

**Initial Standard Review and Analysis Report
For
NERC Standard 300 - Balance Resources and Demand**

**NAESB WEQ Executive Committee
Standards Review Subcommittee
September 22, 2003**

This initial Standard Review and Analysis Report is intended to provide information for the NAESB Wholesale Electric Quadrant (WEQ) to make informed decisions on the disposition of a proposed standard that impacts the wholesale electric industry. The Standards Review Subcommittee provides this Report as an initial review of a proposed Standard that may impact current or future NAESB Wholesale Electric Quadrant standards. This Report contains no recommendations to develop or propose a NAESB Standard. A White Paper may be developed to propose a NAESB standard if the WEQ finds it necessary.

This **Initial Standard Review and Analysis Report** reviews the following standard(s):

Proposing Organization(s): North American Electric Reliability Council (NERC)

Proposed Standard(s) and date: Standard 300 – Balance Resources and Demand, consisting of the following sections:

- 301 – Balance of Resources and Demand
- 302 – Frequency and Area Control Error
- 303 – Reliability Authority Directives

Description and Background

The objective of this standard is to maintain interconnection scheduled frequency within a predefined frequency profile under both normal and abnormal operating conditions. To accomplish this objective, this standard provides several measures for assessing a Balancing Authority's performance, including control performance, discrete event metric (DEM) and abnormal operations metric (AOM). This standard defines the compliance monitoring process and non-compliance levels for each of these measures. This standard will replace portions of NERC Policy 1, Generation Control and Performance.

This standard will address the following areas:

- the Balancing Authority's (BA) responsibility to control its area control error (ACE)
 - proposed measures of frequency control
 - After the fact long term
 - Control Performance Measure 1 (CPM-1)
 - Control Performance Measure 60 (CPM-60)
 - After the fact intermediate
 - Abnormal Operations Measure (AOM)

- Discrete Event Metric (DEM)
- the Reliability Authority’s (RA) response to frequency deviations not controlled by the BA’s under its control
 - Real Time
 - Frequency Relay Limits
 - Frequency Abnormal Limits
 - Frequency Trigger Limits
- the Balancing Authority (BA) response to Reliability Authority (RA) directives
 - actions the BA is expected to take

This is a very “technical” oriented standard. The drafting team has proposed new performance measures for the industry to consider. Some benchmarking will be required. Finally, note that the drafting team has composed four documents (*Introduction to the Balance Resources and Demand Standard, Procedure for Determining Balancing Authority Frequency Bias, Procedure for Determining Interconnection Frequency Limits, and Procedure for Determining Balancing Authority ACE Limits*) in support of this standard that should also be carefully reviewed.

Potential business practice standards and related impacts

The proposed standard impacts the following NAESB activities/standards:

- Inadvertent Interchange Payback Business Practice

The proposed standard raises the following possible business practice concerns:

- The standard does not provide detail as to the format of the monthly compliance reports or how such reports are to be delivered (e.g. electronically, via first class mail, etc.). Business practices/standards may be useful to make the data submittal process as efficient as possible.