

Rui Da Shu

From: Guy V. Zito
Sent: Monday, August 17, 2015 8:09 PM
To: rsballot
Cc: rsc
Subject: NERC Ballot 2010-14.1 Phase 1 of Balancing Authority Reliability-based Controls - BAL-002-2

Importance: High

NPCC Members and Entities in the NERC Registered Ballot Body,

The NPCC Regional Standards Committee, with support from its technical task forces and working groups has not reached a full consensus on a ballot position for the subject ballot which **ends at 8pm Eastern Time on August 20, 2015.**

There has been some vacillation for a few of the NPCC RSC members who remain somewhat uncomfortable with the way R1.3 is currently written. As related to me, the issue is basically if Contingency Reserve is called to be activated and some of it doesn't respond, the BAs could have some compliance exposure unless it is clear that the exemption in R1.3 applies, such as an EEA3 has been called by the RC. Another concern related to us was regarding contingencies being "identified and maintained" in system models. In general there also may be a need for NPCC to help with guidance on what constitutes "sudden" loss of generation if the standard passes ballot.

Also it should be noted there currently are some flaws in the existing approved standard which are more problematic than any perceived flaws with the new proposed standard being balloted. One of these issues resulted in an interpretation rendered by NERC which was remanded by FERC. This version of the standard currently being balloted addresses the FERC concern and clarification of the requirements have been made. The SDT was also responsive to most of the NPCC comments submitted thus far.

In conclusion and as we know, no standard is perfect and represents a balance of reliability and what the industry is willing to accept. The existing set of standards should be considered a work in progress, incrementally improving over time from the version 0. The SDT has been working on this standard since 2012 and this is Draft 7. At this time, and in light of the improvements in this latest draft, NPCC as the Regional Entity will cast an **Affirmative** ballot to accept the Standard. From a strictly reliability perspective there are no serious reliability issues with the proposed standard and NPCC will work with the Task Forces and Working Groups as necessary to augment the standard(not change it) and attempt to address any remaining issues with guidance through revisions to the NPCC Directories.

If you have any questions please contact me.

Thank you,

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