

Meeting Notes

Project 2017-01 Modifications to BAL-003 - Phase II

April 8, 2025 | 1:00 – 3:00 p.m. Eastern

WebEx

Administrative

1. Introductions

The meeting was brought to order by the Chair, David Lemmons at 1:03 p.m. Eastern on April 8, 2025. The Chair provided the Drafting Team (DT) with opening remarks and welcomed members and guests.

2. Determination of Quorum

The rule for NERC DT states that a quorum requires two-thirds of the voting members of the DT. Quorum was achieved as 7 of the 7 members were present for the meeting. See Attachment 1 for those in attendance.

3. NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and public announcement were reviewed by Laura Anderson. There were no questions raised.

Agenda

1. Current Project Status

- a. NERC staff provided an update on the project, including that it is currently categorized as low priority and that there are some discussions occurring to potentially upgrade it to medium priority.

2. Confirm DT Status and Discuss Potential Need to Supplement Additional Members

- a. NERC staff reviewed the current DT roster and asked for DT member concerns or if any thought there was a need to supplement the roster. DT chair confirmed the DT currently has enough members and a good mix of generation and transmission representation. Other DT members suggested a few others that may be able to support the project as active observers. NERC staff to follow up on each suggestion.

3. PMOS Liaison Introduction

- a. Project PMOS Liaison provided a high-level summary of the PMOS Liaison's support role.

4. Proposed Reliability Standard BAL-003-3 Discussion Items

a. Concerns With Requirement R1, Number of Events, Mix of Grid Resources, and Interconnection Variations

- i. The DT chair briefed the DT that since they last met, the Resources Subcommittee (RS) of the Reliability and Security Technical Committee (RSTC) have identified new issues and asked G. Park, DT member, to provide an update on the current conditions as they relate to BAL-003.
- ii. DT member G. Park shared and discussed BAL-003 / M4 data from University of Tennessee at Knoxville (UTK) FNET Project for the last several operating years. He used the data set to compare and contrast M4 and BAL-003 events, and to illustrate the trend of fewer BAL-003 events over the last five operative years as Interconnection (IC) characteristics have changed. For example, Balancing Authorities (BAs) with batteries improve performance, which in turn reduces the number of qualifying BAL-003 events. As fewer BAL-003 events occur, the Texas and Western ICs have had to implement the "Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard (ERO procedure)" when there were fewer than 20 qualifying BAL-003 events in an operating year. It is anticipated that for operating year 2025, they will need to go back 3 years to get enough events for compliance purposes under the ERO procedure. Future DT discussion will continue on this item.

b. CMEP Compliance Concerns

- i. The DT discussed the need to address not having enough BAL-003 qualifying events per operating year, how to handle FRO calculations, and concerns with now

needing to use the same events, from across several operating years, to calculate CMEP determinations. Future DT discussion will continue on this item.

c. Discuss the Frequency Bias Calculation Approach Using Events or Reconsider the Minimum Bias Setting

- i. The DT discussed how BAL-003 events are used as a basis for Frequency Bias setting calculations and with fewer events occurring, some DT members are concerned whether we are getting a valid bias for determining minimum bias calculation. Calculating the minimum bias is encountering some issues in the Western IC. The DT discussed how batteries are skewing typical / natural frequency response. The DT chair asked members if the time has come to reconsider a different means or approach to this calculation method and perhaps require variable frequency setting for all entities. DT members responded that such an approach would require extensive industry outreach. Future DT discussion will continue on this item.

d. Consider Whether an Active Generator Governor Requirement is Necessary

- i. DT discussed the two prevailing thoughts to require or not to require active generator governor requirements. It was noted that some BAs get significant generator response without this type of generator requirement. Other comments advocated for a generator requirement, not a BA requirement, to ensure reliability, as most generators typically have governors in new generation. Discussion continued on how to ensure that the changing resource mix will have the ability to respond, on how to ensure resources are available to provide support without putting a generator governor requirement. DT chair summarized the discussion direction as a need to develop a BA planning requirement and a GO setting requirement. Future DT discussion will continue on this item.

e. Consider Whether a Generator Performance Requirement is Necessary

- i. DT did not discuss this agenda item at this meeting and will discuss at a future meeting.

f. Consider Need for a Frequency Responsive Reserve Planning Requirement for Balancing Authorities (e.g. Similar to BAL-002 Contingency Reserve Requirements)

- i. DT did not discuss this agenda item at this meeting and will discuss at a future meeting.

g. Consider Administrative or Other Updates

- i. DT did not discuss this agenda item at this meeting and will discuss at a future meeting.

5. Updates on Section 1600 Reporting,

- a. DT did not discuss this agenda item at this meeting and will discuss at a future meeting.

6. Drafting Team Future Meetings

- a. The DT decided to next meet on Friday, April 25th at 10 a.m. Eastern.

7. Next Steps

- a. Developer to schedule the next DT meeting for Friday, April 25, 2025, at 10 a.m. Eastern.
- b. Developer to follow up with the two individuals proposed by the DT to request that they serve as active project observers.
- c. Developer to include agenda items not discussed today in the next DT meeting.

8. Adjourn

The meeting adjourned at 3:00 p.m. Eastern by consent.

Attachment 1

Name	Company	Member/ Observer	Attendance (Y/N)
David Lemmons	Greybeard Compliance Services	Chair	Y
Rich Hydzik	Avista	Vice Chair	Y
Thomas Pruitt	Duke Energy (Retired)	Member	Y
Greg Park	WECC	Member	Y
Danielle Croop	PJM Interconnection	Member	Y
Daniel Baker	Southwest Power Pool	Member	Y
Antonio Franco	Gridforce	Member	Y
Michael Gabor	NERC	Developer	Y
Laura Anderson	NERC	Developer	Y
Elsa Prince	NERC	NERC Staff	Y
Candice Castaneda	NERC	NERC Staff	Y
Pamela Hunter	Southern Company	PMOS Liaison	Y