

## Meeting Notes

### Balancing Authority Controls SDT — Project 2007-05

May 14, 2008 | 1–5 p.m.

May 15, 2008 | 8 a.m.–noon

TVA Offices

Chattanooga, TN

#### 1. Administration

a. NERC Antitrust Compliance Guidelines

Andy Rodriquez reviewed the NERC Antitrust Compliance Guidelines with meeting participants.

b. Introduction of Attendees

The following members and guests were in attendance:

- Larry Akens, Chair
- Gerry Beckerle
- William DeVries
- David Folk
- Will Franklin
- Howard Illian
- Ken McIntyre
- Sydney L Niemeyer
- Mark Thomas
- Raymond Vice
- Andy Rodriquez

c. Approval of Agenda

The drafting team reviewed and approved the agenda.

#### 2. Review of NERC Procedures

Andy Rodriquez reviewed the NERC Standards Drafting Team scope document and the NERC Drafting Team guidelines, and gave a brief overview of the current situation regarding these standards and NAESB coordination. At this time, it is believed that Joint Development of this work effort is not needed; however,

should the drafting team determine that business practices must be created, modified, or deleted, such coordination will need to be implemented.

### **3. Review of Work Effort**

Larry Akens led the drafting team through a review of the SAR.

There was some discussion regarding the utility of Time Error Correction (TEC). Raymond Vice questioned whether it was even needed. Howard Illian responded that FERC seemed to indicate so in Order 693. Bill DeVries pointed out that the order indicated that if TEC was to be initiated, it must be so done in a reliable manner.

The drafting team briefly discussed the term “Automatic Generation Control (AGC)” and the fact that FERC wanted the word “Generation” removed. Two terms were mentioned as candidates to replace AGC: “Load Frequency Control” and “Coordinated Frequency Control.”

Similarly, it was discussed whether or not the industry even needs an AGC standard. Perhaps, it was suggested, the AGC standard should really be a supporting document. Alternately, it was questioned if the Reliability Based Control team should be working on the AGC standard and/or supporting document.

It was discussed that the industry is lacking a single Eastern Interconnect entity with the ability to draft interconnection-wide standards for the East. Unlike ERCOT, where the entire interconnection is a single entity, or WECC, where the sub-regions have aggregated to create one super-region, the Eastern Interconnect remains several distinct regions, despite the fact that there are standards that apply only to the Eastern Interconnect. The three drafting teams (BACS DT, Frequency Response, and Reliability Based Controls) have discussed this, and perhaps should draft a letter expressing this need. Andy Rodriguez will attempt to bring this back to NERC leadership for discussion with the Regional Managers.

Specifically, with regard to BAL-002 — Disturbance Control Standard, the drafting team discussed the need to incorporate DSM into the standards. The team also discussed the need to ensure that the standard clearly states that consideration of single largest contingencies should include both generation and transmission contingencies. The team also discussed the need to be sure the standard isn't based on specific events (e.g. loss of a generator), but any case where frequency deviations occur outside a certain threshold. This is because many frequency deviations today occur not from single events. The recovery requirements should apply regardless of the source of the disturbance. It was noted that EOP-004 has requirements related to disturbance reporting, so this standard may not need to address them.

It was suggested in comments on the SAR that the team consider adding a frequency measure as a component of recovery. The drafting team agreed that the compliance with the standard measured the ability to recover, rather than manage frequency.

The drafting team reviewed comments related to the BAL-004 standard. Comments on the SAR suggested considering automatic time error correction; smaller frequency offsets for longer periods of time, increasing of the time error correction trigger values, and initiation of all-day 24-hour corrections. The drafting team discussed that NAESB currently managed the frequency offset of 20mHz, and that this request might have implications requiring more coordination with NAESB. The same was true of the trigger values.

BAL-005 was reviewed in detail. There was discussion of how to calculate the minimum regulating reserve for a BA. It was suggested that this may already be addressed by BAL-001. There was discussion of a possible requirement or standard addressing the use of non-firm transmission service to supply regulation, and the need for back-up supplies to mitigate congestion and curtailments.

It was suggested in Version 0 comments that the industry needs to consider the structure of the standards. For example, should the ACE equation have its own standard in BAL-005, and BAL-001 just references that equation? There are two other drafting teams working on similar work: the Reliability Based Control Standard Drafting Team, and the Frequency Response Standard Drafting Team. Andy Rodriguez was assigned to arrange a meeting between the chairs of the three teams and their facilitators to discuss this topic.

It was discussed that the ACE Special Cases standards currently held by NAESB are truly about managing reliability, they may need to be brought back. Again, this might have implications requiring more coordination with NAESB.

One comment suggested the creation of “two necessary conditions... all BAs control to the same scheduled frequency value, and all scheduled interchange sums to zero across the interconnection.” It was discussed that these might be goals, rather than requirements.

It was pointed out that the drafting team needs to be explicit in choosing its words. For example, instead of simply saying “its ties and schedules,” we might need to say “the ties and schedules of the Receiving Balancing Authority Area.”

Some of the comments seemed to reference older versions of the standard. Andy Rodriguez and Bill DeVries were tasked with reviewing the language and attempting to identify which versions were actually commented on.

The team next discussed BAL-006. The team agreed that it needed to be careful with this standard, and ensure that bad behavior (leaning) was punished, not good behavior (supporting). The team also discussed the need to make sure we campaign for the approval of these standards actively.

It was discussed that Don Badley of the Resources Subcommittee may have a draft of dispute resolution procedure that can be resurrected for use in the standards.

It was suggested that the drafting team consider working on BAL-005 first, then follow up with Inadvertent and Time Error correction next, and finally work on the DCS (as it is partially dependent on the Frequency Response work).

The team had a round table discussion next, where various topics were raised. It was stated that getting all generators that were providing frequency response to have governor engaged and functioning was critical. Many of the members of the drafting team expressed concern that the industry as a whole was losing expertise in this area, and that corporate management was losing touch with the manner in which the system operates. Vendors have tried to pick up some of the slack, but generally have been unable to meet the need. Several also expressed the need to remove redundant requirements (and therefore redundant sanctions) from the standard. Our goal, it was suggested, should be to write standards focused on the engineering principles, rather than the implementation, which will lead to neutral standards that work.

A straw man of structuring the standards was proposed. In general, there would be three areas: Metering, Communication, and Control; Definition of the ACE Equation; and Notification Requirements. Three possible purposes for our work effort were discussed:

1. To ensure that a synchronous interconnection is operated such that it maintains generation to load balance;
2. To define the basis of coordinated frequency control on the interconnections; and
3. To distribute the frequency control responsibilities among those members of the interconnection that are sharing those responsibilities.

It was discussed that BAL-005 and BAL-003 were really building blocks that contributed to these purposes. The need to state that the purpose was to maintain generation and load balance was reiterated, which the standards do not currently state. The comment was made that it was time to “cut the cord,” that Tie-Line bias control was not the same as AGC. It was commented that when CPS1 and CPS2 were created, the need for everyone to report on the same basis as they controlled was eliminated, which resulted in over-bias that may be leading us

toward more problems. However, it was generally agreed that ACE was the best measure of control we have today.

#### **4. Assignments and Action Items**

Andy Rodriguez will attempt to bring the discussion of an Eastern Interconnection entity to NERC leadership for discussion with the Regional Managers.

Andy Rodriguez was assigned to arrange a meeting between the chairs of the three teams (RBC, Frequency Response, and BAC) and their facilitators to discuss this topic.

Andy Rodriguez and Bill DeVries were tasked with reviewing the language and attempting to identify which versions were actually commented on.

#### **5. Future Meetings — All not confirmed**

- July 1–2 — 8 a.m.–5 p.m. and 8 a.m.–noon. Possible meeting locations are:
  - St. Louis, MO at the Ameren offices (Gerry Beckerle to check),
  - Little Rock, AR, or
  - Houston, TX at the Entergy offices (Will Franklin to check)
- August 21–22 — 8 a.m.–5 p.m. and 8 a.m.–noon, Atlanta, GA at the Southern Company offices. (Raymond Vice to check)
- September 18–19 — 8 a.m.–5 p.m. and 8 a.m.–noon, Chicago, IL. Andy Rodriguez to work with Rocio Wong and try to target the same location as the Reliability Based Controls Drafting Team meeting.

#### **6. Adjourn**

The drafting team adjourned on Thursday, May 15<sup>th</sup> at approximately 11:50 a.m.