

Team Meeting Notes Project 2010-14.2 Resource and Demand Balancing (BARC 2) Periodic Review Team

Atlanta, Georgia

January 15, 2014 | 1:00 p.m. to 5:00 p.m. Eastern

January 16, 2014 | 9:00 a.m. to 5:00 p.m. Eastern

January 17, 2014 | 8:00 a.m. to 12:00 p.m. Eastern

Administrative

1. Introductions

NERC staff initiated the meeting and reviewed the NERC Antitrust Compliance Guidelines, Public Announcement, Participant Conduct Policy, and Email List Policy. NERC staff thanked all members and observers for participating and led group introductions. The following members and observers participated:

Name	Company	Member/ Observer	In-Person/ Conference Call
Doug Hils, Chair	Duke Energy	M	In-Person
Tom Siegrist, Vice Chair	Brickfield Burchette Ritts and Stone, PC	M	In-Person
Scott Brooks	Manitoba Hydro	M	Conference Call
Howard Illian	Energy Mark	M	Conference Call
Mike Potishnak	Representing NPCC	M	In-Person
Jerry Rust	Northwest Power Pool	M	In-Person
Glenn Stephens	Santee Cooper	M	In-Person
Mark Trumble	Omaha Public Power District	M	Conference Call
Wayne Harcourt	Duke Energy	O	Conference Call
Kenneth Goldsmith	Alliant Energy	O	In-Person
Adam Guinn	Duke Energy	O	In-Person
Don Badley	Northwest Power Pool	O	Conference Call

Name	Company	Member/ Observer	In-Person/ Conference Call
Marcelo Pesantez	Duke Energy	O	Conference Call
Tom Pruitt	Duke Energy	O	Conference Call
Laura Anderson	NERC	M	In-Person
Sean Cavote	NERC	M	In-Person
Steve Crutchfield	NERC	M	In-Person
Mallory Huggins	NERC	M	In-Person
Darrell Richardson	NERC	O	Conference Call
Syed Ahmad	FERC	O	In-Person

- 2. **Review Meeting Agenda and Objectives**
 - a. Chair Doug Hills reviewed the meeting agenda.

Agenda Items

1. **Overview of Previous Meetings**

- a. The Chair briefed participants on the previous Periodic Review Team (“PRT”) meeting held in Cincinnati, Ohio on December 11-13, 2013. At that meeting the PRT discussed the results of the members’ completed Periodic Review Templates for each of the BAL-004, -005, and -006 standards. Sub teams considered discrete issues associated with each standard and developed preliminary recommendations for consideration by the PRT. The PRT further developed preliminary recommendations on BAL-005 during a conference call held on January 13, 2014.

2. **BAL-004 Industry Webinar**

- a. NERC staff and the PRT conducted an industry webinar to solicit feedback from industry on options for BAL-004. Options presented to industry via the webinar included:
 - 1. Retire BAL-004-0 and implement Automatic Inadvertent Payback continent-wide
 - 2. Revise BAL-004-0 to minimize the reliability impact with a smaller, longer offset; eliminate the burden on the Time Monitor; implement Automatic Inadvertent Payback continent-wide
 - 3. Affirm BAL-004-0
 - 4. Retire BAL-004-0
- b. The PRT conducted an informal poll during the webinar to gauge which of its four possible recommendation proposals had the most industry support. Industry was asked to select a preference for one of the following: (1) Retire BAL-004-0 and implement Automatic Inadvertent

Payback continent-wide; (2) Revise BAL-004-0 to minimize the reliability impact with a smaller, longer offset; eliminate the burden on the Time Monitor; implement Automatic Inadvertent Payback continent-wide; (3) Affirm BAL-004-0; or (4) Retire BAL-004-0. About one third of approximately 65 poll participants selected options 1, 2, or 4, with very few participants selecting option 3. In other words, about two thirds of participants wanted BAL-004-0 to be retired.

3. BARC Phase 1 Update

- a. NERC staff provided an overview of the work of the 2010-14.1 Phase 1 of Balancing Authority Reliability-based Controls: Reserves project. NERC staff also reported that FERC approved BAL-003-1 in an order dated January 16, 2014.

4. Review Action Plan

- a. NERC staff reviewed the PRT's Action Plan, which proposes meeting in person and via conference call(s) through February 2014, and then posting the PRT recommendations for a 45-day comment period in mid-February 2014. After the comment period the PRT intends to respond to comments, develop final recommendations, and submit those recommendations to the Standards Committee in April 2014.

5. BAL-004 – Further Develop Recommendation

- a. The PRT reviewed the initial recommendations made by the BAL-004 sub team and discussed industry feedback received during the webinar. Based on that information the PRT further developed a recommendation on the standard ultimately concluding that BAL-004 should be retired.
- b. The BAL-004 sub team plans to develop a white paper to support its recommendation to retire the standard. The white paper will address the history of BAL-004-0, including other attempts to eliminate Time Error Correction (TEC), key considerations about TEC, and the relationship between reliability and TEC.
- c. NERC staff is coordinating with NAESB to have a preliminary discussion about the planned recommendation to retire BAL-004-0 and what that means for NAESB.

6. BAL-005 – Further Develop Recommendation

- a. The PRT reviewed the initial recommendations made by the BAL-005 sub team and developed PRT recommendations on many of the FERC directives and BAL-005 requirements, and created sub teams to further develop recommendations on FERC directives, R1, R3, R5, R7, R9, R10, R12, R12.1, R12.3, R13, R14, R15, R16, and R17. The BAL-005 sub team reviewed the PRT recommendations for R10, R11, and R13 and developed proposed final recommendations on the directives (including a proposed revision to the definition of AGC) and R11. See the BAL-005 Discussion Document for specific recommendations. The PRT sub teams will provide the PRT their suggested recommendations on January 27, 2014.

7. BAL-006 – Further Develop Recommendation

- a. The PRT reviewed the initial recommendations made by the BAL-006 sub team and either moved some requirements to the BAL-005 discussion, or deferred final recommendations until BAL-005 recommendations are further developed. See the BAL-006 Working Draft document for specific recommendations.

8. Discuss Draft Standard Authorization Request

- a. NERC staff explained that it will develop a draft Standard Authorization Request for PRT review and approval once the PRT makes decisions on all final recommendations. The Chair indicated an expectation to have all final recommendations made at the Charlotte PRT meeting.

9. Next Steps

- a. Further develop recommendations for final action in Charlotte.

10. Future Meeting and Action Dates

- a. February 4-6, 2014, Charlotte, NC
- b. February 27, 2014, Industry Webinar

11. Adjourn

- a. The Chair adjourned the meeting at 12:00 p.m. Eastern on January 17, 2014.