



**Implementation Plan
BAL-002-WECC-1/ WECC-0083
Contingency Reserves
Version 5**

Approvals Required

BAL-002-WECC-1
Contingency Reserve

Background

On March 26, 2007, NERC submitted WECC-BAL-STD-002-0 to FERC for approval. The purpose of standard was to convert the substance of WECC's Reliability Criteria Agreement, III.A.2. WECC Criterion into an enforceable standard.

On June 8, 2007, FERC approved WECC-BAL-STD-002-0 — subject to specific requested changes — finding the standard was more stringent than the corresponding NERC Reliability Standard BAL-002-0. Specifically, FERC found that WECC's requirement to restore Contingency Reserve within 60 minutes was more stringent than the 90-minute restoration period as set forth in NERC's BAL-002-0.

After making the FERC mandated changes, on March 25, 2009, NERC submitted BAL-002-WECC-1 (nomenclature change) to FERC for approval and requested retirement of WECC BAL-STD-002-0. On October 21, 2010, FERC remanded BAL-002-WECC-1 to NERC under FERC Final Order 740 with instruction for WECC to further develop the standard. This standard is the result of the aforementioned proceedings.

Prerequisite Approvals

Targeted for WECC Operating Committee approval March 27-29, 2012.
Targeted for WECC Board of Director's approval June 25, 2012.

Applicable Entities

Balancing Authority

The Balancing Authority is the responsible entity unless the Balancing Authority is a member of a Reserve Sharing Group, in which case, the Reserve Sharing Group becomes the responsible entity.



Reserve Sharing Group

The Reserve Sharing Group when comprised of a Source Balancing Authority becomes the Source Reserve Sharing Group.

The Reserve Sharing Group when comprised of a Sink Balancing Authority becomes the Sink Reserve Sharing Group.

Conforming Changes to Other Standards

None required. BAL-002-WECC-1 is designed to replace BAL-STD-002-0.

Effective Date

On the first day of the third quarter after receipt of applicable regulatory approval.

Justification

BAL-002-WECC-1 may require execution of contracts by some entities before implementation can occur. In response to comments and requests from the field, the team opted for the above Effective Date as a means to allow applicable entities to finalize needed agreements and to retool software as needed.

Consideration of Early Compliance

BAL-002-WECC-1 predominately addresses the amounts of Contingency Reserve required of the applicable entities, based upon three percent of load and three percent of generation. Should the applicable entities opt for early compliance there is no empirical evidence suggesting a decrease in reliability as the amount of Contingency Reserve required under the proposed standard approximates the amount of Contingency Reserve already maintained.

Retirements

BAL-002-WECC-1 is designed to replace BAL-STD-002-0.