Unofficial Comment Form
Project 2017-01 Modifications to BAL-003-1.1

Do not use this form for submitting comments. Use the electronic form to submit comments on the Project 2017-01 Modifications to BAL-003-1.1 project. The electronic form must be submitted by 8 p.m. Eastern, Friday, December 1, 2017.

Documents and information about this project are available on the Project 2017-01 Modifications to BAL-003-1.1 page. If you have questions, contact Senior Standards Developer, Darrel Richardson (via email) or at (609) 613-1848.

Background
Two Standards Authorization Requests (SARs) were received for modifying BAL-003-1.1. The first SAR was submitted by the NERC RS and was posted for industry comment from June 19, 2017 through July 18, 2017. The second SAR was submitted by the NWPP FRSG. This SAR proposes a two phase approach to modifying the current standard, The Phase I portion of the SAR was addressed during the posting and comment period for the NERC RS SAR (June 19, 2017 through July 18, 2017). This comment period will only address the Phase II portion of this SAR. The Phase II portion of the SAR proposes to:

- Consider revising BAL-003-1.1 standard to reflect real-time measurement of frequency performance vs. a two year old allocation.
- Consider revising BAL-003-1.1 Standard to reflect the correct applicable entity that controls and provides frequency response.
- Consider revising BAL-003-1.1 Standard to reflect comparability among the applicable entities.
- Consider revising BAL-003-1.1 Standard to eliminate arbitrary allocation of responsibility.
- Consider revising BAL-003-1.1 Standard to eliminate the incorrect signals that have created unintended consequences.

Please provide your responses to the questions listed below along with any detailed comments.
Questions

1. The SAR proposes to modify the current BAL-003-1.1 standard to reflect the correct applicable entity that controls and provides frequency response, to reflect comparability among the applicable entities, and to eliminate arbitrary allocation of responsibility. Do you agree with this proposed revision? If not, please provide specific language on the proposed revision.

☐ Yes
☒ No

Comments:
NPCC believes that the Balancing Authority is the appropriate entity responsible for assuring that its ACE performance is compliant with the current BAL performance requirements.

2. The SAR proposes to modify the current BAL-003-1.1 standard to allow for real-time measurement of frequency performance instead of a two year old allocation. Do you agree with this proposed revision? If not, please provide specific language on the proposed revision.

☐ Yes
☒ No

Comments:
Linking real time frequency to real time asset response may be inappropriate since generation production may not be a continuous function of each asset. NPCC supports the current concept that the diversity of primary response is properly reflected in the use of long-term average frequency for computing the bias settings utilized in the ACE equation.

3. The SAR proposes to modify the current BAL-003-1.1 standard to eliminate the incorrect signals to the market for arbitrary pricing and conditions. Do you agree with this proposed revision? If not, please provide specific language on the proposed revision.

☐ Yes
☒ No

Comments:
NPCC does not agree with linking NERC standards to market mechanisms/decisions. NERC standards should be written only to meet reliability objectives.
4. Based on the scope of the Phase II section of the SAR, do you have any other comments for drafting team consideration?

☑ Yes
☐ No

Comments:
NPCC supports the original SAR (proposed by the NERC RS and posted in June/July of this year) to correct inappropriate assumptions in the current standard. If this SAR is intended to replace or supplement the original SAR, then the following process issues arise:

- There lacks clarity as to what may happen to the first SAR. If the intent is to proceed with the first phase per the first SAR, then this currently posted SAR should be submitted as an addendum to the first SAR. It is confusing, and inappropriate, to post 2 SARs addressing in whole or in part of the same proposed project.
- Posting this SAR for industry comment may be premature, given that the first phase hasn’t yet been completed and hence changes to the existing BAL-003 are not known. Some of the changes eventually embraced by the industry, adopted by the BOT and approved by regulatory authorities may address part or all of the reliability needs intended by the second phase.
- The SAR lacks evidence of reliability needs/benefits to justify the second phase tasks.