NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

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September 17, 2007

TO: REGISTERED BALLOT BODY

Ladies and Gentlemen:

Announcement: Pre-ballot Window and Ballot Pool Open September 17, 2007

The Standards Committee (SC) announces the following standards actions:

Pre-ballot Window and Ballot Pool for Urgent Action Revisions to BAL-004 Open September 17, 2007

The NERC Operating Committee has submitted an Urgent Action SAR to revise BAL-004-0 — Time Error Correction to remove the following from BAL-004:

- **Requirement 1, second sentence:** A single Reliability Coordinator in each Interconnection shall be designated by the NERC Operating Committee to serve as Interconnection Time Monitor.
  - **Reason for removal:** The entities who have been serving as the Interconnection Time Monitors have done so voluntarily. The NERC Operating is not a user, owner, or operator and has n authority to assign a reliability coordinator to serve as the Interconnection Time Monitor. The entities who have been serving as "volunteers" don't want to continue to serve in this role if they are subject to sanctions for non-compliance with Requirement 2, which supports a business practice.
- **Requirement 2:** The Interconnection Time Monitor shall monitor Time Error and shall initiate or terminate corrective action orders in accordance with the NAESB Time Error Correction Procedure.
  - **Reason for removal:** This requires the Reliability Coordinator to execute a time error correction in accordance with a NAESB business practice.

A new ballot pool to vote on the revisions to BAL-004 has been formed and will remain open up until 8 a.m. (EDT) on Wednesday, October 17 2007. During the pre-ballot window, members of the ballot pool may communicate with one another by using their "ballot pool list server." The list server for this ballot pool is called: bp-ua_sar_bal-004_in@nerc.com

The initial ballot for the removal of the Urgent Action revisions to BAL-004 will be conducted from 8 a.m. (EDT) on Wednesday, October 17, 2007 through 8 p.m. (EDT) on Friday, October 26, 2007.

Standards Development Process

The *Reliability Standards Development Procedure* contains all the procedures governing the standards development process. The success of the NERC standards development process depends on stakeholder participation. We extend our thanks to all those who participate. If you have any questions, please contact me at 813-468-5998 or maureen.long@nerc.net.

Sincerely,

Maureen E. Long

cc: Registered Ballot Body Registered Users
Standards Mailing List
NERC Roster

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Standard Authorization Request Form

Title of Proposed Standard	Standard BAL-004-0 — Time Error Correction
Request Date	July 11, 2007

SAR Requester Information		**SAR Type** (*Check a box for each one that applies.*)	
Name	NERC Operating Committee	☐	New Standard
Primary Contact	Don Benjamin	☒	Revision to existing Standard
Telephone Fax	609-452-8060 609-452-9550	☐	Withdrawal of existing Standard
E-mail	don.benjamin@nerc.net	☒	Urgent Action

Purpose (Describe what the standard action will achieve in support of bulk power system reliability.)

1. Remove inappropriate compliance requirements on reliability coordinators who voluntarily agree to serve as Interconnection Time Monitors. This will help ensure that reliability coordinators continue to provide this voluntary service.
2. Remove inappropriate compliance requirements on the NERC Operating Committee, which is not a user, owner, or operator.
3. Remove inappropriate requirements to follow NAESB business practices.

Industry Need (Provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)

Ensure the reliability coordinators will continue to voluntarily agree to serve as Interconnection Time Monitors. The OC would continue to approve the Interconnections' time error monitors and review their performance, but not via a standard with its attendant compliance requirements and possible sanctions. Otherwise, it is likely that one or more reliability coordinators may no longer voluntarily agree to perform the service.

Brief Description (Provide a paragraph that describes the scope of this standard action.)

1. In Requirement 1, remove requirement that Operating Committee designate Interconnection Time Monitor because the Operating Committee is not a user/owner/operator.

2. Remove Requirement R2 because the Interconnection Time Monitor is a voluntary service and, therefore, should not be penalized for non compliance. Considering the penalty for non-compliance could be as high as $335k, the Interconnections run the risk of having no one offer to monitor time error and manage time error corrections. While time error itself does not jeopardize Interconnection reliability, time correction methods that depend on either frequency or bias offsets can affect Interconnection reliability. Therefore, it is important for reliability coordinators to continue to provide this voluntary service.

Finally, it is not appropriate for NERC standards to compel an entity to comply with NAESB business practices.

Detailed Description (Provide a description of the proposed project with sufficient details for the standard drafting team to execute the SAR.)

B. Requirements

R1. Only a Reliability Coordinator shall be eligible to act as Interconnection Time Monitor. A single Reliability Coordinator in each Interconnection shall be designated by the NERC Operating Committee to serve as Interconnection Time Monitor.

R2. The Interconnection Time Monitor shall monitor Time Error and shall initiate or terminate corrective action orders in accordance with the NAESB Time Error Correction Procedure.

R3. Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following methods:

R3.1. The Balancing Authority shall offset its frequency schedule by 0.02 Hertz, leaving the Frequency Bias Setting normal; or

R3.2. The Balancing Authority shall offset its Net Interchange Schedule (MW) by an amount equal to the computed bias contribution during a 0.02 Hertz Frequency Deviation (i.e. 20% of the Frequency Bias Setting).

R4. Any Reliability Coordinator in an Interconnection shall have the authority to request the Interconnection Time Monitor to terminate a Time Error Correction in progress, or a scheduled Time Error Correction that has not begun, for reliability considerations.

R4.1. Balancing Authorities that have reliability concerns with the execution of a Time Error Correction shall notify their Reliability Coordinator and request the termination of a Time Error Correction in progress.

Reliability Functions

The Standard will Apply to the Following Functions *(Check box for each one that applies.)*		
☒	Reliability Coordinator	Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time.
☐	Interchange Authority	Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas.
☐	Planning Coordinator	Assesses the longer-term reliability of its Planning Coordinator Area.
☐	Resource Planner	Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area.
☐	Transmission Planner	Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area.
☐	Transmission Service Provider	Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff).
☐	Transmission Owner	Owns and maintains transmission facilities.
☐	Transmission Operator	Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area.
☐	Distribution Provider	Delivers electrical energy to the End-use customer.
☐	Generator Owner	Owns and maintains generation facilities.
☐	Generator Operator	Operates generation unit(s) to provide real and reactive power.
☐	Purchasing-Selling Entity	Purchases or sells energy, capacity, and necessary reliability-related services as required.
☐	Market Operator	Interface point for reliability functions with commercial functions.
☐	Load-Serving Entity	Secures energy and transmission service (and reliability-related services) to serve the End-use Customer.

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check box for all that apply.)*	
☒	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☒	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☐	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
☐	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
☐	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
☐	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
☐	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
☐	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

Does the proposed Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box.)*
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation
Project 2007-05	Balancing Authority Controls project already includes revision of BAL-004 – Time Error Correction

Regional Variances

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
SERC	
RFC	
SPP	
WECC	