

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

April 23, 2014 | 1:00 p.m. to 5:00 p.m. ET
 April 24, 2014 | 9:00 a.m. to 5:00 p.m. ET
 April 25, 2014 | 8:00 a.m. to 12:00 noon ET

Cincinnati, Ohio

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 on the call 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
Ron Carlsen	Southern Company	M	Conference Call
Howard Illian	Energy Mark	M	Conference Call
Jerry Rust	Northwest Power Pool	M	In-Person
Glenn Stephens	Santee Cooper	M	In-Person
Mark Trumble	Omaha Public Power District	M	Conference Call
Robert Blohm	Keen Resources Asia Ltd.	O	Conference Call
Kenneth Goldsmith	Alliant Energy	O	In-Person
Adam Guinn	Duke Energy	O	Conference Call
Marcelo Pesantez	Duke Energy	O	Conference Call
Tom Pruitt	Duke Energy	O	Conference Call

Name	Company	Member/ Observer	In-Person/ Conference Call
Laura Anderson	NERC	M	In-Person
Sean Cavote	NERC	M	In-Person
Darrell Richardson	NERC	O	In-Person
Neil Burbure	NERC	O	In-Person

3. Review Meeting Agenda and Objectives

Chair Doug Hils provided building safety instructions and reviewed the meeting agenda.

Agenda Items

1. Review Action Plan

NERC staff reviewed the PRT's Action Plan, which proposes to submit to the NERC Standards Committee the PRT's final recommendation on BAL-005 and -006 by the June 2014 meeting.

2. Consideration of Industry Comments

The PRT discussed industry comments received on the PRT's initial recommendation to revise BAL-005 and BAL-006. PRT sub teams had developed initial draft responses to comments, and the PRT used that work as the foundation for comment discussion, consideration, and revision. Based on that review the PRT made changes to the draft SAR, Consideration of Issues and Directives, redlined BAL-005, and redlined BAL-006 to reflect changes made to the redline standards in response to industry comments. Substantive changes to BAL-005 are identified below (the PRT made no substantive changes to its proposed redlined BAL-006).

3. BAL-005 and BAL-006 Comments and Revisions

The PRT made several changes to its draft recommendation documents in response to its consideration of industry comments. For example, the PRT revised the definition of Reporting Ace and discussed developing a guideline document to accompany BAL-005 instead of R3.2 being a specific requirement. Specific changes to BAL-005 are reflected in the most recent redlined BAL-005, available on the BARC 2 PRT project page. The PRT anticipates that BAL-005 will be further refined by the SDT as it considers the PRT's recommendations in the SAR.

At least one commenter suggested the PRT coordinate with the FAC SDT on the transition of the GOP metering requirements to the FAC standards. The PRT intends to recommend that the SDT that develops the BAL standards discuss the minimum set of requirements required for reliability of the BES. The PRT is concerned that removing any requirements of the LSE, TOP, and GOP and not reflecting them within another standard may inadvertently transfer certain obligations to the BA to

ensure that such loads, resources, and facilities are within their metered boundaries. The PRT will highlight these issues back to the Standards Committee and FAC SDT. Chair Hils and Ken Goldsmith, the Project Management and Oversight Committee representative assigned to this project, committed to reach out to the FAC SDT on this issue.

The PRT discussed industry comments pertaining to BAL-006 but did not see industry consensus sufficient to require changes to the PRT's proposed redline.

The PRT discussed evaluating all defined terms before submitting the SAR to the Standards Committee, and Chair Hils indicated he would conduct that review. NERC suggested that the PRT could recommend that the SDT develop another requirement to account for the definition changes, or to seek the definition changes in a different process.

4. **BAL-004 Discussion**

The PRT discussed a presentation from the Resources Subcommittee that addressed Time Error Correction (TEC) and associated FERC 693 directives. The presentation encourages a field test before any changes are made to the current manual TEC practice, pointing out that the Standard Processes Manual discusses how technical committees can sponsor and manage field tests to support drafting team efforts. The Resources Subcommittee recommends a sixth-month implementation that involves widening TEC windows to +/- 20 seconds, then adding clock-day corrections at +/- 0.01 Hz, then adding unilateral payback with an Interconnection MW, then relaxing the payback cap to greater of 5MW or 10% of Bias, and then drafting a summary of the results and unwinding non-value-added components. While the PRT has not ruled out the possibility of a field test, the majority of the PRT does not strongly support one, though it could be worked into a final recommendation if the industry preferred the Resource Subcommittee's proposal.

The PRT reviewed the white paper associated with the recommendation to retire BAL-004-0, Time Error Correction and Reliability White Paper, and made only minor changes to the latest edits from BAL-004 sub team members and NERC staff. Some members and observers expressed concern about the direction of the white paper, but the majority of the PRT supported the white paper and its assertion that the practice of Time Error Correction does not support reliability and should be eliminated, without any specific argument about the risk that the practice poses to the system.

One observer noted that if TEC is removed, there is no longer any standard applying a central or centripetal force driving the system to 60 Hz and encouraged the PRT to make a recommendation to have FERC encourage NAESB to come up with an economic mechanism to replace the standard. The PRT did not agree with the assertion that "centripetal force" is one of the reasons that TECs have been performed and did not agree that the SDT should make a recommendation to NAESB related to the subject.

The PRT is planning to finalize its white paper, recommendation for retirement of BAL-004-0, and draft Standard Authorization Request for posting in the coming weeks, pending final review from the PRT, NERC staff, and FERC observers.

5. **Discuss Future Action Dates**

- a. May 20, 2014 conference call (if required)

6. **Adjourn**

Chair Hils adjourned the meeting at 12:00 Eastern on April 25, 2014.
