Trustees and then submitted to the Commission. NERC submitted proposed Reliability Standard BAL-003-2 on December 19, 2019 in Docket No. RD20-9-000.³ The ERO Support Procedure was included as Exhibit E to the petition. No comments were submitted on the filing and on July 15, 2020, the Commission issued a letter order approving Reliability Standard BAL-003-2.⁴ BAL-003-2 went into effect on October 1, 2020.

NERC staff working with the Resources Subcommittee of the Reliability and Security Technical Committee recently discovered a typographical error in the ERO Support Procedure. The version filed as Exhibit E to NERC’s 2019 petition and posted on NERC’s website inadvertently retained language revised in 2019. In particular, paragraph 2 under Event Selection Criteria on page 1 replaced “subsequent” with “previous” but this was not correctly reflected at page 2.

Please see the attached clean and redline copies of the ERO Support Procedure. NERC appreciates this opportunity to correct the record.

¹ This procedure is posted under the heading “BAL Standards Supporting Documents” on NERC’s Resources Subcommittee of the Operating Committee webpage here: <https://www.nerc.com/comm/OC/Pages/Resources-Subcommittee.aspx>.

² The ERO Support Procedure is subject to informational filing with the Commission, as reflected in FERC Docket No. RD20-9-000. NERC, Petition for Approval of proposed Reliability Standard BAL-003-2, Docket No. RD20-9-000 (Dec. 19, 2019) at 9 n.31 (detailing the ERO Support Procedure’s revision process); *N. Am. Elec. Reliability Corp.*, Docket No. RD20-9-000 (July 15, 2020) (approving BAL-003-2).

³ NERC, Petition for Approval of proposed Reliability Standard BAL-003-2, Docket No. RD20-9-000 (Dec. 19, 2019).

⁴ *N. Am. Elec. Reliability Corp.*, Docket No. RD20-9-000 (July 15, 2020).

1401 H Street NW, Suite 410
Washington, D.C. 20005
202-400-3000 | www.nerc.com

Respectfully submitted,

/s/ Candice Castaneda
Candice Castaneda

*Counsel for North American Electric Reliability
Corporation*

cc: Official service list in FERC Docket No. RD20-9-000

Attachment A-1

Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard
Clean

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard

Version II - 2019

RELIABILITY | RESILIENCE | SECURITY



**3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com**

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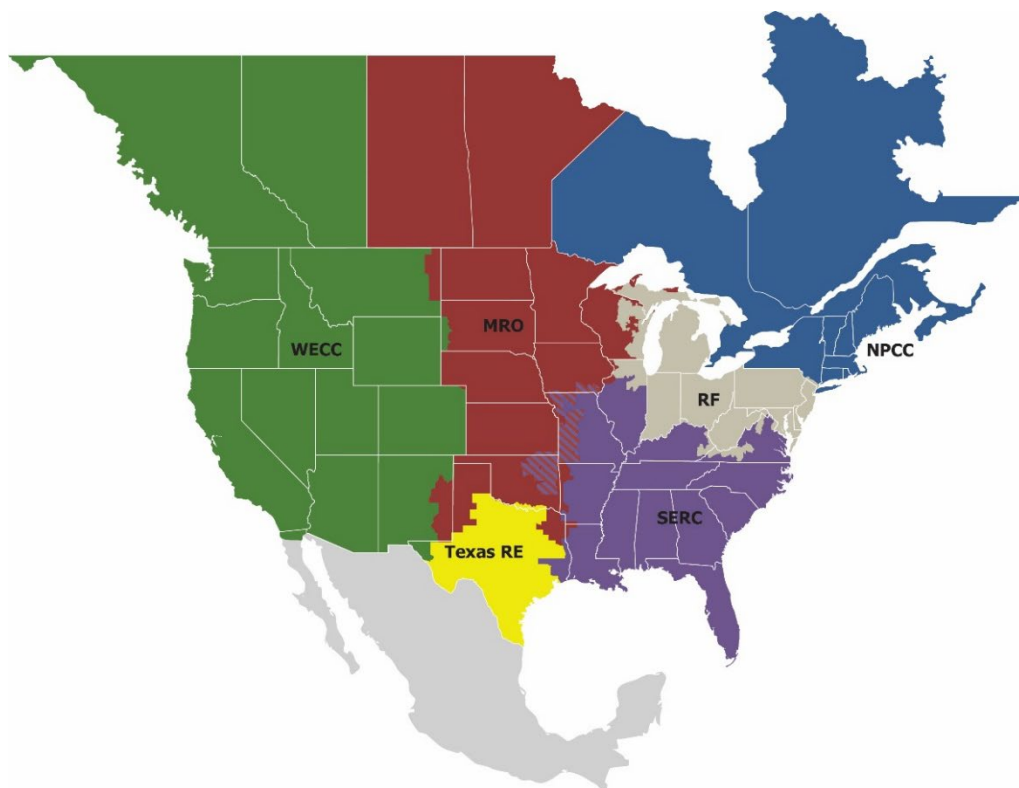
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

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Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Introduction

This procedure (Procedure) outlines the Electric Reliability Organization (ERO) process for supporting the Frequency Response Standard (FRS). A request for revisions may be submitted to the ERO or its designee for consideration. The request must provide a technical justification for the suggested modification. The ERO shall publicly post the suggested modification for a 45-day formal comment period and discuss the request in a public meeting. The ERO will make a recommendation to the NERC Board of Trustees (BOT), which may adopt the revision request, reject it, or adopt it with modifications. Any approved revision to this Procedure shall be filed with the Federal Energy Regulatory Commission (FERC) for informational purposes.

BAL-003-2 sets Interconnection Frequency Response Obligation (IFRO) to preset values subject to annual review. This procedure establishes the methods to be used for the annual review until Phase 2 of the SAR for Project 2017-01 has been addressed. If Frequency Response Measure (FRM) for the Eastern Interconnection degrades more than 10% in a year, the ERO will halt the reduction in IFRO until such time as a determination can be made as to the cause of the degradation.

Chapter 1: Event Selection Process

Event Selection Objectives

The goals of this procedure are to outline a transparent, repeatable process to annually identify a list of frequency events to be used to calculate Frequency Response to determine:

- Whether the Balancing Authority (BA) or Frequency Response Sharing Group (FRSG) met its Frequency Response Obligation, and
- An appropriate fixed Frequency Bias Setting.

Event Selection Criteria

1. The ERO will use the following criteria to select FRS excursion events for analysis. The events that best fit the criteria will be used to support the FRS. The evaluation period for performing the annual Frequency Bias Setting and the FRM calculation is December 1 of the prior year through November 30 of the current year.
2. The ERO will identify 20 to 35 frequency excursion events in each Interconnection for calculating the Frequency Bias Setting and the FRM. If the ERO cannot identify 20 frequency excursion events in a 12-month evaluation period satisfying the criteria below, then similar acceptable events from the previous year's evaluation period will be included with the data set by the ERO for determining a Balancing Authority's compliance with their Frequency Response Obligation and Frequency Bias Setting.
3. The ERO will use three criteria to determine if an acceptable frequency excursion event for the FRM has occurred:
 - a. The change in frequency as defined by the difference from the A Value to Point C and the arrested frequency Point C exceeds the excursion threshold values specified for the Interconnection in Table 1 below.
 - i. The A Value is computed as an average over the period from -16 seconds to 0 seconds before the frequency transient begins to decline.
 - ii. Point C is the arrested value of frequency observed within 20 seconds following the start of the excursion.

Table 1.1: Interconnection Frequency Excursion Threshold Values

Interconnection	A Value to Pt C	Point C (Low)	Point C (High)
East	0.04Hz	< 59.96	> 60.04
West	0.07Hz	< 59.95	> 60.05
ERCOT	0.08Hz	< 59.92	> 60.08
HQ	0.30Hz	< 59.85	> 60.15

- b. The time from the start of the rapid change in frequency until the point at which Frequency has stabilized within a narrow range should be less than 20 seconds.
 - c. If any data point in the B Value average recovers to the A Value, the event will not be included.
4. Pre-disturbance frequency should be relatively steady and near 60.000 Hz for the A Value. The A Value is computed as an average over the period from -16 seconds to 0 seconds before the frequency transient

begins to decline. For example, given the choice of the two events below, the one on the right is preferred as the pre-disturbance frequency is stable and also closer to 60 Hz.

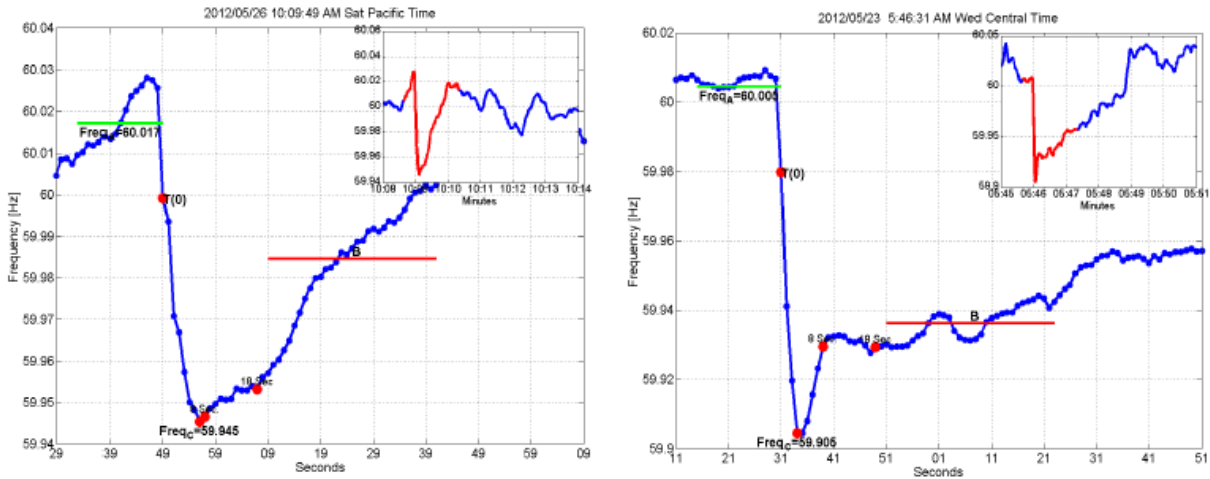


Figure 1.1: Pre-disturbance Frequency

5. Excursions that include 2 or more events that do not stabilize within 20 seconds will not be considered.
6. Frequency excursion events occurring during periods when large interchange schedule ramping or load change is happening, or within 5 minutes of the top of the hour may be excluded from consideration if other acceptable frequency excursion events from the same quarter are available.
7. The ERO will select the largest (A Value to Point C) 2 or 3 frequency excursion events occurring each month. If there are not 2 frequency excursion events satisfying the selection criteria in a month, then other frequency excursion events should be picked in the following sequence:
 - a. From the same event quarter of the year.
 - b. From an adjacent month.
 - c. From a similar load season in the year (shoulder vs. summer/winter)
 - d. The largest unused event.

To assist Balancing Authority preparation for complying with this standard, the ERO will provide quarterly posting of candidate frequency excursion events for the current year FRM calculation. The ERO will post the final list of frequency excursion events used for standard compliance as specified in Attachment A of the standard. The following is a general description of the process that the ERO will use to ensure that BAs can evaluate events during the year in order to monitor their performance throughout the year.

Quarterly

The event lists will be reviewed quarterly, with the quarters defined as:

- December through February
- March through May
- June through August

- September through November

Based on criteria established in this Procedure, events will be selected to populate the FRS Form 1 for each Interconnection. The FRS Form 1's will be posted on the NERC website, in the Resources Subcommittee (RS) area under the title "Frequency Response Standard Resources". Updated FRS Form 1's will be posted at the end of each quarter listed above after a review by the NERC RS and its Frequency Working Group. While the events on this list are expected to be final, as outlined in the selection criteria, additional events may be considered, if the number of events throughout the year do not create a list of at least 20 events. It is intended that this quarterly posting of updates to the FRS Form 1 would allow BAs to evaluate the events throughout the year, lessening the burden when the yearly posting is made.

Annually

The final FRS Form 1 for each Interconnection, which would contain the events from all four quarters listed above, will be posted as specified in Attachment A. Each BA reports its previous year's Frequency Response Measure (FRM), Frequency Bias Setting and Frequency Bias type (fixed or variable) to the ERO as specified in Attachment A using the final FRS Form 1. The ERO will check for errors and use the FRS Form 1 data to calculate CPS limits and FROs for the upcoming year.

Once the data listed above is fully reviewed, the ERO may adjust the implementation specified in Attachment A for changing the Frequency Bias Settings and CPS limits. This allows flexibility when each BA implements its settings.

Chapter 2: Process for Adjusting Interconnection Minimum Frequency Bias Setting

This procedure outlines the process the ERO is to use for modifying minimum Frequency Bias Settings to better meet reliability needs. The ERO will adjust the Frequency Bias Setting minimum in accordance with this procedure. The ERO will post the minimum Frequency Bias Setting values on the ERO website along with other balancing standard limits.

Under BAL-003-2, the minimum Frequency Bias Settings will be moved toward the natural Frequency Response in each Interconnection. In the first year, the minimum Frequency Bias Setting for each Interconnection is shown in Table 2 below. Each Interconnection Minimum Frequency Bias Setting is based on the sum of the non-coincident peak loads for each BA from the currently available FERC 714 Report or equivalent. This non-coincident peak load sum is multiplied by the percentage shown in Table 2 to get the Interconnection Minimum Frequency Bias Setting. The Interconnection Minimum Frequency Bias Setting is allocated among the BAs on an Interconnection using the same allocation method as is used for the allocation of the Frequency Response Obligation (FRO).

Interconnection	Interconnection Minimum Frequency Bias Setting (in MW/0.1Hz)
Eastern	0.9% of non-coincident peak load
Western	0.9% of non-coincident peak load
ERCOT	N/A
HQ	N/A

*The minimum Frequency Bias Setting requirement does not apply to a Balancing Authority that is the only Balancing Authority in its Interconnection. These Balancing Authorities are solely responsible for providing reliable frequency control of their Interconnection. These BAs are responsible for converting frequency error into a megawatt error to provide reliable frequency control, and the imposition of a minimum bias setting greater than the magnitude the Frequency Response Obligation may have the potential to cause control system hunting, and instability in the extreme.

The ERO, in coordination with the regions of each Interconnection, will annually review Frequency Bias Setting data submitted by BAs. If an Interconnection's total minimum Frequency Bias Setting exceeds (in absolute value) the Interconnection's total natural Frequency Response by more (in absolute value) than 0.2 percentage points of peak load (expressed in MW/0.1Hz), the minimum Frequency Bias Setting for BAs within that Interconnection may be reduced (in absolute value) in the subsequent years FRS Form 1 based on the technical evaluation and consultation with the regions affected by 0.1 percentage point of peak load (expressed in MW/0.1Hz) to better match that Frequency Bias Setting and natural Frequency Response.

The ERO, in coordination with the regions of each Interconnection, will monitor the impact of the reduction of minimum frequency bias settings, if any, on frequency performance, control performance, and system reliability. If unexpected and undesirable impacts such as, but not limited to, sluggish post-contingency restoration of frequency to schedule or control performance problems occur, then the prior reduction in the minimum frequency bias settings may be reversed, and/or the prospective reduction based on the criterion stated above may not be implemented.

Chapter 3: Interconnection Frequency Response Obligation Methodology

The Interconnection Resource Loss Protection Criteria (RLPC) is calculated based a resource loss in accordance with the following process:

NERC will request BAs to provide their two largest resource loss values and largest resource loss due to an N-1 or N-2 RAS event. This will facilitate comparison between the existing Interconnection RLPC values and the RLPC values in use. This data submission will be needed to complete the calculation of the RLPC and IFRO.

BAs determine the two largest resource losses for the next operating year based on a review of the following items:

- The two largest independent Balancing Contingency Events, each due to a single contingency, identified using system models measured by megawatt loss in a normal system configuration (N-0). (An abnormal system configuration is not used to determine the RLPC.)
- The two largest units in the BA Area, regardless of shared ownership/responsibility.
- The two largest Remedial Action Scheme (RAS) resource losses (if any) which are initiated by single (N-1) contingency events.

The BA provides these two numbers determined above as Resource Loss A and Resource Loss B in the FR Form 1.

The BA should then provide the largest resource loss due to RAS operations (if any) which is initiated by a multiple contingency (N-2) event (RLPC cannot be lower than this value). If this RAS impacts more than a single BA, one BA is asked to take the lead and sum all resources lost due to the RAS event and provide that information.

The calculated RLPC should meet or exceed any credible N-2 resource loss event.

The host BA (or planned host BA) where jointly-owned resources are physically located, should be the only BA to report that resource. The full ratings of the resource, not the fractional shares, should be reported.

Direct-current (DC) ties to asynchronous resources (such as DC ties between Interconnections, or the Manitoba Hydro Dorsey bi-pole ties to their northern asynchronous generation) should be considered as resource losses. DC lines such as the Pacific DC Intertie, which ties two sections of the same synchronous Interconnection together, should not be reported. A single pole block with normal clearing in a monopole or bi-pole high-voltage direct current system is a single contingency.

For a hypothetical four-BA Interconnection, Plant 1, in BA1, has two generators rated at 1200 MW each. Plant 2, in BA2 has a generator rated at 1400 MW. BA2's next largest contingency is 1000 MW. The two largest resource losses for BA3 and BA4 are listed below.

BA1	Resource Loss A = 1200 MW	Resource Loss B = 1200 MW	Both at Plant 1 (N-2)
BA2	Resource Loss A= 1400 MW	Resource Loss B = 1000 MW	Electrically separate
BA3	Resource Loss A = 1000 MW	Resource Loss B = 800 MW	Electrically separate
BA4	Resource Loss A = 1500 MW (DC TIE)	Resource Loss B = 500 MW	Electrically separate

The ERO would apply the RLPC selection methodology described above to determine the RLPC for the Interconnection. Using this methodology, results in the following:

Largest Resource Loss = 1500 MW
Second Largest Resource Loss = 1400 MW
Summation of two largest resource losses = 2900 MW
Interconnection RLPC = 2900 MW

If only the N-2 Event was applied, the RLPC for the Interconnection would be 2400 MW. The summation of the two largest Interconnection Resource Losses will equal or exceed, but never fall short of, the N-2 Event scenario.

In order to evaluate RAS resource loss, single (N-1) and multiple (N-2) contingency events should be evaluated. Hypothetically, in an Interconnection:

BA1 RAS = 2850 MW N-2 RAS event
BA1 Resource Loss A = 1150 MW
BA1 Resource Loss B = 800 MW
BA2 Resource Loss A = 1380 MW
BA2 Resource Loss B = 1380 MW
BA3 RAS = 1000 MW N-1 RAS event
BA3 Resource Loss A = 800 MW
BA3 Resource Loss B = 700 MW

In this case, the ERO would determine the RLPC as follows: the summation of the two largest resource losses is 2760 MW. Since the N-2 RAS event exceeds the summation of the two largest single contingency events, the RLPC is the N-2 RAS event, or 2850 MW.

Interconnection RLPC Values

Based on initial review, the numbers below would be representative of the RLPC for each Interconnection.

Eastern Interconnection:

Present RLPC = 4500 MW Load Credit = 0 MW
RESOURCE LOSS A = 1732 MW
RESOURCE LOSS B = 1477 MW
Proposed RLPC = 3209 MW

Western Interconnection:

Present RLPC = 2626 MW Load Credit = 0 MW
RESOURCE LOSS A = 1505 MW
RESOURCE LOSS B = 1344 MW
N-2 RAS = 2850 MW
Proposed RLPC = 2850 MW

ERCOT:

Present RLPC = 2750 MW Load Credit = 1209 MW
RESOURCE LOSS A = 1375 MW
RESOURCE LOSS B = 1375 MW
Proposed RLPC = 2750 MW

Quebec Interconnection:

Present RLPC = 1700 MW Load Credit = 0 MW
 RESOURCE LOSS A = 1000 MW
 RESOURCE LOSS B = 1000 MW
 Proposed RLPC = 2000 MW

Calculation of IFRO Values

The IFRO is calculated using the RLPC (reference is from Table 1 from BAL-003-2):

$$\text{IFRO} = \frac{(\text{RLPC} - \text{CLR})}{(\text{MDF} * 10)} \quad \text{expressed as MW/0.1Hz}$$

MDF is the Maximum Delta Frequency for the specific interconnection as determined in the 2017 Frequency Response Annual Analysis (FRAA).

Table 3.1: Interconnection Frequency Response Obligation					
Interconnection	Eastern	Western	ERCOT	HQ	Units
Max. Delta Frequency (MDF)	0.420	0.280	0.405	0.947	Hz
Resource Loss Protection Criteria (RLPC)	3,209	2,850	2,750	2,000	MW
Credit for Load Resources (CLR)			1,209		MW
Calculated IFRO	-787*	-1018	-380	-211	MW/0.1Hz

* Eastern Interconnection IFRO will be stepped down to this level over three years per BAL-003-2.

Attachment A-2

Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard
Redline

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RELIABILITY CORPORATION

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Version II - 2019

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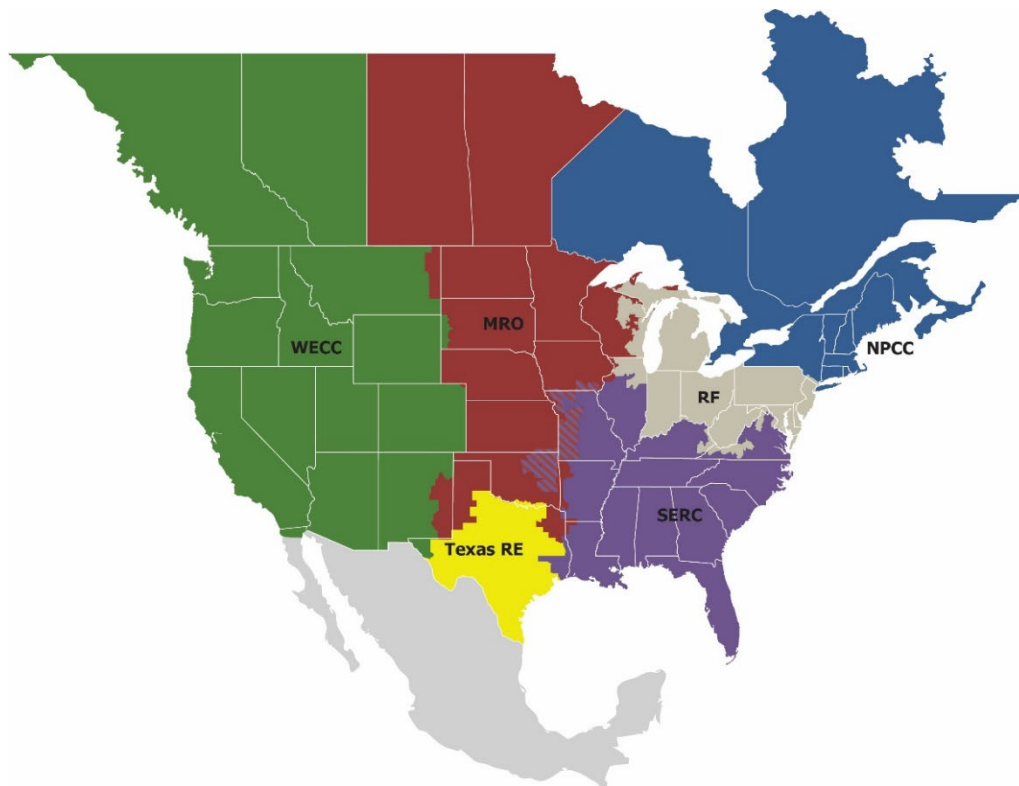
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 - ii. Point C is the arrested value of frequency observed within 20 seconds following the start of the excursion.

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4. Pre-disturbance frequency should be relatively steady and near 60.000 Hz for the A Value. The A Value is computed as an average over the period from -16 seconds to 0 seconds before the frequency transient

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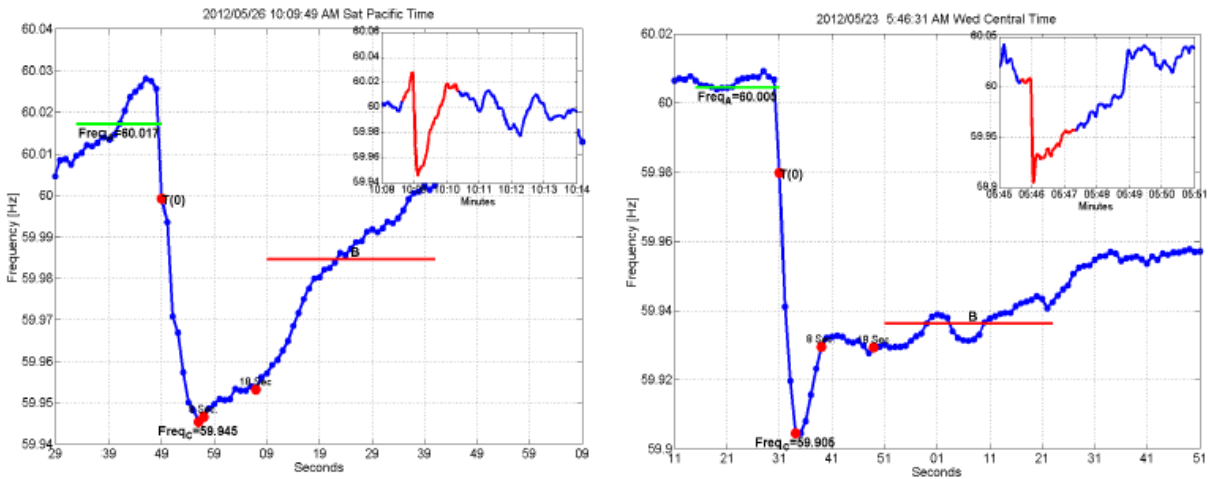


Figure 1.1: Pre-disturbance Frequency

5. Excursions that include 2 or more events that do not stabilize within 20 seconds will not be considered.
6. Frequency excursion events occurring during periods when large interchange schedule ramping or load change is happening, or within 5 minutes of the top of the hour may be excluded from consideration if other acceptable frequency excursion events from the same quarter are available.
7. The ERO will select the largest (A Value to Point C) 2 or 3 frequency excursion events occurring each month. If there are not 2 frequency excursion events satisfying the selection criteria in a month, then other frequency excursion events should be picked in the following sequence:
 - a. From the same event quarter of the year.
 - b. From an adjacent month.
 - c. From a similar load season in the year (shoulder vs. summer/winter)
 - d. The largest unused event.

As noted earlier, if a total of 20 events are not available in an evaluation year, then similar acceptable events from the next previous year's evaluation period will be included with the data set by the ERO for determining Frequency Response Obligation (FRO) compliance. The first year's small set of data will be reported and used for Bias Setting purposes, but compliance evaluation on the FRO will be done using a 24-month data set.

To assist Balancing Authority preparation for complying with this standard, the ERO will provide quarterly posting of candidate frequency excursion events for the current year FRM calculation. The ERO will post the final list of frequency excursion events used for standard compliance as specified in Attachment A of the standard. The following is a general description of the process that the ERO will use to ensure that BAs can evaluate events during the year in order to monitor their performance throughout the year.

Quarterly

The event lists will be reviewed quarterly, with the quarters defined as:

- December through February
- March through May
- June through August
- September through November

Based on criteria established in this Procedure, events will be selected to populate the FRS Form 1 for each Interconnection. The FRS Form 1's will be posted on the NERC website, in the Resources Subcommittee (RS) area under the title "Frequency Response Standard Resources". Updated FRS Form 1's will be posted at the end of each quarter listed above after a review by the NERC RS and its Frequency Working Group. While the events on this list are expected to be final, as outlined in the selection criteria, additional events may be considered, if the number of events throughout the year do not create a list of at least 20 events. It is intended that this quarterly posting of updates to the FRS Form 1 would allow BAs to evaluate the events throughout the year, lessening the burden when the yearly posting is made.

Annually

The final FRS Form 1 for each Interconnection, which would contain the events from all four quarters listed above, will be posted as specified in Attachment A. Each BA reports its previous year's Frequency Response Measure (FRM), Frequency Bias Setting and Frequency Bias type (fixed or variable) to the ERO as specified in Attachment A using the final FRS Form 1. The ERO will check for errors and use the FRS Form 1 data to calculate CPS limits and FROs for the upcoming year.

Once the data listed above is fully reviewed, the ERO may adjust the implementation specified in Attachment A for changing the Frequency Bias Settings and CPS limits. This allows flexibility when each BA implements its settings.

Chapter 2: Process for Adjusting Interconnection Minimum Frequency Bias Setting

This procedure outlines the process the ERO is to use for modifying minimum Frequency Bias Settings to better meet reliability needs. The ERO will adjust the Frequency Bias Setting minimum in accordance with this procedure. The ERO will post the minimum Frequency Bias Setting values on the ERO website along with other balancing standard limits.

Under BAL-003-2, the minimum Frequency Bias Settings will be moved toward the natural Frequency Response in each Interconnection. In the first year, the minimum Frequency Bias Setting for each Interconnection is shown in Table 2 below. Each Interconnection Minimum Frequency Bias Setting is based on the sum of the non-coincident peak loads for each BA from the currently available FERC 714 Report or equivalent. This non-coincident peak load sum is multiplied by the percentage shown in Table 2 to get the Interconnection Minimum Frequency Bias Setting. The Interconnection Minimum Frequency Bias Setting is allocated among the BAs on an Interconnection using the same allocation method as is used for the allocation of the Frequency Response Obligation (FRO).

Interconnection	Interconnection Minimum Frequency Bias Setting (in MW/0.1Hz)
Eastern	0.9% of non-coincident peak load
Western	0.9% of non-coincident peak load
ERCOT	N/A
HQ	N/A

*The minimum Frequency Bias Setting requirement does not apply to a Balancing Authority that is the only Balancing Authority in its Interconnection. These Balancing Authorities are solely responsible for providing reliable frequency control of their Interconnection. These BAs are responsible for converting frequency error into a megawatt error to provide reliable frequency control, and the imposition of a minimum bias setting greater than the magnitude the Frequency Response Obligation may have the potential to cause control system hunting, and instability in the extreme.

The ERO, in coordination with the regions of each Interconnection, will annually review Frequency Bias Setting data submitted by BAs. If an Interconnection's total minimum Frequency Bias Setting exceeds (in absolute value) the Interconnection's total natural Frequency Response by more (in absolute value) than 0.2 percentage points of peak load (expressed in MW/0.1Hz), the minimum Frequency Bias Setting for BAs within that Interconnection may be reduced (in absolute value) in the subsequent years FRS Form 1 based on the technical evaluation and consultation with the regions affected by 0.1 percentage point of peak load (expressed in MW/0.1Hz) to better match that Frequency Bias Setting and natural Frequency Response.

The ERO, in coordination with the regions of each Interconnection, will monitor the impact of the reduction of minimum frequency bias settings, if any, on frequency performance, control performance, and system reliability. If unexpected and undesirable impacts such as, but not limited to, sluggish post-contingency restoration of frequency to schedule or control performance problems occur, then the prior reduction in the minimum frequency bias settings may be reversed, and/or the prospective reduction based on the criterion stated above may not be implemented.

Chapter 3: Interconnection Frequency Response Obligation Methodology

The Interconnection Resource Loss Protection Criteria (RLPC) is calculated based a resource loss in accordance with the following process:

NERC will request BAs to provide their two largest resource loss values and largest resource loss due to an N-1 or N-2 RAS event. This will facilitate comparison between the existing Interconnection RLPC values and the RLPC values in use. This data submission will be needed to complete the calculation of the RLPC and IFRO.

BAs determine the two largest resource losses for the next operating year based on a review of the following items:

- The two largest independent Balancing Contingency Events, each due to a single contingency, identified using system models measured by megawatt loss in a normal system configuration (N-0). (An abnormal system configuration is not used to determine the RLPC.)
- The two largest units in the BA Area, regardless of shared ownership/responsibility.
- The two largest Remedial Action Scheme (RAS) resource losses (if any) which are initiated by single (N-1) contingency events.

The BA provides these two numbers determined above as Resource Loss A and Resource Loss B in the FR Form 1.

The BA should then provide the largest resource loss due to RAS operations (if any) which is initiated by a multiple contingency (N-2) event (RLPC cannot be lower than this value). If this RAS impacts more than a single BA, one BA is asked to take the lead and sum all resources lost due to the RAS event and provide that information.

The calculated RLPC should meet or exceed any credible N-2 resource loss event.

The host BA (or planned host BA) where jointly-owned resources are physically located, should be the only BA to report that resource. The full ratings of the resource, not the fractional shares, should be reported.

Direct-current (DC) ties to asynchronous resources (such as DC ties between Interconnections, or the Manitoba Hydro Dorsey bi-pole ties to their northern asynchronous generation) should be considered as resource losses. DC lines such as the Pacific DC Intertie, which ties two sections of the same synchronous Interconnection together, should not be reported. A single pole block with normal clearing in a monopole or bi-pole high-voltage direct current system is a single contingency.

For a hypothetical four-BA Interconnection, Plant 1, in BA1, has two generators rated at 1200 MW each. Plant 2, in BA2 has a generator rated at 1400 MW. BA2’s next largest contingency is 1000 MW. The two largest resource losses for BA3 and BA4 are listed below.

BA1	Resource Loss A = 1200 MW	Resource Loss B = 1200 MW	Both at Plant 1 (N-2)
BA2	Resource Loss A= 1400 MW	Resource Loss B = 1000 MW	Electrically separate
BA3	Resource Loss A = 1000 MW	Resource Loss B = 800 MW	Electrically separate
BA4	Resource Loss A = 1500 MW (DC TIE)	Resource Loss B = 500 MW	Electrically separate

The ERO would apply the RLPC selection methodology described above to determine the RLPC for the Interconnection. Using this methodology, results in the following:

Largest Resource Loss = 1500 MW
Second Largest Resource Loss = 1400 MW
Summation of two largest resource losses = 2900 MW
Interconnection RLPC = 2900 MW

If only the N-2 Event was applied, the RLPC for the Interconnection would be 2400 MW. The summation of the two largest Interconnection Resource Losses will equal or exceed, but never fall short of, the N-2 Event scenario.

In order to evaluate RAS resource loss, single (N-1) and multiple (N-2) contingency events should be evaluated. Hypothetically, in an Interconnection:

BA1 RAS = 2850 MW	N-2 RAS event
BA1 Resource Loss A = 1150 MW	
BA1 Resource Loss B = 800 MW	
BA2 Resource Loss A = 1380 MW	
BA2 Resource Loss B = 1380 MW	
BA3 RAS = 1000 MW	N-1 RAS event
BA3 Resource Loss A = 800 MW	
BA3 Resource Loss B = 700 MW	

In this case, the ERO would determine the RLPC as follows: the summation of the two largest resource losses is 2760 MW. Since the N-2 RAS event exceeds the summation of the two largest single contingency events, the RLPC is the N-2 RAS event, or 2850 MW.

Interconnection RLPC Values

Based on initial review, the numbers below would be representative of the RLPC for each Interconnection.

Eastern Interconnection:

Present RLPC = 4500 MW Load Credit = 0 MW
RESOURCE LOSS A = 1732 MW
RESOURCE LOSS B = 1477 MW
Proposed RLPC = 3209 MW

Western Interconnection:

Present RLPC = 2626 MW Load Credit = 0 MW
RESOURCE LOSS A = 1505 MW
RESOURCE LOSS B = 1344 MW
N-2 RAS = 2850 MW
Proposed RLPC = 2850 MW

ERCOT:

Present RLPC = 2750 MW Load Credit = 1209 MW
RESOURCE LOSS A = 1375 MW
RESOURCE LOSS B = 1375 MW
Proposed RLPC = 2750 MW

Quebec Interconnection:

Present RLPC = 1700 MW Load Credit = 0 MW

RESOURCE LOSS A = 1000 MW

RESOURCE LOSS B = 1000 MW

Proposed RLPC = 2000 MW

Calculation of IFRO Values

The IFRO is calculated using the RLPC (reference is from Table 1 from BAL-003-2):

$$\text{IFRO} = \frac{(\text{RLPC} - \text{CLR})}{(\text{MDF} * 10)} \quad \text{expressed as MW/0.1Hz}$$

MDF is the Maximum Delta Frequency for the specific interconnection as determined in the 2017 Frequency Response Annual Analysis (FRAA).

Interconnection Frequency Response Obligation

Interconnection	Eastern	Western	ERCOT	HQ	Units
Max. Delta Frequency (MDF)	0.420	0.280	0.405	0.947	Hz
Resource Loss Protection Criteria (RLPC)	3,209	2,850	2,750	2,000	MW
Credit for Load Resources (CLR)			1,209		MW
Calculated IFRO	-784787*	-1018	-380	-211	MW/0.1Hz

* Eastern Interconnection IFRO will be stepped down to this level over three years per BAL-003-2.