

Meeting Notes for Project 2010-14 Balancing Authority Reliability-based Controls (BARC)

1. Administrative Items

a. Introductions and Quorum

The meeting was called to order at 0800 CST on Wednesday, December 1, 2010 at the ERCOT offices in Austin, TX. Meeting participants were:

Larry Akens, Co-Chair	Gerry Beckerle	Doug Hils, Co-Chair
Steve Myers	Mike Oatts	LeRoy Patterson
Mike Potishnak	Mark Prosperi-Porta	Guy Quintin
Jerry Rust	Tom Siegrist	Glenn Stephens
Don Badley, Observer	Ed Dobrowolski, NERC	Doug Keegan, NERC

Doug Hils has had a job change at Duke and will no longer be able to participate in the SDT activities.

b. NERC Antitrust Compliance Guidelines – Ed Dobrowolski

There were no questions raised on the NERC Antitrust Compliance Guidelines.

c. Agenda and Objectives — Doug Hils & Larry Akens

Two items were added to the agenda: item #8 to discuss the upcoming NERC Operating Committee presentation on the proposed Time Error Correction (TEC) field test request and item #9 on an update of the Hydro Quebec field test.

The objective of the meeting was to attempt to finalize the documents needed to schedule the meeting with FERC staff on the continent-wide contingency reserve policy directive.

Two changes were made to the meeting notes from the October meeting in Philadelphia:

Standards Committee Report item - WECC has discussed the memo and believes they must support the field test if NAESB changes the thresholds to

initiate manual corrections for time error; however, NERC must provide sufficient public notice explaining the field test and possible consequences. Also, the WECC strongly disagrees with the concept of an incremental approach being applied to the field test.

BAL-002-2 Straw Man item - The SDT decided that in general, the preferred approach on reportable contingencies was to avoid a hard numeric limit and stay with a percentage approach. The possibility of using a fixed number of events from the previous year to determine the minimum reporting threshold was also discussed.

2. Review of BAL-001 Straw Man – Doug Hils

Doug presented a revised BAL-001 to the SDT for review eliciting the following comments:

- ϵ (epsilon) will be hard coded in the requirements.
- If a maintenance cycle is required, then it should probably go in the NERC Rules of Procedure. However, the SDT feels that such a requirement isn't needed for a value that has changed so infrequently.
- The language in Requirement R1 needs to be consistent with the equation.
- ACE will reside in a 'separate' standard, perhaps BAL-005.
- Requirements R3 & R4 on overlap service need to be retained but will need to be re-worded for clarity. This will need to be correlated with BAL-002.
- CPS language needs to move from Measure M1 up into the requirements.
- Data retention needs to be changed to the new, approved format.
- The concept of partial compliance needs to be retained in the new VSLs.
- The ERCOT waiver can be deleted.
- The changes proposed are consistent with the interpretation.
- BAL-005, Requirement R2 on regulating reserve should be moved to BAL-001.

Following the session, DOUG sent out a revised BAL_001 for SDT review based on the meeting discussions.

Tom Siegrist volunteered to take the lead on BAL-001 with Doug's eminent departure.

3. Review of BAL-002 Straw Man – Jerry Rust

A white paper on a continent-wide operating reserve policy needs to be developed first. Standards requirements would then be derived from the policy statements. Such a paper should be included as reference material in the eventual standard.

The section of the paper on frequency responsive reserve will need to be coordinated with Bill Herbsleb.

Jerry will lead the sub-group in preparing a more detailed version of the paper for SDT review on the January conference call.

Once the paper is fleshed out, the SDT can pursue a meeting with FERC staff on the topic.

AI – Jerry will prepare the continent-wide reserve policy paper for SDT review on the January conference call.

4. Review of BAL-005 Straw Man – Guy Quintin

The title of the standard will probably be changed to ‘Automatic Resource Control’ to comply with the FERC directive.

Requirement R2 was moved to BAL-001.

Requirement R17 will be re-written to comply with the interpretation.

Some of the concepts from the BAL-012 work will be incorporated into the existing requirements to provide clarity.

Guy will lead his sub-group in making the necessary changes for full SDT review during the January conference call.

AI - Guy will make the necessary changes to BAL-005 for full SDT review during the January conference call.

5. Review of BAL-006 Issues Resolution Proposal – Bill Herbsleb

No report was received on this item.

6. Discussion of BAL-007 Plan

BAAL has been moved to BAL-001. This leaves BAL-007 open for use for the transmission-based ACE limit.

Any such limits do not apply to a single BA Interconnection.

The SDT is not unanimous in the need for such limits but is supportive of getting more industry feedback on the issue through a formal posting of requirements.

The previously posted white paper on the transmission-based ACE limits needs to be cleaned up so that it can be included as reference material in the eventual standard if needed. Ed will contact Howard to get this accomplished.

AI – Ed to contact Howard to get the transmission-based ACE limits white paper brought up to date.

A ‘flow chart’ of the process involved in creating the transmission-based ACE limits needs to be developed prior to drafting requirements. Mike, LeRoy, and Larry will work on this chart for SDT review at the January meeting.

AI – Mike, LeRoy, and Larry will work on a flow chart of the process required to create transmission-based ACE limits for the January meeting.

Doug will create a skeleton of BAL-007 in results-based format for SDT review at the January meeting.

AI – Doug to create a skeleton of BAL-007 in results-based format for the January meeting.

LeRoy is still waiting for the promised IDC data from Bob Cummings. Lack of this data is now holding up the SDT’s work. LeRoy will send the exact data and format requirements to Ed who will then send them up the ladder at NERC for resolution.

AI – LeRoy will send the exact data and format requirements for the IDC data to Ed as soon as possible.

AI – Ed will forward the IDC data request to the appropriate parties at NERC.

Once the IDC data is received, LeRoy will crunch the numbers.

It was mentioned that some of the Balancing Authorities in the BAAL field test may not be pulling their weight. After the November test data is reviewed, a letter to those recalcitrant BA’s may be in order. If a BA isn’t pulling its weight, it could be deleted from the test.

7. Decision on BAL-008 Approach

The SDT reviewed the contents of BAL-008 and agreed that it is no longer needed.

8. Discuss TEC Presentation to the NERC OC – Larry Akens

Larry previewed the power Point presentation he developed for the NERC Operating Committee meeting for the SDT. Several changes were suggested including finishing the presentation with a formal request for motion. Larry will make the suggested changes and re-submit the document to Larry Kezele for inclusion in the NERC Operating Committee meeting package.

9. Update on HQ Field Test – Mike Potishnak

Data is now available for October and November. No significant changes were seen and it remains too early in the process for any conclusions.

10. Development of Supporting Documentation

The VRF/VSL justification documentation can't be started until the standards have been agreed upon by the SDT.

The SDT needs to start thinking about the Implementation Plan. Drafts of the standards will include the following effective dates:

- BAL-001: immediate for those participating in the BAAL field test, 6 months for others
- BAL-002: 3 months
- BAL-005: 3 months
- BAL-006: TBD
- BAL-007: 12 months

BAL-011 needs to be moved from the standards realm into the NERC Rules of Procedure. While the exact requirements may still be changed, the current content of BAL-011 is a good starting point for discussion purposes. Ed will check with NERC staff to see how the SDT should proceed. This effort needs to include the correlation of finish dates between the project standards and the Rules of Procedure.

AI – Ed will check with NERC staff on how the SDT can move BAL-011 to the NERC Rules of Procedure.

A mapping plan showing the disposition of existing requirements will be developed following the stabilization of the revised standards.

11. Next Steps – Doug Hils & Larry Akens

Doug anticipates that Duke will suggest a replacement for him on the SDT. However, his absence means that someone else will need to take over the BAAL field test management. Doug estimates that this work requires a commitment of 40 hours per month. MISO has indicated a possible interest in taking this on but it would not

be by an SDT member. The SDT would prefer that the effort be headed up by a member. Larry stated that he might be able to convince TVA to allow him to take on this task. The conference call schedule for 2011 needs to be developed once a new leader is determined.

In future deliberations, quorum may be a concern. Several members of the SDT have not been regularly attending meetings. With significant decisions needed to be made prior to initial posting, maintaining quorum at meetings will be extremely important. Therefore, the SDT requested Ed to contact any member who hasn't attended two of the last three meetings to confirm their intent to continue to actively participate in the meetings scheduled for 2011.

AI – Ed to contact any member who hasn't attended 2 of the last 3 meetings to confirm their future participation.

12. Next Meetings

- a. Conference call and web ex – Wednesday, January 5, 2011 & Thursday, January 6, 2011 from 1000 EST to 1400 EST
- b. Monday, January 24, 2011 (0800 CST) through Tuesday, January 25, 2011 (1700 CST) – Austin, TX
- c. Conference call and web ex – Wednesday, February 16, 2011 from 1000 EST to 1400 EST
- d. Conference call and web ex - every Thursday starting March 3rd from 1000 EPT until 1400 EPT (except for March 17th and April 7th) until April 28th
- e. Face-to-face meeting on Tuesday, March 15, 2011 through Thursday, March 17, 2011 in Charlotte, NC (Duke will host)
- f. Face-to-face meeting on Tuesday, April 5, 2011 through Thursday, April 7, 2011 in Orlando, FL (Tom Washburn will host)

13. Action Items and Schedule – Ed Dobrowolski

The following action items were developed during this meeting:

- Jerry will prepare the continent-wide reserve policy paper for SDT review on the January conference call.
- Guy will make the necessary changes to BAL-005 for full SDT review during the January conference call.
- Ed will forward the IDC data request to the appropriate parties at NERC.
- Mike, LeRoy, and Larry will work on a flow chart of the process required to create transmission-based ACE limits for the January meeting.
- Doug to create a skeleton of BAL-007 in results-based format for the January meeting.

- LeRoy will send the exact data and format requirements for the IDC data to Ed as soon as possible.
- Ed to contact Howard to get the transmission-based ACE limits white paper brought up to date.
- Ed will check with NERC staff on how the SDT can move BAL-011 to the NERC Rules of Procedure.
- Ed to contact any member who hasn't attended 2 of the last 3 meetings to confirm their future participation.

The project is on schedule at this time but a great deal of work remains prior to the scheduled initial posting date.

14. Adjourn

The co-chairs thanked ERCOT for their hospitality and adjourned the meeting at 1300 CST on Thursday, December 02, 2010.