

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Consideration of Comments Summary

Project 2010-14.1 BARC – Reserves  
BAL-002-2

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**RELIABILITY | ACCOUNTABILITY**



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## Introduction

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The Project 2010-14.1 Drafting Team thanks all commenters who submitted comments on the proposed revisions to BAL-002-2. The standard was posted for a 45-day formal comment period from August 19, 2014 through October 3, 2014. Stakeholders were asked to provide feedback on the standard and associated documents through a special electronic comment form. There were 28 sets of responses, including comments from approximately 109 different people from approximately 74 companies representing all 10 Industry Segments..

All comments submitted may be reviewed in their original format on the [project page](#).

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process. If you feel there has been an error or omission, you can contact Director of Standards, Valerie Agnew, at 404-446-2566 or at [valerie.agnew@nerc.net](mailto:valerie.agnew@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

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<sup>1</sup> The appeals process is in the Standard Processes Manual: [http://www.nerc.com/files/Appendix\\_3A\\_StandardsProcessesManual\\_20120131.pdf](http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf)

# Consideration of Comments

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## Purpose

The BARC Standard Drafting Team (SDT) appreciates industry's comments on the BAL-002-2 standard. The SDT reviewed all comments carefully and made changes to the standard accordingly; however, the new Standards Process Manual (SPM) does not require the SDT to respond to each comment if an additional comment period and ballot are needed. The following pages are a summary of the comments received and how the SDT addressed them. If a specific comment was not addressed in the summary of comments, please contact the NERC standards developer to discuss.

## NERC Glossary Terms

One commenter felt that the proposed definitions should not be added to the NERC Glossary of Terms and only be reflected in the standard. The SDT believes that by adding these terms to the glossary it will provide consistency in their use and eliminate any misunderstandings that could arise in the future.

Based on Industry comments received the SDT removed the word "Interconnection" from the phrase "Loss of generator Interconnection Facility" from the definition of Balancing Contingency Event.

A couple of Industry commenters wanted to add the term "curtailment of energy transactions" to the definition of Balancing Contingency Event. The SDT disagrees since this is covered in the sub-parts of Requirement R2.

One commenter wanted to remove item "B" from the definition of Balancing Contingency Event. The SDT discussed their comment but decided to leave it in the definition as it provides additional clarity.

One commenter felt that the sub-parts a and b of Part A of the Balancing Contingency Event definition should be eliminated and simply state "Any sudden loss of generation that causes an unexpected change to the responsible entity's ACE". The SDT disagrees with simplifying the definition in this manner. The SDT believes that the detail is necessary to minimize interpretations of the true meaning.

A couple of commenters felt that the reporting thresholds in the Reportable Balancing Contingency Event definition were too high while a couple of other commenters felt that they were too low. The SDT revised the box plots used to set the thresholds to only use loss of a resource. The revised box plots reinforce the SDT's choice of the reporting thresholds for each Interconnection.

## Applicability Section

One commenter felt that the term Responsible Entity should not be capitalized since it was not in the NERC Glossary of Terms. The SDT disagrees since the term is defined in the Applicability Section of the standard.

A couple of commenters questioned what the SDT meant by use of the term "active status". The SDT believes that this term provides sufficient clarity and that those BA's and RSG's that allow for a BA to either use the RSG to recover from an event or recover from the event on their own understand the use of the term.

## Energy Emergency Alert Level 2 or Level 3

Based on Industry comments received the SDT added Attachment 3 to the Background Document to provide additional information regarding the interaction between BAL-002-2 and Energy Emergency Alerts.

## Requirement R1

Based on comments received from the industry the SDT added the phrase “Reliability Coordinator approved” to Requirement R1 Part 1.2 to provide clarity that the Reliability Coordinator was the entity that determined when an Energy Emergency Alert could be established and not the Balancing Authority or the Reserve Sharing Group.

A couple of Industry commenters suggested modifying Requirement R1 Part 1.1 to allow for using an alternate type of calculation rather than CR Form 1. The SDT is trying to provide a consistent method for calculating compliance that can be used globally and therefore decided to leave the language as it is presently written.

A few commenters still did not agree with modifying the present standard. The SDT is attempting to resolve issues that have come up with regards to responding to events greater than MSSC. This need is demonstrated by the request for interpretation that was requested by the NWPP and has been filed with FERC.

One commenter suggested adding the phrase ‘beginning at the time of’ to Requirement R1 Part 1.3. The SDT disagrees with their suggestion. The SDT believes that the present wording provides the necessary clarity for an entity to understand and be compliant with this part of the requirement.

One commenter suggested that the SDT change the Contingency Event Recovery Period from 15 minutes to 30 minutes. The SDT discussed this comment but decided that since they did not have any empirical evidence to support such a change the recovery period should remain at the 15 minute level.

One commenter questioned when it would be necessary for an entity to use CR Form 1. The form is to be used for every reportable event. The SDT removed any “filing” requirements from the standard as they believe that this is an administrative activity and should not be included in any reliability standard (Paragraph 81).

One commenter wanted Requirement R1 Part 1.2 and 1.3 to be combined. The SDT discussed this at length and decided to leave them as they are presently written since they believe that it provides necessary clarity.

## Requirement R2

Based on comments received from the industry the SDT added language to Requirement R2 to provide additional clarity. Specifically, the SDT added language describing periods when an Entity would not be held to compliance with Requirement R2 and the associated recovery period.

Several commenters did not believe that Requirement R2 was necessary and actually created a “commodity obligation”. The SDT disagrees and believes the requirement is necessary for reliability and to meet the approach for the FERC directive. The current standard (Requirement R3 part 3.1) requires a BA or RSG to maintain Contingency Reserve at least equal to its MSSC.

Some commenters felt that this standard required an entity to carry reserves in excess of MSSC. The SDT disagrees and feels that the language clearly states that an entity would only be held to compliance for events up to MSSC.

One commenter suggested that the language in Requirement R2 needed to be modified to remove the “clock hour”. The SDT disagrees. The SDT believes that removing the “clock hour” language would add an order of complexity to the requirement and increase the data retention requirements. Also, the SDT used the term “clock hour” to allow for the normal fluctuations that occur.

One entity felt that the standard was focusing more on tracking Contingency Reserve rather than how Contingency Reserve could be used. The SDT disagrees with their concern but the SDT did modify the requirement to provide

additional clarity on how Contingency Reserve could be used. The SDT also believes that by allowing for the use of Contingency Reserve for other events then an entity would have to be able to track its Contingency Reserve.

One commenter questioned what scan rate should be used. The minimum scan rate is defined in BAL-005-0.2b.

One commenter asked the question if the SDT thought that MSSC could change during the hour and whether they meant for the MSSC averaging to be done in the same manner as Contingency Reserve. The SDT believes that the MSSC could change depending on the conditions the entity is incurring. The SDT is requiring that the averaging be done in the same manner that Contingency Reserve is calculated.

One entity felt that Requirement R2 could allow for gaming in that a BA could declare an EEA simply to be compliant with BAL-002-2. The SDT disagrees with the comment. The SDT notes that the BA does not declare the EEA but they approach the RC to request that an EEA go into effect. The RC has the final say as to whether or not an EEA would be declared.

## Measure M2

The SDT modified the language in Measure M2 to provide additional clarity as to how an entity could demonstrate compliance.

One commenter stated that they were not sure as to how to demonstrate compliance. The SDT discussed their concern and decided to modify the measure to provide additional clarity as to how to demonstrate compliance.

## Violation Severity Levels (VSLs)

The SDT modified the VSL for Requirement R1 to provide additional clarity.

One commenter felt that the VSL for Requirement R1 should have something to account for an entity not using CR Form 1. The SDT agreed and modified the lower VSL for Requirement R1 to account for not using CR Form 1.

## Background Document

Based on industry comments the SDT modified the BAL-002-2 Background Document to provide additional clarity and examples of calculations.

A couple of commenters questioned the development of the reporting thresholds since they appeared to use both loss of a resource and loss of load. The SDT agreed and modified the box plots to only include loss of a resource.

One commenter suggested removing the term Energy Deficient Entity from the Background Document since it is not used in the new EOP-011-1 standard. The SDT discussed this comment but decided to keep the language as it is presently written since the term is used in the present EOP-002-3.1 standard and there is no guarantee that the proposed standard EOP-011-1 will be approved by FERC.

## Reliability Standard Audit Worksheet (RSAW)

The current revised Reliability Standards Audit Worksheet (RSAW) will be revised to reflect all modifications made to the present standard.