Comment Form
Project 2010-14.1 Balancing Authority Reliability-based Control
BAL-002-2 – Disturbance Control Performance - Contingency Reserve for Recovery from a Balancing Contingency Event

Please do not use this form to submit comments on the proposed revisions to BAL-002-2 Disturbance Control Performance - Contingency Reserve for Recovery from a Balancing Contingency Event. Comments must be submitted using the electronic comment form by 8 p.m. October 2, 2014. If you have questions please contact Darrel Richardson (email) or by telephone at (609) 613-1848.

Background Information:
Since loss of generation occurrences so often impacts all Balancing Authorities throughout an Interconnection, BAL-002 was created to specify recovery actions and time frames. The original Standards Authorization Request (SAR) approved by the Industry presumes there is presently sufficient contingency reserve in all the North American Interconnections. The underlying goal of the SAR was to update the Standard to make the measurement process more objective and to provide information to the Balancing Authority or Reserve Sharing Group such that the parties would better understand the use of contingency reserve to balance resources and demand following a Reportable Contingency Event. The primary objective of BAL-002-2 is to measure the success of recovering from contingency events.

Based on comments received from industry stakeholders the drafting team made the following modifications to the draft standard.

- Modified the Applicability to provide additional clarity.
- Modified Requirement R1 to provide additional clarity.
- Modified Requirement R2 to provide additional clarity and allow for the use of Contingency Reserve for other than a Balancing Contingency Event.
- Modified the BAL-002-2 Background Document to provide additional clarity.
You do not have to answer all questions. Enter All Comments in Simple Text Format.

*Insert a “check” mark in the appropriate boxes by double-clicking the gray areas.*

1. Please provide any issues you have on this draft of the BAL-002-2 standard and a proposed solution.

Comments:

1. **Recommend the following change to the definition of a Balancing Contingency Event:**

   **Balancing Contingency Event:** Any single event described in Subsections (A), (B), or (C) below, or any series of such otherwise single events, with each separated from the next by less than one minute.

   A. **Sudden loss of generation:**
      a. Due to
         i. Unit tripping,
         ii. Loss of generator Interconnection Facility resulting in isolation of the generator from the Bulk Electric System or from the responsible entity’s electric system, or
         iii. Sudden unplanned outage of transmission Facility;
      b. And, that causes an unexpected change to the responsible entity’s ACE.

   B. **Sudden loss of an import, due to forced outage of transmission equipment or the curtailment of Interchange Transaction(s) due to initiation of a TLR procedure** that causes an unexpected imbalance between generation and load on the Interconnection.

   C. **Sudden restoration of a load that was used as a resource that causes an unexpected change to the responsible entity’s ACE.**

2. **Recommend the following change to the proposed language of Part 1.1:**

   **1.1 All Reportable Balancing Contingency Events will be documented using CR Form 1 or an acceptable alternative.**

3. **Recommend the following change to the proposed language of Part 1.2:**

   **1.2 A Responsible Entity is not subject to compliance with Requirement R1 when it is experiencing an Energy Emergency Alert Level under which Contingency Reserves have been activated or where the Responsible Entity has declared that it may be unable to meet reserve requirements due to system conditions.**

   The proposed language is counterintuitive and creates a compliance trap for the System Operator. A BA may declare an EEA3 (under the revised language of yet to be approved EOP-011) indicating that it is unable to meet reserve requirements, but must deploy some of those reserves even if there is no immediate need to do so to receive a R1 compliance exemption, making the BA even less able to meet its reserve requirements.
4. **Recommend the following changes to the proposed language of R2:**

R2. The Responsible Entity shall maintain Contingency Reserve, averaged over each Clock Hour, greater than or equal to its average Clock Hour Most Severe Single Contingency, except during periods when the Responsible Entity is in: *Violation Risk Factor: Medium* [Time Horizon: Real-time Operations]

   - a restoration period because it has used its Contingency Reserve for Contingencies that are not Balancing Contingency Events or in response to a Reliability Directive. This required restoration begins when the Responsible Entity’s Contingency Reserve falls below its MSSC and must not exceed 90 minutes; and/or
   - a Contingency Event Recovery Period or its subsequent Contingency Reserve Restoration Period; and/or
   - an Energy Emergency Alert Level under which Contingency Reserves have been activated or where the Responsible Entity has declared that it may be unable to meet reserve requirements due to system conditions.

As was stated in the comments for Part 1.2, the proposed language is counterintuitive and creates a compliance trap for the System Operator. A BA may declare an EEA3 (under the revised language of yet unapproved EOP-011) indicating that it is unable to meet reserve requirements, but must deploy some of those reserves even if there is no immediate need to do so to receive an R2 compliance exemption, making the BA even less able to meet its reserve requirements.

Additionally, absent the suggested language in the first bullet, a BA may receive a Reliability Directive from its RC (see IRO-001 R8) to deploy Contingency Reserves to mitigate a condition or event that is having an adverse reliability impact on the BES, but be non-compliant under R2 for following that Directive.

We believe that the proposed language changes to Requirement 2 satisfy the directive in FERC Order 693 to develop “a continent-wide contingency reserve policy”.

**Additional Comments:**

The SDT has failed to demonstrate a performance need, in the form of negative historical trends for DCS recovery or compliance, for the proposed changes. Significant negative consequences of the proposed standard include but are not limited to:

1) The proposed language moves this project from being a performance based standard to a commodity obligation.

2) Increased customer costs absent a demonstrated reliability need as BA’s have an incentive to purchase additional contingency reserves beyond that needed to recover from the loss of MSSC.
3) Increased frequency variation as BA’s have an incentive to change generation dispatch at the top of each hour to meet the R2 commodity obligation.

4) Increased SOL and IROL exceedance durations as BA’s are reluctant to deploy reserves to mitigate.

5) Reduced Operating Reserves during high demand periods as entities are encouraged to activate reserves during an EEA due to the proposed language in Part 1.2 and R2.

6) As stated above, this standard creates a compliance trap for System Operators who may have to choose between activating reserves and shedding load for non-Reportable events OR following Reliability Directives under IRO-001 and maintaining reserves under BAL-002 R2.

7) An increase in BAAL excursion minutes and frequency variation as BA’s are discouraged from activating reserves for non-reportable events that are having an adverse impact on system frequency.

8) Creates industry confusion regarding the proposed changes to EOP—011 Attachment 1 (at the request of the BARC SDT) by implying that maintaining reserves takes priority over shedding load.

9) Creates an unnecessary administrative burden in tracking the commodity requirements of R2.

10) Provides a disincentive for a BA to assist its neighbor when a formal RSG is not present.

11) As previously noted, we believe that the definition of a BCE needs to include “the curtailment of Interchange Transaction(s) due to initiation of a TLR procedure”, else the System Operator may find him/herself in a position of having to choose between activating reserves or shedding load.

12) The Background Document states on page 4 that “BAAL also ensures the Responsible Entity balances resources and demand for events of less magnitude than a Reportable Balancing Contingency” while R2 discourages the System Operator from using one of the important tools for accomplishing that task; Contingency Reserves.

13) The Background Document states on page 5 that “FERC Order 693 (at 355) directed entities to include a Requirement that measures response for any event or contingency that causes a frequency deviation”. Order 693 (at P355) directs the ERO to “define a significant deviation and a reportable event”. This misstatement in the Background Document is significant and should be corrected.

14) The Background Document states on page 6 that “the drafting team elected to allow the Responsible Entity to use its Contingency Reserve while in a declared Energy Emergency Alert 2 or Energy Emergency Alert 3”. This statement is inconsistent with the current posting.

15) The Background Document (Attachment 1) contains a series of box plots for each Interconnection labeled “Frequency Events Loss MW Statistics”.


a. The SDT should include a summary of what this data represents, including event threshold criteria used to determine the sample.

b. The data appears to show loss of generation and loss of load events in the same samples. If the intent is to show statistical correlation between the MW size of an event and magnitude of frequency deviation then loss of generation and loss of load events must be separated.