

Consideration of Comments

BAL-004-WECC-02 Automatic Time Error Correction

The Regional Standards Group thanks all commenters who submitted comments on the Regional Reliability Standard BAL-004-WECC-02. This standard was posted for a 45-day public comment period from January 23, 2012 through March 9, 2012. Stakeholders were asked to provide feedback on the standard through a special electronic comment form. There were five sets of comments, including comments from seven different people from five entities representing four of the 10 Industry Segments as shown in the table on the following pages.

All comments submitted may be reviewed in their original format on the standard's project page:

http://www.nerc.com/filez/regional_standards/regional_reliability_standards_under_development.html

If you feel that your comment has been overlooked, please let us know immediately. The goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President of Standards and Training, Herb Schrayshuen, at 404-446-2560 or at herb.schrayshuen@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Reliability Standards Development Procedures: <http://www.nerc.com/standards/newstandardsprocess.html>.

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1. Do you agree the proposed standard is being developed in a fair and open process, using the associated Regional Reliability Standards Development Procedure?

Summary Consideration: All commenters agreed the BAL-004-WECC-2 Standard was developed in a fair and open process. In developing the BAL-004-WECC-2 Regional Reliability Standard the Process for Developing and Approving WECC Standards was followed until February 29, 2012 and the Reliability Standards Development Procedures were followed after March 1, 2012.

Organization	Yes or No	Question 1 Comment
Bonneville Power Administration	Yes	
Constellation Energy	Yes	
Salt River Project	Yes	
PacifiCorp	Yes	
NorthWestern Energy	Yes	

2. Does the proposed standard pose an adverse impact to reliability or commerce in a neighboring region or interconnection?

Summary Consideration: The commenters do not believe the standard poses an adverse impact to reliability or commerce.

Organization	Yes or No	Question 2 Comment
Bonneville Power Administration	No	
Constellation Energy	No	
Salt River Project	No	
PacifiCorp	No	
NorthWestern Energy	No	

3. Does the proposed standard pose a serious and substantial threat to public health, safety, welfare, or national security?

Summary Consideration: The commenters do not believe the standard poses a serious and substantial threat to public health, safety, welfare, or national security.

Organization	Yes or No	Question 3 Comment
Bonneville Power Administration	No	
Constellation Energy	No	
Salt River Project	No	
PacifiCorp	No	
NorthWestern Energy	No	

4. Does the proposed standard pose a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability?

Summary Consideration: The commenters do not believe the BAL-004-WECC-2 Standard poses a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability.

Organization	Yes or No	Question 4 Comment
Bonneville Power Administration	No	
Constellation Energy	No	
Salt River Project	No	
PacifiCorp	No	
NorthWestern Energy	No	

5. Does the proposed regional reliability standard meet at least one of the following criteria?
- The proposed standard has more specific criteria for the same requirements covered in a continent-wide standard.
 - The proposed standard has requirements that are not included in the corresponding continent-wide reliability standard.
 - The proposed regional difference is necessitated by a physical difference in the bulk power system.

Summary Consideration: Four of the five commenters agreed with the standard drafting team that the proposed BAL-004-WECC-2 Standard met the criteria for a Regional Reliability Standard; i.e., the BAL-004-WECC-2 – Automatic Time Error Correction Standard contains automatic time-error correction requirements that are not contained in the NERC BAL-004-1 — Time Error Correction Standard. The other commenters expressed concern that, if controlling practices resulted in a value near the limit for Accumulated Primary Inadvertent Interchange and the Balancing Authority also experienced a meter reading error; they could incur a violation of Requirement R1. The drafting team reviewed the historical data for on-peak and off-peak Accumulated Primary Inadvertent Interchange of large and small Balancing Authorities operating in the Western Interconnection. The drafting team determined that 150 percent of the previous year’s peak demand or peak generation (for generation-only Balancing Authorities) was a reasonable value when a Balancing Authority instituted good controlling practices when balanced against meter-reading corrections and the size of each Balancing Authority.

The entity that did not agree that the standard met the criteria above, did not explain why the BAL-004-WECC-2 Standard did not meet the regional standard criteria. Its comments were similar to the other comments.

Organization	Yes or No	Question 5 Comment
Bonneville Power Administration	Yes	
Constellation Energy	Yes	The proposed regional reliability standard meets these criteria, yet still poses several concerns, as follow:R1: The notion of a monthly limit on Accumulated Primary Inadvertent Interchange creates a potentially troublesome burden on Balancing Authorities, in that under this approach, significant system events occurring at the end of a month can have an undue impact on the performance metric. A Balancing Authority may be implementing ATEC and all other applicable control mechanisms

Organization	Yes or No	Question 5 Comment
		<p>appropriately throughout the month and still experience Primary Inadvertent balances that approach the defined limit for monthly performance. In such an instance, a significant system event occurring on the last day, or even the last hour, of the month could force a Balancing Authority out of compliance with this requirement. Given that the intent of this requirement is to ensure that Balancing Authorities' Primary Inadvertent balances are limited on an ongoing basis, there are other metrics that would similarly provide limitations, while better recognizing that the maintenance of appropriate Inadvertent Balances is a continual effort. It is preferable to utilize a metric that avoids overemphasizing the impact of a significant and unanticipated system event merely because it occurs late in a given month. Much as CPS1 is measured on a rolling 12 month basis, recognizing that impacts to system frequency play out over longer time frames and can counteract each other on that larger scale, a rolling 12 month obligation would make sense for the management of Inadvertent balances. As with CPS1, a monthly calculation can be performed as a check-measure, with each monthly inadvertent value averaged into a rolling 12 month limitation. This still holds entities to comply with an Inadvertent balance limit of 150% of previous year's peak, but acknowledges that inadvertent is an ongoing concern, rather than an isolated monthly concern. This alternate approach also helps in protecting Balancing Authorities from the undue impact of a last minute event. R8: The exclusion of methods of Inadvertent management other than ATEC places an unreasonable limitation on the ability of a Balancing Authority to maintain compliance with R1. As R1 creates new obligations for entities, WECC should be open to new methodologies for compliance, especially those which are already acceptably used in other interconnections. While the prevention of stranding Secondary Inadvertent Interchange is a valid concern, the standard should not specifically prohibit the development of methodologies by which alternate Inadvertent management processes can be employed without stranding Secondary Inadvertent Interchange. As shown by historical practices, there are occasions where Balancing Authorities have had a need to enable bilateral mechanisms to manage these balances, so a prohibition is not appropriate. The drafting team should revise</p>

Organization	Yes or No	Question 5 Comment
		R8 to allow for alternative methodologies for compliance.
<p>Response:</p> <ul style="list-style-type: none"> After consideration of the rolling 12-month comment, the drafting team felt that Balancing Authorities, when maintaining good control, should not be operating at the limits or near the limits specified in Requirement R1 of BAL-004-WECC-02. If a Balancing Authority institutes good controlling practices, a single month-end meter correction should not result in a violation the 150 percent limit for either the on-peak or off-peak period. A rolling 12-month average could result in giving Balancing Authorities the perception of acceptable performance measures by masking a bad meter. One of the intents of BAL-004-WECC-02 and the WECC Variance to BAL-001-0.1a is for Balancing Authorities to identify the bad meters as soon as possible and make corrections. The drafting team does not believe the wording of Requirement R8 precludes the development of new or alternate methodologies to correct Inadvertent and/or Primary Inadvertent Interchange. The intent of Requirement R8 prohibits the use of methodologies that are known to strand Secondary Inadvertent Interchange across the Western Interconnection, which a bilateral exchange does. 		
Salt River Project	Yes	
PacifiCorp	Yes	PacifiCorp is concerned with treatment of after-the-fact corrections of Primary Inadvertent Interchange and the potential for after-the-fact violations. For example, if a meter error is discovered and the meter has accumulated inadvertent for a long period of time, when the correction is made to fix all past values for that meter, it could put accumulated inadvertent into the violation range. Currently, entities are required to make this correction as soon as possible. Would entities now be required to make the after-the-fact corrections slowly, in order to not push accumulated inadvertent values beyond acceptable levels? Or will entities now be required to make the correction at the beginning of the month in order to have enough time to return the accumulated inadvertent to acceptable levels prior to the end of the month?
<p>Response:</p> <ul style="list-style-type: none"> As long as corrections for errors to Primary Inadvertent Interchange are made within the 90-day limit per Requirement R2, the 		

Organization	Yes or No	Question 5 Comment
<p>standard does not prescribe when those corrections should be made.</p>		
<p>NorthWestern Energy</p>	<p>No</p>	<p>R1. Following the conclusion of each month each Balancing Authority shall verify that the absolute value of its Accumulated Primary Inadvertent Interchange (PIIaccum) for both the On-Peak period and the Off-Peak period are each individually less than or equal to: 1.1. For load-serving Balancing Authorities, 150% of the previous calendar year’s integrated hourly Peak Demand. This requirement would tie entities' hands if they acquired a large accumulation of primary inadvertent. Our requirement would be 150% of the previous calendar year’s integrated hourly peak demand, looking at a conservative year the peak demand could be estimated at 1650 MW. 150% of 1650 equals 2475 MW. Under this new standard we would be required to keep our primary inadvertent accumulation under 2475 MW at the conclusion of each month. This should not be an issue on a normal operating basis but if an error was found in the primary inadvertent calculation and we corrected the error from the time of its occurrence to the current hour we could end up with a large accumulation. We would have to pay back or reduce the accumulated primary inadvertent to below 2475 MW before the month’s end. R2. Each Balancing Authority shall, upon discovery of an error in the calculation of PIIhourly, recalculate within 90 days, the value of PIIhourly and adjust the PIIaccum from the time of the error. [Violation Risk In this requirement we do not like the 90 day limit. We understand the intent to have BAs correct the error in a reasonable time frame but undue circumstances could prevent a re-calculation from happening as fast as we would like and the 90 day limit opens the door for a possible compliance violation.R3. Each Balancing Authority shall keep its Automatic Time Error Correction (ATEC) in service, with an allowable exception period of less than or equal to an accumulated 24 hours per calendar quarter for ATEC to be out of service. [Violation Risk Factor: Medium] [Time Horizon: Same-day Operations] In this requirement we do not like only being able to have ATEC out of service for up to 24 hours per calendar quarter. This requirement is in the current BAL-004-WECC-1 standard and we almost ran into issues when we had to take a generator offline. The 24 hours per calendar quarter seems like a very small time</p>

Organization	Yes or No	Question 5 Comment
		frame given certain system conditions or events.
<p>Response:</p> <ul style="list-style-type: none"> Regarding the comment for R1: As long as corrections for errors are made within the 90-day limit per Requirement R2, the standard does not prescribe when those corrections should be made to Primary Inadvertent Interchange. If a Balancing Authority institutes good controlling practices, a single month-end meter correction should not result in a violation the 150 percent limit for either the on-peak or off-peak period. Regarding the comment for R2: The drafting team believes that 90 days are sufficient for correcting an error. Regarding the comment for R3: The drafting team believes the accumulative 24-hour exception period per quarter in Requirement R3 is the appropriate amount of time for ATEC to be out of service. By having an exception period in Requirement R3 the drafting team recognizes that there are times when Balancing Authorities are required to or have no choice other than to operate in other modes. The intent of the drafting team is to minimize these periods. Balancing Authorities should have policies and procedures in place to maintain control and to meet these time frames. 		

END OF REPORT