



Standard Authorization Request Form

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| Title of Proposed Standard | Standard BAL-004-0 – Time Error Correction |
| Request Date | July 11, 2007 |

| SAR Requester Information | SAR Type (<i>Check a box for each one that applies.</i>) |
|--|---|
| Name NERC Operating Committee | <input type="checkbox"/> New Standard |
| Primary Contact Don Benjamin | <input checked="" type="checkbox"/> Revision to existing Standard |
| Telephone 609-452-8060 Fax 609-452-9550 | <input type="checkbox"/> Withdrawal of existing Standard |
| E-mail don.benjamin@nerc.net | <input checked="" type="checkbox"/> Urgent Action |

Purpose (Describe what the standard action will achieve in support of bulk power system reliability.)

1. Remove inappropriate compliance requirements on reliability coordinators who voluntarily agree to serve as Interconnection Time Monitors. This will help ensure that reliability coordinators continue to provide this voluntary service.
2. Remove inappropriate compliance requirements on the NERC Operating Committee, which is not a user, owner, or operator.
3. Remove inappropriate requirements to follow NAESB business practices.

Industry Need (Provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)

Ensure the reliability coordinators will continue to voluntarily agree to serve as Interconnection Time Monitors. The OC would continue to approve the Interconnections' time error monitors and review their performance, but not via a standard with its attendant compliance requirements and possible sanctions. Otherwise, it is likely that one or more reliability coordinators may no longer voluntarily agree to perform the service.

Brief Description (Provide a paragraph that describes the scope of this standard action.)

1. In Requirement 1, remove requirement that Operating Committee designate Interconnection Time Monitor because the Operating Committee is not a user/owner/operator.

2. Remove Requirement R2 because the Interconnection Time Monitor is a voluntary service and, therefore, should not be penalized for non compliance. Considering the penalty for non-compliance could be as high as \$335k, the Interconnections run the risk of having no one offer to monitor time error and manage time error corrections. While time error itself does not jeopardize Interconnection reliability, time correction methods that depend on either frequency or bias offsets can affect Interconnection reliability. Therefore, it is important for reliability coordinators to continue to provide this voluntary service.

Finally, it is not appropriate for NERC standards to compel an entity to comply with NAESB business practices.

Detailed Description (Provide a description of the proposed project with sufficient details for the standard drafting team to execute the SAR.)

B. Requirements

- R1.** Only a Reliability Coordinator shall be eligible to act as Interconnection Time Monitor. ~~A single Reliability Coordinator in each Interconnection shall be designated by the NERC Operating Committee to serve as Interconnection Time Monitor.~~
- R2.** ~~The Interconnection Time Monitor shall monitor Time Error and shall initiate or terminate corrective action orders in accordance with the NAESB Time Error Correction Procedure.~~
- R3.** Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following methods:
- R3.1.** The Balancing Authority shall offset its frequency schedule by 0.02 Hertz, leaving the Frequency Bias Setting normal; or
- R3.2.** The Balancing Authority shall offset its Net Interchange Schedule (MW) by an amount equal to the computed bias contribution during a 0.02 Hertz Frequency Deviation (i.e. 20% of the Frequency Bias Setting).
- R4.** Any Reliability Coordinator in an Interconnection shall have the authority to request the Interconnection Time Monitor to terminate a Time Error Correction in progress, or a scheduled Time Error Correction that has not begun, for reliability considerations.
- R4.1.** Balancing Authorities that have reliability concerns with the execution of a Time Error Correction shall notify their Reliability Coordinator and request the termination of a Time Error Correction in progress.

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Reliability Functions

| The Standard will Apply to the Following Functions <i>(Check box for each one that applies.)</i> | | |
|---|-------------------------------|---|
| <input checked="" type="checkbox"/> | Reliability Coordinator | Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view. |
| <input type="checkbox"/> | Balancing Authority | Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time. |
| <input type="checkbox"/> | Interchange Authority | Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas. |
| <input type="checkbox"/> | Planning Coordinator | Assesses the longer-term reliability of its Planning Coordinator Area. |
| <input type="checkbox"/> | Resource Planner | Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area. |
| <input type="checkbox"/> | Transmission Planner | Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area. |
| <input type="checkbox"/> | Transmission Service Provider | Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff). |
| <input type="checkbox"/> | Transmission Owner | Owns and maintains transmission facilities. |
| <input type="checkbox"/> | Transmission Operator | Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area. |
| <input type="checkbox"/> | Distribution Provider | Delivers electrical energy to the End-use customer. |
| <input type="checkbox"/> | Generator Owner | Owns and maintains generation facilities. |
| <input type="checkbox"/> | Generator Operator | Operates generation unit(s) to provide real and reactive power. |
| <input type="checkbox"/> | Purchasing-Selling Entity | Purchases or sells energy, capacity, and necessary reliability-related services as required. |
| <input type="checkbox"/> | Market Operator | Interface point for reliability functions with commercial functions. |
| <input type="checkbox"/> | Load-Serving Entity | Secures energy and transmission service (and reliability-related services) to serve the End-use Customer. |

Reliability and Market Interface Principles

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| Applicable Reliability Principles <i>(Check box for all that apply.)</i> | |
| <input checked="" type="checkbox"/> | 1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards. |
| <input checked="" type="checkbox"/> | 2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand. |
| <input type="checkbox"/> | 3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably. |
| <input type="checkbox"/> | 4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented. |
| <input type="checkbox"/> | 5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems. |
| <input type="checkbox"/> | 6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions. |
| <input type="checkbox"/> | 7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis. |
| <input type="checkbox"/> | 8. Bulk power systems shall be protected from malicious physical or cyber attacks. |
| Does the proposed Standard comply with all of the following Market Interface Principles? <i>(Select 'yes' or 'no' from the drop-down box.)</i> | |
| 1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes | |
| 2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes | |
| 3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes | |
| 4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes | |

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Related Standards

| Standard No. | Explanation |
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Related SARs

| SAR ID | Explanation |
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| Project 2007-05 | Balancing Authority Controls project already includes revision of BAL-004 – Time Error Correction |
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Regional Variances

| Region | Explanation |
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| ERCOT | |
| FRCC | |
| MRO | |
| NPCC | |
| SERC | |
| RFC | |
| SPP | |
| WECC | |