

## Standard Authorization Request Form

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Texas RE to Complete

SAR No: 003

Title of Proposed Standard:  
FERC-Ordered Modification to ERCOT Waiver to R2 of BAL-001-0 CPS2

Request Date April 15, 2008

SAR Requester Information	SAR Type (Check a box for each one that applies.)	
Name Farzaneh Tafreshi	<input type="checkbox"/>	New Standard
Primary Contact Farzaneh Tafreshi	<input type="checkbox"/>	Revision to existing Standard
	<input type="checkbox"/>	Revision to the Standard Development Process
Telephone 512-225-7251	<input type="checkbox"/>	Withdrawal of existing Standard
Fax 512-225-7165	<input checked="" type="checkbox"/>	Variance to a NERC Standard ( Indicate which one)
E-mail <a href="mailto:Farzaneh.Tafreshi@texasre.org">Farzaneh.Tafreshi@texasre.org</a>	<input type="checkbox"/>	Urgent Action

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

The purpose of this standard will be to address FERC-directed modification to the ERCOT regional difference to include requirements concerning frequency response contained in the ERCOT Protocols, section 5.

**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.)

FERC finds that the existing ERCOT approach to Interconnection frequency control is necessary to assure reliability in that Interconnection (Section 5 of ERCOT's Protocols concerning frequency control).

As per FERC Order No. 693 Paragraph 315, FERC expects that Requirements, Measures, and Levels of Non-Compliance be included in the ERCOT regional difference, similar to other existing regional differences.

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

FERC approved the ERCOT regional difference as mandatory and enforceable and found that ERCOT's approach under section 5 of the ERCOT protocols to be a more stringent practice than Requirement R2 in BAL-001-0. However, as stated in FERC Order No. 693, FERC expects the ERCOT regional difference to include Requirements, Measures, and Levels of Non-Compliance sections.

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

The purpose of BAL-001-0 is to maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time. BAL-001-0 establishes two requirements that are used to assess the proficiency of a balancing authority to maintain Interconnection frequency by balancing real power (MW) demand, interchange, and supply.

On November 21, 2002, NERC approved a regional difference for ERCOT by allowing it to be exempt from Requirement R2 in BAL-001-0 (ERCOT Waiver of CPS2), because of the following reasons: (1) ERCOT, as a single control area asynchronously connected to the Eastern Interconnection, cannot create inadvertent flows or time errors in other control areas, and (2) CPS2 may not be feasible under ERCOT's competitive balancing energy market.

FERC approved the ERCOT regional difference as mandatory and enforceable and found that ERCOT's approach of determining the minimum frequency response needed for reliability and requiring appropriate generators to have specific governor droop to be a more stringent practice than requirement R2 in BAL-001-0.

FERC also found the ERCOT approach to Interconnection frequency control to be necessary to ensure reliability in that interconnection and more critical to system reliability. However, FERC directed NERC to file a modification of the ERCOT regional difference to include the requirements concerning frequency response contained in section 5 of the ERCOT protocols.

FERC Order No. 693 also states, "As with other new regional differences, the Commission expects that the ERCOT regional difference will include Requirements, Measures, and Levels of Non-Compliance sections".

**Reliability Functions**

For a more detailed description of the Reliability Functions, please refer to [NERC Function Model V3](#)

<b>The Standard will Apply to the Following Functions</b> (Check box for each one that applies.)	
<input type="checkbox"/> Transmission Owner	<input type="checkbox"/> Transmission Service Provider
<input type="checkbox"/> Generator Owner	<input type="checkbox"/> Generator Operator
<input checked="" type="checkbox"/> Balancing Authority	<input type="checkbox"/> Interchange Authority
<input type="checkbox"/> Reliability Coordinator	<input type="checkbox"/> Purchasing-Selling Entity
<input type="checkbox"/> Resource Planner	<input type="checkbox"/> Load-Serving Entity
<input type="checkbox"/> Distribution Provider	<input type="checkbox"/> Planning Coordinator
<input type="checkbox"/> Transmission Planner	<input type="checkbox"/> Transmission Operator

**Reliability and Market Interface Principles**

<b>Applicable Reliability Principles</b> (Check box for all that apply.)	
<input checked="" type="checkbox"/>	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.
<input checked="" type="checkbox"/>	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.
<input type="checkbox"/>	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.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.

<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
<p><b>Does the proposed Standard comply with all of the following Market Interface Principles?</b> (Select 'yes' or 'no' from the drop-down box.)</p>	
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
BAL-001-0	Real Power Balancing Control Performance

***Related SARs***

SAR ID	Explanation