

Meeting Notes

Balancing Authority Controls SDT — Project 2007-05

November 13, 2008 | 8 a.m.–5 p.m.

November 14, 2008 | 8 a.m.–noon

ERCOT Offices

Austin, TX

1. Administration

a. NERC Antitrust Compliance Guidelines

Andy Rodriguez reviewed the antitrust guidelines with meeting participants.

b. Introduction of Attendees

The following members and guests were in attendance:

- Larry Akens, Chair
- Gerry Beckerle
- David Folk
- Will Franklin
- Steve Gillespie
- Sarah Hensley
- Dave Huff
- Howard Illian
- Judith James
- Ken McIntyre
- Sydney Niemeyer
- Guy Quintin
- Kris Ruud
- Raymond Vice
- Andy Rodriguez

c. Approval of Agenda

The drafting team reviewed and approved the agenda.

d. Approval of Meeting Notes

The drafting team deferred review of the meeting minutes from the previous meeting.

2. Update on Coordination Efforts —RBCSDT, FRSDT, and NAESB

Raymond Vice, Howard Illian, and Larry Akens provided an update on the Reliability Based Controls SDT. The RBCSDT presented several purpose statements to the industry and requested comments on those statements. One was related to the frequency bandwidth, one on transmission flows, one on frequency excursions, and one on TLR (entities curtailing tags but not changing their generation dispatch). In general, there may be a need to put some more constraints around BAAL and ACE. The industry in general seems supportive, but wants more detail.

Raymond and Howard provided an update on the Frequency Response SDT as well. The FRSDT is preparing to post their draft standard for comment. There is some question regarding who is responsible for Frequency performance — it currently seems to be Balancing Authorities, but this responsibility seems to largely have been carried over from Control Areas. However, it perhaps should be tied to any entity that provides frequency responsive reserves (e.g., Generator Operators). It may be appropriate to look at the VAR standards for guidance. Howard pointed out that with Frequency Responsive Reserves (which are a product) care should be taken about how we handle this. It seems that frequency response is becoming a significant problem, and the amount of industry knowledge on the topic is becoming less common. There has been some discussion about developing thresholds that would trigger some detailed data collection for further analysis. Current over-biasing (approximately 2.4 times the frequency response) seems to be moving us toward a propensity for oscillatory behavior. Consequently, there is a thought that bias in Control ACE should be closer to matching actual Frequency Response. As a side note, the FRSDT team has developed a way to measure Frequency Responsive Reserves, and will be moving this approach forward for use in 2009.

Andy Rodriguez discussed the coordination with NAESB. The NERC and NAESB leadership held a meeting to discuss coordination between the BACSDT and the TIMTF, and it was agreed that formal coordination should be occurring. The effect of this has been to slow down the NAESB effort to move forward with their business practices and give the two teams an opportunity to work out any reliability concerns. The SDT needs to identify and communicate its concerns with the TIMTF work product in writing. Then a call will be set up between the two groups to discuss the concerns.

Larry provided an overview of his concerns with the NAESB business practices. The group discussed which of those concerns would be appropriate to bring back to NAESB. Regarding Time Error Correction, the group felt that the original proposal of a .010Hz offset would be preferable, and the SDT's efforts regarding a Field Trial would support such a change. The SDT also discussed adding language to the Unilateral Inadvertent Payback Method 2 that would not allow an

exemption from the CPS requirements, and removing the language that seemed to indicate that it supported Time Error.

3. Discussion of BAL-004 Time Error Correction

The SDT reviewed the Time Error Correction Survey in some detail. There were a few questions that required additional follow-up. However, in general, most entities (~75 percent) agreed that Time Error Corrections should be discontinued. Howard Illian volunteered to write a first draft of responses to the comments received.

The team then discussed the two proposed Field Trials for the Eastern Interconnection and for ERCOT. The EI proposal would coincide with and support the NAESB effort. The ERCOT proposal would halt time error correction. Raymond Vice pointed out that some systems may not be able to account for a Time Error Correction greater than 99.99 seconds. It sounds like this may not be a problem, but will need to be investigated. The team will still need to determine the best strategy for implementing the Field Trials. David Folk will draft an updated Field Trial document for the Eastern Interconnection. The team will have a one-hour conference call on November 20th to review the updated document. Regarding the ERCOT trial, Ken McIntyre stated that ERCOT is supportive of the Field Test, and will try to be ready to move forward with the Test on or around February 1. Andy is working with Dave Hilt and NERC Compliance to get ERCOT a letter confirming that they are able to implement this without any violations of the NERC standards, and Ken will continue to work to set up paperwork to support the ERCOT Field Trial.

4. Final Review of BAL-005 Draft and Informal Comment Posting

The SDT discussed the BAL-005 draft for a significant amount of time. In general, the SDT effort seems to be going well, but it is uncertain if the ACE standard as written met the original goal the team developed (which was to focus it purely on the ACE equation). Sidney Niemeyer expressed some concern with entities withdrawing frequency response, and suggested that we make sure that this issue be addressed during our standards development effort. The team discussed the two philosophies that seem to be in existence about how standards of this sort should be developed — should the standards require that you do things to avoid problems (more proactive), or should they require that you not have a problem (more reactive). In the first case, entities are punished if they do something that increases risk, while in the second case, entities are punished only if an event occurs. Raymond Vice will draft a discussion of the two philosophies. Andy and Ken will each develop a new straw-man of BAL-005 for review at the next meeting.

5. Discussion of BAL-006 Inadvertent

Andy reviewed the e-mail exchange he had with Howard based on the white paper Howard presented on “good” and “bad” inadvertent. There were several

areas identified in the white paper that created inadvertent. Andy proposed that each of those areas be addressed if possible, then perform trend analysis of some sort on the other areas. Andy was tasked with developing a draft approach.

6. Discussion of BAL-002 DCS

Gerry Beckler provided a discussion of BAL-002. Based on discussion with Sidney, Gerry questioned that we might need to have a standard on Control ACE, and presented a Control ACE requirement draft. Howard suggested this might belong with the Frequency Response team and BAL-007.

Gerry also presented an Operating Reserve standard draft. Howard suggested that is be reordered to discuss Frequency Responsive Reserves, Regulating Reserves, and Contingency Reserves. Gerry requested confirmation on this approach before he continues working on it too much more. Andy was asked to confirm with Maureen that the BACS DT SAR would allow the creation of new standards. Andy was also asked to confirm with whether or not Reserve Sharing Groups will continue to be a functional entity.

7. Assignments and Action Items

- Andy was requested to send a copy of the NERC Roster to the group.
- Howard will prepare responses to the Survey comments.
- David will draft an updated Field Trial document for the Eastern Interconnection to be discussed at a conference call scheduled for November 20 at 1 p.m.
- Andy and Ken will work on the ERCOT Field Trial paperwork.
- Raymond will draft some thoughts on proactive versus reactive approaches to the standards.
- Andy and Ken will develop straw-man proposals for BAL-005.
- Andy will put together a straw-man proposal for BAL-006.
- Andy will confirm with Maureen that the BACS DT SAR would allow the creation of new standards.
- Andy will confirm whether or not Reserve Sharing Groups will continue to be a functional entity.

8. Future Meetings (*Italics not confirmed*)

January 13–14 — Dallas, TX from 8 a.m.–5 p.m. and 8 a.m.–noon

February 18–19 — Sacramento (CAISO) from 8 a.m.–5 p.m. and 8 a.m.–noon

March 18–19 — Little Rock (Entergy) from 8 a.m.–5 p.m. and 8 a.m.–noon

9. Adjourn

The drafting team adjourned on November 14, 2008.