

**Compliance Questionnaire and**

**Reliability Standard Audit Worksheet**

**BAL-006-2 — Inadvertent Interchange**

**Registered Entity:** *(Must be completed by the Compliance Enforcement Authority)*

**NCR Number:** *(Must be completed by the Compliance Enforcement Authority)*

**Applicable Function(s): BA**

**Auditors:**

**Disclaimer**

NERC developed this Reliability Standard Audit Worksheet (RSAW) language in order to facilitate NERC’s and the Regional Entities’ assessment of a registered entity’s compliance with this Reliability Standard. The NERC RSAW language is written to specific versions of each NERC Reliability Standard. Entities using this RSAW should choose the version of the RSAW applicable to the Reliability Standard being assessed. While the information included in this RSAW provides some of the methodology that NERC has elected to use to assess compliance with the requirements of the Reliability Standard, this document should not be treated as a substitute for the Reliability Standard or viewed as additional Reliability Standard requirements. In all cases, the Regional Entity should rely on the language contained in the Reliability Standard itself, and not on the language contained in this RSAW, to determine compliance with the Reliability Standard. NERC’s Reliability Standards can be found on NERC’s website at <http://www.nerc.com/page.php?cid=2|20>. Additionally, NERC Reliability Standards are updated frequently, and this RSAW may not necessarily be updated with the same frequency. Therefore, it is imperative that entities treat this RSAW as a reference document only, and not as a substitute or replacement for the Reliability Standard. It is the responsibility of the registered entity to verify its compliance with the latest approved version of the Reliability Standards, by the applicable governmental authority, relevant to its registration status.

The NERC RSAW language contained within this document provides a non‑exclusive list, for informational purposes only, of examples of the types of evidence a registered entity may produce or may be asked to produce to demonstrate compliance with the Reliability Standard. A registered entity’s adherence to the examples contained within this RSAW does not necessarily constitute compliance with the applicable Reliability Standard, and NERC and the Regional Entity using this RSAW reserves the right to request additional evidence from the registered entity that is not included in this RSAW. Additionally, this RSAW includes excerpts from FERC Orders and other regulatory references. The FERC Order cites are provided for ease of reference only, and this document does not necessarily include all applicable Order provisions. In the event of a discrepancy between FERC Orders, and the language included in this document, FERC Orders shall prevail.

# Subject Matter Experts

Identify your company’s subject matter expert(s) responsible for this Reliability Standard. Include the person's title, organization, and the requirement(s) for which they are responsible. Include additional sheets if necessary.

**Response: *(Registered Entity Response Required)***

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| **SME Name** | **Title** | **Organization** | **Requirement** |
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# Reliability Standard Language

**BAL-006-2 — Inadvertent Interchange**

**Purpose:**

This standard defines a process for monitoring Balancing Authorities to ensure that, over the long term, Balancing Authority Areas do not excessively depend on other Balancing Authority Areas in the Interconnection for meeting their demand or Interchange obligations.

**Applicability:**

Balancing Authorities

**NERC BOT Approval Date:**

**FERC Approval Date:**

**Reliability Standard Enforcement Date in the United States:**

**Requirements:**

* 1. Each Balancing Authority shall calculate and record hourly Inadvertent Interchange.

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R1 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

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|  | **Provide the following:**  **Document Title and/or File Name, Page & Section, Date & Version** | | |
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| *Audit Team: Additional Evidence Reviewed:* | |  |  | |
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***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to BAL-006-2 R1**

\_\_\_\_ Determine if the Balancing Authority calculated hourly Inadvertent Interchange.

\_\_\_\_ Determine if the Balancing Authority recorded hourly Inadvertent Interchange.

**Detailed notes:**

* 1. Each Balancing Authority shall include all AC tie lines that connect to its Adjacent Balancing Authority Areas in its Inadvertent Interchange account. The Balancing Authority shall take into account interchange served by jointly owned generators.

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R2 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

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|  | **Provide the following:**  **Document Title and/or File Name, Page & Section, Date & Version** | | |
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| *Audit Team: Additional Evidence Reviewed:* | |  |  | |
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***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to BAL-006-2 R2**

\_\_\_\_ Determine if the Balancing Authority included all AC tie lines connected to its Adjacent Balancing Authority Areas in its Inadvertent Interchange account.

\_\_\_\_ Determine if the Balancing Authority took into account interchange served by jointly owned generators.

**Detailed notes:**

* 1. Each Balancing Authority shall ensure all of its Balancing Authority Area interconnection points are equipped with common megawatt-hour meters, with readings provided hourly to the control centers of Adjacent Balancing Authorities.

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R3 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

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|  | **Provide the following:**  **Document Title and/or File Name, Page & Section, Date & Version** | | |
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| *Audit Team: Additional Evidence Reviewed:* | |  |  | |
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***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to BAL-006-2 R3**

\_\_\_\_ Determine if the Balancing Authority has all interconnection points equipped with common megawatt-hour meters.

\_\_\_\_ Determine if the Balancing Authority provides the readings hourly to the control centers of Adjacent Balancing Authorities.

**Detailed notes:**

* 1. Adjacent Balancing Authority Areas shall operate to a common Net Interchange Schedule and Actual Net Interchange value and shall record these hourly quantities, with like values but opposite sign. Each Balancing Authority shall compute its Inadvertent Interchange based on the following:
     1. Each Balancing Authority, by the end of the next business day, shall agree with its Adjacent Balancing Authorities to:
        1. The hourly values of Net Interchange Schedule.
        2. The hourly integrated megawatt-hour values of Net Actual Interchange.
     2. Each Balancing Authority shall use the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off-Peak hours of the month.
     3. A Balancing Authority shall make after-the-fact corrections to the agreed-to daily and monthly accounting data only as needed to reflect actual operating conditions (e.g. a meter being used for control was sending bad data). Changes or corrections based on non-reliability considerations shall not be reflected in the Balancing Authority’s Inadvertent Interchange. After-the-fact corrections to scheduled or actual values will not be accepted without agreement of the Adjacent Balancing Authority(ies).

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R4 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

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|  | **Provide the following:**  **Document Title and/or File Name, Page & Section, Date & Version** | | |
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| *Audit Team: Additional Evidence Reviewed:* | |  |  | |
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***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to BAL-006-2 R4**

\_\_\_\_ Determine if the Balancing Authority operated to a common Net Interchange Schedule and Actual Net Interchange value with Adjacent Balancing Authority Areas.

\_\_\_\_ Determine if the Balancing Authority recorded values for the Net Interchange Schedule and Actual Net Interchange value with Adjacent Balancing Authority Areas.

\_\_\_\_ Determine if the Balancing Authority agreed to the following at the end of the following business day:

\_\_\_\_ Hourly values of Net Interchange Schedules

\_\_\_\_ Hourly integrated megawatt-hour values of Net Actual Interchange

\_\_\_\_ Determine if the Balancing Authority used the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off-peak hours of the month.

\_\_\_\_ Determine if the Balancing Authority made after-the-fact correction to the agreed-to daily and monthly accounting data only as needed to reflect actual operating conditions.

\_\_\_\_ Determine if the Balancing Authority received agreement to the corrected values from Adjacent Balancing Authority Areas.

**Detailed notes:**

* 1. Adjacent Balancing Authorities that cannot mutually agree upon their respective Net Actual Interchange or Net Scheduled Interchange quantities by the 15th calendar day of the following month shall, for the purposes of dispute resolution, submit a report to their respective Regional Reliability Organization Survey Contact. The report shall describe the nature and the cause of the dispute as well as a process for correcting the discrepancy.

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R5 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

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|  | **Provide the following:**  **Document Title and/or File Name, Page & Section, Date & Version** | | |
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| *Audit Team: Additional Evidence Reviewed:* | |  |  | |
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***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to BAL-006-2 R5**

\_\_\_\_Determine if Adjacent Balancing Authorities could not agree upon their respective Net Actual Interchange or Net Scheduled interchange by the 15th calendar day of the following month.

\_\_\_\_ Determine if the Balancing Authority submitted a report to their respective Regional Reliability Organization Survey Contact describing the:

\_\_\_\_ Nature and cause of the dispute

\_\_\_\_ Process for correcting the discrepancy

**Detailed notes:**

# Supplemental Information

**Other ‑** The list of questions above is not all inclusive of evidence required to show compliance with the Reliability Standard. Provide additional information here**, as necessary that** demonstrates compliance with this Reliability Standard.

**Entity** **Response: *(Registered Entity Response)***

# Compliance Findings Summary (to be filled out by auditor)

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| **Req.** | **NF** | **PV** | **OEA** | **NA** | **Statement** |
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**Excerpts from FERC Orders -- For Reference Purposes Only**

**Updated Through October 5, 2011**

**BAL-006-2**

**Order 693**

**March 16, 2007**

421. BAL-006-1 requires that each balancing authority calculate and record inadvertent interchange on an hourly basis.

P 429. … The Commission believes that this Reliability Standard has an independent reliability goal that “define[s] a process for monitoring balancing authorities to ensure that, over the long term, balancing authorities do not excessively depend on other balancing authority areas in the Interconnection for meeting their demand or interchange obligations.”

P 439. Accordingly, the Commission approves Reliability Standard BAL-006-1 as mandatory and enforceable.…

North American Electric Reliability Corporation, 134 FERC ¶ 61,007 (2011)

January 6, 2011

P 6. 6. We approve NERC's petition to implement INT-003-3, which removes the MISO waivers currently found in INT-003-2. We also approve BAL-006-2, which similarly removes the MISO waiver in the current version of that Reliability Standard. In addition, we direct NERC to submit a compliance filing within 45 days of the date of this order, as discussed below.

**Revision History**

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| --- | --- | --- | --- |
| **Version** | **Date** | **Reviewers** | **Revision Description** |
| 1 | September 2011 | QRSAW WG | Original Document |
| 1 | October 5, 2011 | NERC Legal | Updated excerpts from FERC Orders from September 1, 2010 through and including October 5, 2011. |
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