

## Notes

### Project 2010-14 Balancing Authority Reliability-based Controls

January 24- 25, 2011 | 8:00 a.m. - 5:00 p.m. ET  
ERCOT, Austin, TX

#### 1. Administrative Items

##### a. Introductions and Quorum

The Chair brought the meeting to order at 0800 CST on Monday, January 24, 2011 at the ERCOT offices in Austin, TX. Meeting participants were:

Larry Akens, Chair	Gerry Beckerle	Dave Folk
Bill Herbsleb	Dave Lemmons	Clyde Loutan
Steve Myers	LeRoy Patterson	Mike Potishnak
Mark Proserpi-Porta	Jerry Rust	Kris Ruud
Tom Siegrist	Don Badley, Observer	Carlos Martinez, Observer
Sydney Niemeyer, Observer	Doug Hils, Guest	Scott Sells, FERC Observer
Bob Cummings, NERC	Darrell Richardson, NERC	Phil Tatro, NERC
Ed Dobrowolski, NERC		

There have been several roster changes since the last meeting:

- Doug Hils resigned due to a job change at Duke. The Chair and all of the SDT thanked Doug for his untiring efforts in the SDT over the last few years and for his taking the extra load of managing the BAAL field trial.
- Larry Akens was appointed as Chair by the Standards Committee at their last meeting.
- Glenn Stephens was appointed as Vice Chair. Glenn had a death in the family and was unable to attend this meeting. The Chair and all of the SDT expressed their condolences to Glenn.
- David McRee of Duke Energy was appointed to the SDT.
- Mark Thomas resigned his position with the SDT.
- Ken McIntyre resigned his position with the SDT.

- Sydney Niemeyer changed his status from member to observer.

Ed will send out a revised roster as soon as the NERC list is officially updated.

*AI* – Ed to distribute an updated roster.

b. NERC Antitrust Compliance Guidelines– Ed Dobrowolski

No questions were raised on the NERC Antitrust Compliance Guidelines.

c. Agenda and Objectives — Larry Akens

Three specific items were added to item #2 on the BAAL field trial.

The objective of the meeting was to continue the review of the draft standards with the goal of posting in 2Q11.

2. **Update on BAAL Field Trial Management – Larry Akens**

a. Additional participants in field trial

The Standards Committee approved the request to seek additional participants for the field trial. Doug drafted a letter that the SDT can use for this purpose and provided it to Larry. The SDT feels that this letter will have more impact if it is issued through the general NERC exploder rather than just through the SDT exploder. Therefore, Larry will send the letter to Ed who will handle its distribution through the NERC exploder.

*AI* – Larry to send the letter asking for additional BAAL field trial participants to Ed.

*AI* – Ed will post the letter asking for additional BAAL field trial participants on the NERC exploder.

b. Eastern Interconnection field trial document

The document needs a general update as it is about two years old now. The types of things that require updating are;

- Project number
- SDT name
- Standards numbering
- Participant table
- Effective dates

- Changing RRO references to RE

This document either needs to be made completely generic so that it encompasses WECC and ERCOT as well as the eastern Interconnection or separate, but similar, documents need to be created for the other Interconnections.

Doug sent out a red-lined version of the document for the SDT's use but Larry will need to follow through on getting the document cleaned up and published.

*AI* – Larry will follow through on the clean up and publication of the field trial document(s).

c. Conference call schedule

The Standards Committee appointed Larry as the new manager for the BAAL field trial. However, Larry is still coming up to speed on this task so Doug volunteered to run the January conference call on the December data. Larry will pick up the conference calls starting in February.

Larry and other NERC Resources Subcommittee members are working with CERTS to see if some of the data handling involved with the field trial can be automated.

MISO has volunteered to handle the BAAL field trial data for the Eastern Interconnection.

**3. Update on Time Error Correction Field Test Request – Larry Akens**

This item is on the January agenda of the NERC resources Subcommittee. They are still debating whether to stop time error correction immediately in the field test or to go through incremental stages to a complete stop stage. There is also still considerable discussion on how to best notify the public of this action. The development of this communiqué was assigned to the NERC staff. Larry and others from the NERC Resources Subcommittee will work with NERC staff to develop the communiqué. The Resources Subcommittee must report back to the NERC Operating Committee at their March meeting with a finalized implementation plan for the field test.

Dave Taylor is the new NERC liaison to NAESB.

Andy Rodriguez has been named to the NAESB Board.

**4. BAL-001 Straw Man Follow-up from Conference Call – Tom Siegrist**

Tom led the SDT through a review of the draft created by his sub-team. The SDT made comments as follows:

- Requirement R1: A Balancing Authority can only be in one Interconnection so there is no need for language supporting multiple Interconnections.
- Requirement R3: Deleted – the calculations is explained in the Attachments.
- Requirement R4: Deleted – as written, it seemed to be redundant with Requirement R1. This should be changed to a requirement for a formal methodology for determining Regulating Reserve. (Similar to PRC-006 and the FAC standards.) In general, this requirement, when changed, should probably be moved to Requirement R1 with Requirement R2 being the implementation of that methodology.
- Requirement R5: Delete – duplicative of the current Measure M2.
- Epsilon sub one ( $\epsilon_1$ ) must be defined and the method for updating the value must be posted concurrently with the final changes to BAL-001. (See item #9.) As the SDT will be expected to provide this text, the BAL-001 sub-team will work on this task after they complete their work on the draft standard.

Ed pointed out that for this standard, as well as for the others being developed by the SDT, must include the following information:

- A mapping document showing the disposition of the existing approved requirements in the proposed standards and sound technical rationales for any deletions or changes.
- A listing of how the outstanding issues lodged against the standard, including FERC Order 693 directives, has been addressed. If an Order 693 directive was not resolved in accordance with the wording in Order 693, a sound technical rationale showing why the alternative selected is an equal and effective approach to addressing the directive must be provided.

#### **5. BAL-002 Straw Man Follow-up from Conference Call – Jerry Rust**

The review of BAL-002 started with a second pass review of the proposed white paper on a continent-wide contingency reserve. This white paper will be used as reference for the draft standard. Only minor editorial comments were received at this time. The white paper is viewed as a living document and changes may be made as the SDT work on BAL standards progresses.

The SDT will need to meet with FERC staff on this project prior to the first project posting. The white paper should be part of this review but by itself is not sufficient to show how the Order 693 directives are being addressed. The white paper needs to be accompanied by actual requirements so that FERC staff can see exactly how the positions posited in the white paper will be enacted. And, BAL-002 by itself is also not sufficient for this meeting. All of the draft BAL standards associated with this

project, as well as appropriate references to the frequency reserve project, will be required when meeting with the FERC staff to seek their feedback regarding the SDT's direction to meet the FERC Order 693 directives.

The SDT debated once again how to proceed with the draft standards – should the SDT be trying to set up a 'perfect' world scenario by re-designing how the BAL standards should work or should they simply be trying to clarify the existing, approved requirements while addressing the Order 693 directives. While the general feeling of the SDT is that an opportunity may be going by the board to really fix these standards, given the scope and timeline provided by the NERC Standards Committee, that the latter approach is the preferred method. The goal will be to get something in front of FERC staff and the industry so that comments can be gathered in an expeditious fashion.

Jerry led the SDT through a review of the draft. The SDT made comments as follows:

- Requirement R1 should probably be moved to Requirement R2. The list can be deleted because all products are being treated equally.
- Requirement R2 should probably be Requirement R1. This would give BAL-002 the same look and feel as the suggested changes to BAL-001.
- The calculation of the most severe single Contingency must be shown.
- Somewhere, the requirements need to show an implementation of the plan. Simply showing DCS compliance is not enough.
- The Balancing Authority must only be held accountable for those things that it has direct control of. The requirements need to recognize that quite often the Balancing Authority owns no resources.

#### **6. BAL-005 Straw Man Follow-up from Conference Call – Guy Quintin**

Guy was unable to attend the meeting due to an operating emergency. Mike Potishnak filled in for Guy.

Mike led the SDT through a review of the draft created by Guy's sub-team. The SDT made comments as follows:

- The purpose was too long and was adjusted accordingly.
- Requirements R1, R2, and R3 were deleted as duplicative of the current Requirements R7.1 and R8.6. The SDT felt that there was no way that a Balancing Authority could comply with those two requirements unless the earlier requirements were fulfilled. Therefore, the SDT believed that there was a redundancy and the first three requirements were deleted. Ed pointed out that this seemed to require an implicit extrapolation and that FERC staff has repeatedly warned against such an approach but the SDT voted 9 – 4 to

delete the requirements. Ed reminded the SDT that a strong technical argument will need to be presented to accomplish this.

- Requirements R4, R5, and R6 were retained despite the fact that similar requirements are being deleted in other projects as part of an entity's core certification requirement and part of their everyday life. The SDT felt that Regulation Services was a special case over and above core requirements and thus needed to be retained.
- Requirements R7.6 and R7.7 – The SDT recommended going back to the original language.

The review was stopped after Requirement R7 due to time constraints.

## **7. Review of BAL-006 Issues Resolution Proposal – Bill Herbsleb**

Bill led the SDT through a review of the draft created by his sub-team. The SDT made comments as follows:

- There are many similarities between BAL-005 and BAL-006.
- Some of the items shown might be better placed with NAESB standards rather than as NERC Reliability Standards.
- Data exchange is covered in the proposed TOP-003-2 for the Balancing Authority. There is no need to duplicate that here. However, whatever an entity needs to do with that data must be handled here.

## **8. Discussion of BAL-007 Plan**

### **a. White Paper corrections – Howard Illian**

Howard has indicated that the paper is correct and that no changes are necessary. However, the SDT responses to industry comments indicated several changes were needed. If this works continues, there will need to be a check of these items to make sure everything is indeed correct.

### **b. Flow Chart – Mike Potishnak**

This item was deferred due to time constraints.

### **c. Straw Man – Doug Hils**

Doug led the SDT through a review of the draft created by his sub-team. The SDT made comments as follows:

- There may be a change needed to if the team pursues a dynamic BATL based on ACE contributions to flowgate exceedances similar to the TLR

process which is based on flowgate impacts due to schedules. This approach would necessitate quite a bit of work and could be expensive. Who would pay for it? How would the SDT control the process to ensure that the work got done in the timeframe needed?

- One approach would be to just do a static BATL as opposed to the dynamic BATL. This would be quicker, cheaper, and easier but would still contribute to reliability.
- Based on comments received from others in the industry, there is little support outside the SDT for this concept since reliability problems due to excessive ACE in unbounded area haven't surfaced in the field trial.

After considerable discussion, the SDT agreed (with one negative vote and one abstention) to table any work on BATL and BAL-007 due to a lack of resources, time, and discernible problems. Larry will contact Steve Ashbaker at WECC to confirm that there aren't outstanding issues in WECC that may affect this decision.

*AI* – Larry to contact WECC on the decision to table the work on BATL and BAL-007.

#### **9. Update on BAL-011 – Ed Dobrowolski**

Ed presented the concept of moving work such as shown in BAL-011 into the NERC Rules of Procedure to NERC Standards management. Agreement was reached that this could be done. The SDT would be expected to draft the text.

Another approach to this may be possible based on recent standards work that has assigned requirements to the ERO.

#### **10. Project Prioritization Update – Ed Dobrowolski**

The NERC Standards Committee has approved the prioritization tool and assigned scores to all active projects. However, they did not provide a cut-off point for the number of active projects that will be supported. There will be a technical conference at FERC on February 8<sup>th</sup> to discuss project prioritization and following that there will be a review by the NERC Board of Trustees prior to a final decision by the NERC Standards Committee. A final decision is expected at the NERC Standards Committee's March meeting. At the present time, this project is not anticipated to make the cut.

Advice from the NERC Standards staff is that SDT's should conduct business as usual until they are officially informed otherwise. Even after the point where an SDT might be off the active project list, teams could continue to work to the point where they have something ready to post. NERC will not post material for inactive projects but the SDT would be able to hit the ground running when they are re-started later.

NERC will support such teams with meetings and conference calls to the extent that the Coordinator assigned to the project can support that work without unduly impacting other work on active projects.

Ed informed the SDT that his availability and time for support of the SDT is getting very limited due to this assignment as the Coordinator for Project 2010-17 Definition of BES which has been assigned the highest priority.

If the project is placed on hold by the NERC Standards Committee, it is imperative that the current BAAL field trial continue.

### 11. Next Steps –Larry Akens

The SDT should continue to develop the draft standards in preparation for presently scheduled meetings. SDT members should be reviewing the documents and providing comments.

### 12. Next Meetings

- a. Conference call and web ex – Wednesday, February 16, 2011 from 1000 EST to 1400 EST
- b. Conference call and web ex - every Thursday starting March 3<sup>rd</sup> from 1000 EPT until 1400 EPT (except for March 17<sup>th</sup> and April 7<sup>th</sup>) until April 28<sup>th</sup>

Due to scheduling conflicts, Ed can't support the full slate of schedule of conference calls. Therefore, the calls for March 3<sup>rd</sup>, March 24<sup>th</sup>, and March 31<sup>st</sup> have been cancelled.

- c. Face-to-face meeting on Tuesday, March 15, 2011 through noon Thursday, March 17, 2011 in Charlotte, NC. There is a potential conflict on Tuesday with the SERC Operating Committee meeting. Ed will contact Dave McRee on the logistics for this meeting.

*AI* – Ed to check on the logistics for the March meeting.

- d. Face-to-face meeting on Tuesday, April 5, 2011 through Thursday, April 7, 2011 in Orlando, FL. Ed will check with Tom Washburn on the logistics for this meeting.

*AI* – Ed to check on the logistics for the April meeting.

No one should make any firm transportation plans for future meetings pending the prioritization decision by the NERC Standards Committee.

### 13. Action Items and Schedule – Ed Dobrowolski

The following action items were developed during this meeting:

- Ed to distribute an updated roster.
- Larry to send the letter asking for additional BAAL field trial participants to Ed.
- Ed will post the letter asking for additional BAAL field trial participants on the NERC exploder.
- Larry will follow through on the clean up and publication of the field trial document(s).
- Larry to contact WECC on the decision to table the work on BATL and BAL-007.
- Ed to check on the logistics for the March meeting.
- Ed to check on the logistics for the April meeting.

The schedule for this project may be adversely impacted by the delay in the prioritization project. At this point in time, the project is on schedule but there is still quite a bit of work required for the scheduled 2Q11 posting.

### 14. Adjourn

The Chair thanked ERCOT for their hospitality and adjourned the meeting at 1730 CST on Tuesday, January 25, 2011.