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

Please do not use this form to submit comments on the proposed revisions to BAL-002-2 Contingency Reserve for Recovery from a Contingency Event. Comments must be submitted using the electronic comment form by 8 p.m. ET on Monday, September 16, 2013.

If you have questions please contact Darrel Richardson (via 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 definition for a Balancing Contingency Event to provide additional clarity.
- Modified the definition for a Reportable Balancing Contingency Event to use Interconnection specific thresholds instead of a continent wide threshold.
- Modified the definition for Pre-Reporting Contingency Event ACE Value to provide additional clarity.
- Modified the definition for Reserve Sharing Group Reporting ACE to provide additional clarity.
- Modified the definition for Contingency Reserve to provide additional clarity.
- Modified Requirements R1 and R2 to provide additional clarity.
- Modified the VSL for Requirement R1 to provide additional clarity.
- Modified the Background Document to provide additional clarity.
Questions
Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained.

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

Comments: There are concerns with the changes proposed to BAL-002 that were made without demonstrated need, and not proposed in the SAR nor directed in Order No. 693.

The NERC Resources Subcommittee performed analysis when DCS was developed and found that the average time to recover from large unit trips was 15 minutes. Recent analysis for BAL-003 has found that all four Interconnections recover from large unit trips in about 5 minutes. Performance in recent years has been noticeably improved.

This Standard should not be used to define terms not directly needed in the Standard (e.g. Reporting ACE). We disagree with the new definition of Contingency Reserve as it provides no guidance on how to objectively measure reserves.

Regarding R1, there is no reasoning provided for the complexity added to the calculation. The current approach is well understood in the industry. The SAR does not discuss changing the measurement approach. In particular, DCS performance has always be calculated and reported on a quarterly basis. There have been no reliability issues that point to the need for making the DCS an event-by-event standard as is now proposed.

The original Policy 1 noted many reasons for operating reserves. BAs whose ACE is extremely negative for other reasons would be reluctant to deploy their contingency reserves because the timer would start ticking on the “available hours” clock. The second unintended consequence for those BAs that don’t withhold contingency reserves for non-DCS events is that they will be obliged to increase the amount of contingencies they cover so they always have more reserves than their MSSC. This will increase costs to customers without a demonstrated need. DCS performance in North America has been stellar compared to what was considered adequate performance under Policy 1.

The Standard provides no clear definition on how contingency reserves are measured. Does it include all generation headroom available in 10 minutes? In 15 minutes? What about resources that are also providing AGC? Does their instantaneous headroom count? Are load resources available in 10 or 15 minutes? What about demand response resources that aren’t directly measured? Finally, are the hours referenced in the Standard clock hours, any contiguous 60 minute periods, or the total minutes in a quarter divided by 60?
The SAR directed cleaning up the V0 clutter in the Standard and address Order No. 693 directives. The only two true requirements in the V0 standard are to recover from reportable events in 15 minutes and replenish reserves 90 minutes thereafter. These should be the basis of this standard. We recommend the two core requirements be:

R1. Except when experiencing an Energy Emergency Alert Level 2 or Level 3, a Balancing Authority or Reserve Sharing Group experiencing a Reportable Event less than or equal to its MSSC shall activate sufficient Contingency Reserve to comply with the DCS.

R2. Except when experiencing an Energy Emergency Alert Level 2 or Level 3, a Balancing Authority or Reserve Sharing Group experiencing a Reportable Event less than or equal to its MSSC shall replenish its reserves within 105 minutes of the onset of the Reportable Event.

The sizes of the Reportable Events for the Interconnections are acceptable. The reporting form should be similar to what is used today. The form should include the basis of the MSSC and the date of the last review of MSSC.

We believe it is acceptable to put something in the Compliance Section of the Standard that notes if the same event greater than MSSC occurs within 3 years, the BA should be held to the DCS for that contingency. We agree with the current direction of the Drafting Team to address the directive for the “continent-wide contingency reserve policy” is via the “Reserve Guidelines” document being developed. The document should provide guidance on how the BA assesses the necessary amount of reserves as well as provide simple definitions of the different types of reserves. Once these terms are defined and commented on by the Industry in the document, NERC should add these types of reserves to “Attachment 1-TOP-005 Electric System Reliability Data” with the expectation in the policy that Reliability Coordinators collect this information in real time for use in the EEA process. The policy could ask the BAs to initially review and assess their needs and report this to their RC. This would directly contribute to reliability by providing objective information to BAs and RCs in managing Energy Emergency Alerts.

The format of the Requirements must be made to conform to NERC standards development rules, and a timeline should be provided for showing what is needed to have adequate contingency reserves.

We also disagree with the new definition of Pre-Reporting Contingency Event ACE Value. The 16 second averaging requirement adds complexity to the calculation with no justification.