

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Imbalance Provisions for Intermittent Resources)	Docket No. RM05-10-000
Assessing the State of Wind Energy in)	Docket No. AD04-13-000
Wholesale Electricity Markets)	

**COMMENTS OF THE
NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL**

The North American Electric Reliability Council, a New Jersey nonprofit corporation (NERC)¹, is pleased to provide these comments in response to the issues and questions raised in the Commission’s April 14, 2005 Notice of Proposed Rulemaking, “Imbalance Provisions for Intermittent Resources.” NERC continues to support the Commission’s initiatives to ensure that wind generation plays an appropriate role in the Nation’s mix of generation resources.

In NERC’s view, the amendment to the open access transmission tariff (OATT) proposed by the Commission to address generation imbalances caused by intermittent resources deals with economic issues. The proposals in this NOPR do not appear to run counter to or require modification of any of NERC’s existing reliability standards associated with energy imbalance. Thus, the proposals should not adversely affect electric system reliability, so long as the responsible entities continue to comply with the

¹ NERC was formed after the Northeast blackout in 1965 to promote the reliability of the interconnected electric systems in North America. Its mission is to ensure that the bulk electric systems that serve North America are adequate, reliable, and secure. It works with all segments of the electric industry as well as customers to “keep the lights on” by developing and encouraging compliance with rules for the reliable operation and adequacy of supply of these systems. NERC comprises ten regional reliability councils that account for virtually all the electricity supplied in the United States, Canada, and a portion of Baja California Norte, Mexico.

applicable reliability standards. While NERC will not comment on the specifics of the economic issues, NERC does urge the Commission to assure that its resolution of those issues not inadvertently create financial disincentives to responsible entities' maintaining full compliance with the reliability standards.

NERC has a number of reliability standards that address the requirements balancing authorities must meet:

BAL-001-0 Real Power Balancing Control Performance

BAL-002-0 Disturbance Control Performance

BAL-003-0 Frequency Response and Bias

BAL-004-0 Time Error Correction

BAL-005-0 Automatic Generation Control

BAL-006-0 Inadvertent Interchange

The complete text of these standards may be found at

http://www.nerc.com/~filez/standards/Reliability_Standards.html.

NERC believes that any of the actions proposed by the Commission in this NOPR will not relieve any electric system entity from its obligations under the NERC reliability standards listed above. Therefore, NERC does not expect an adverse impact on electric system reliability as a result of the revisions proposed in this NOPR in the near term.

However, high penetration levels of intermittent generation resources may have a significant impact on frequency control, voltage control, and capacity reserve requirements, all of which can affect grid reliability. Hence, NERC encourages proactive studies of the impacts of all installations of intermittent generation resources on grid reliability. There also may be technical limits to the amount of intermittent generation

that can be accommodated in a given region or area. For example, the amount of intermittent generation that can be absorbed by a balancing authority may be limited due to the amount of regulation service available. NERC strongly believes that anything short of full compliance with its standards could adversely affect grid reliability. NERC therefore requests that the Commission continue to take actions that would not weaken compliance with the NERC reliability standards. NERC also recommends that the Commission periodically review the effects of the provisions adopted in this rulemaking, so that any needed adjustments can be made as wind penetration increases.

NERC looks forward to working with the Commission and electric industry stakeholders in the incorporation of wind generation into the electric systems across North America.

Respectfully submitted,

**NORTH AMERICAN
ELECTRIC RELIABILITY COUNCIL**

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