

**Exhibit D**

**Implementation Plan for Proposed BAL-005-1**

# Implementation Plan

## Project 2010-14.2.1 Balancing Authority Reliability-based Controls Reliability Standard BAL-005-1

### ***Requested Approval***

- BAL-005-1 – Balancing Authority Controls

### **Requested Retirement**

- BAL-005-0.2b – Automatic Generation Control
- BAL-006-2 – Inadvertent Interchange - Requirement R3

### **Prerequisite Approval**

- FAC-001-3 – Facility Interconnection Requirements

### **Revisions to Glossary Terms**

The following definitions shall become effective when BAL-005-1 becomes effective:

**Actual Frequency ( $F_A$ ):** The Interconnection frequency measured in Hertz (Hz).

**Actual Net Interchange ( $NI_A$ ):** The algebraic sum of actual megawatt transfers across all Tie Lines, including Pseudo-Ties, to and from all Adjacent Balancing Authority areas within the same Interconnection. Actual megawatt transfers on asynchronous DC tie lines that are directly connected to another Interconnection are excluded from Actual Net Interchange.

**Scheduled Net Interchange ( $NI_S$ ):** The algebraic sum of all scheduled megawatt transfers, including Dynamic Schedules, to and from all Adjacent Balancing Authority areas within the same Interconnection, including the effect of scheduled ramps. Scheduled megawatt transfers on asynchronous DC tie lines directly connected to another Interconnection are excluded from Scheduled Net Interchange.

**Interchange Meter Error (I<sub>ME</sub>):** A term used in the Reporting ACE calculation to compensate for data or equipment errors affecting any other components of the Reporting ACE calculation.

**Automatic Time Error Correction (I<sub>A TEC</sub>):** The addition of a component to the ACE equation for the Western Interconnection that modifies the control point for the purpose of continuously paying back Primary Inadvertent Interchange to correct accumulated time error. Automatic Time Error Correction is only applicable in the Western Interconnection.

$$I_{ATEC} = \frac{PII_{accum}^{on/off\ peak}}{(1-Y)*H} \text{ when operating in Automatic Time Error Correction Mode.}$$

The absolute value of I<sub>A TEC</sub> shall not exceed L<sub>max</sub> .

I<sub>A TEC</sub> shall be zero when operating in any other AGC mode.

- L<sub>max</sub> is the maximum value allowed for I<sub>A TEC</sub> set by each BA between 0.2\*|B<sub>i</sub>| and L<sub>10</sub>,  $0.2 * |B_i| \leq L_{max} \leq L_{10}$  .
- $L_{10} = 1.65 * \epsilon_{10} \sqrt{(-10B_i)(-10B_s)}$  .
- $\epsilon_{10}$  is a constant derived from the targeted frequency bound. It is the targeted root-mean-square (RMS) value of ten-minute average frequency error based on frequency performance over a given year. The bound,  $\epsilon_{10}$ , is the same for every Balancing Authority Area within an Interconnection.
- $Y = B_i / B_s$ .
- H = Number of hours used to payback primary inadvertent interchange energy. The value of H is set to 3.
- B<sub>i</sub> = Frequency Bias Setting for the Balancing Authority Area (MW / 0.1 Hz).
- B<sub>s</sub> = Sum of the minimum Frequency Bias Settings for the Interconnection (MW / 0.1 Hz).
- Primary Inadvertent Interchange (PII<sub>hourly</sub>) is  $(1-Y) * (II_{actual} - B_i * \Delta TE/6)$
- II<sub>actual</sub> is the hourly Inadvertent Interchange for the last hour.  
 $\Delta TE$  is the hourly change in system Time Error as distributed by the Interconnection time monitor, where:  $\Delta TE = TE_{end\ hour} - TE_{begin\ hour} - TD_{adj} - (t)*(TE_{offset})$
- TD<sub>adj</sub> is the Reliability Coordinator adjustment for differences with Interconnection time monitor control center clocks.
- t is the number of minutes of manual Time Error Correction that occurred during the hour.
- TE<sub>offset</sub> is 0.000 or +0.020 or -0.020.
- PII<sub>accum</sub> is the Balancing Authority Area's accumulated PII<sub>hourly</sub> in MWh. An On-Peak and Off-Peak accumulation accounting is required, where:

$$PII_{accum}^{on/offpeak} = \text{last period's } PII_{accum}^{on/offpeak} + PII_{hourly}$$

**Reporting ACE:** The scan rate values of a Balancing Authority Area's (BAA) Area Control Error (ACE) measured in MW includes the difference between the Balancing Authority Area's Actual Net Interchange and its Scheduled Net Interchange, plus its Frequency Bias Setting obligation, plus correction for any known meter error. In the Western Interconnection, Reporting ACE includes Automatic Time Error Correction (ATEC).

Reporting ACE is calculated as follows:

$$\text{Reporting ACE} = (NI_A - NI_S) - 10B (F_A - F_S) - I_{ME}$$

Reporting ACE is calculated in the Western Interconnection as follows:

$$\text{Reporting ACE} = (NI_A - NI_S) - 10B (F_A - F_S) - I_{ME} + I_{ATEC}$$

Where:

- $NI_A$  = Actual Net Interchange.
- $NI_S$  = Scheduled Net Interchange.
- $B$  = Frequency Bias Setting.
- $F_A$  = Actual Frequency.
- $F_S$  = Scheduled Frequency.
- $I_{ME}$  = Interchange Meter Error.
- $I_{ATEC}$  = Automatic Time Error Correction.

All NERC Interconnections operate using the principles of Tie-line Bias (TLB) Control and require the use of an ACE equation similar to the Reporting ACE defined above. Any modification(s) to this specified Reporting ACE equation that is(are) implemented for all BAAs on an Interconnection and is(are) consistent with the following four principles of Tie Line Bias control will provide a valid alternative to this Reporting ACE equation:

1. All portions of the Interconnection are included in exactly one BAA so that the sum of all BAAs' generation, load, and loss is the same as total Interconnection generation, load, and loss;
2. The algebraic sum of all BAAs' Scheduled Net Interchange is equal to zero at all times and the sum of all BAAs' Actual Net Interchange values is equal to zero at all times;
3. The use of a common Scheduled Frequency  $F_S$  for all BAAs at all times; and,

4. Excludes metering or computational errors. (The inclusion and use of the  $I_{ME}$  term corrects for known metering or computational errors.)

**Automatic Generation Control (AGC):** A process designed and used to adjust a Balancing Authority Areas' Demand and resources to help maintain the Reporting ACE in that of a Balancing Authority Area within the bounds required by applicable NERC Reliability Standards.

**Pseudo-Tie:** A time-varying energy transfer that is updated in Real-time and included in the Actual Net Interchange term (NIA) in the same manner as a Tie Line in the affected Balancing Authorities' Reporting ACE equation (or alternate control processes).

**Balancing Authority:** The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

### Applicable Entities

- Balancing Authority

### Applicable Facilities

- N/A

### Background

Reliability Standard BAL-005-1 addresses Balancing Authority Reliability-based Controls and establishes requirements for acquiring data necessary to calculate Reporting Area Control Error (Reporting ACE). Reliability Standard BAL-005-1 (Balancing Authority Controls) and associated Implementation Plan was developed in conjunction with FAC-001-3 to ensure that entities with facilities and Load operating in an Interconnection are within a Balancing Authority Area's metered boundaries. This coordination will allow for the collection of data necessary to calculate Reporting Area Control Error (Reporting ACE) to achieve the best results under BAL-005-1.

### General Considerations

To guarantee proper coordination as intended by the standard drafting team for Project 2010-14.2.1, FAC-001-3 will be implemented immediately after BAL-005-1 becomes effective as reflected in the Implementation Plan for FAC-001-3, and BAL-006-2 Requirement R3 will be retired concurrently with the effective date for BAL-005-1. Finally, to ensure proper coordination with BAL-001-2, approved by the Commission in Order No. 810 issued on April 16, 2015, the following definitions associated with BAL-005-1 will be implemented concurrently with the effective date for BAL-001-2:

- Reporting ACE
- Actual Frequency
- Actual Net Interchange
- Scheduled Net Interchange
- Interchange Meter Error
- Automatic Time Error Correction

## Effective Dates

### Definitions

The definitions of the following terms shall become effective immediately after the effective date of BAL-001-2<sup>1</sup>:

- Reporting ACE
- Actual Frequency
- Actual Net Interchange
- Scheduled Net Interchange
- Interchange Meter Error
- Automatic Time Error Correction

### BAL-005-1

Where approval by an applicable governmental authority is required, BAL-005-1 and associated definitions, except the definitions enumerated in the section directly above, shall become effective on the first day of the first calendar quarter that is twelve months

---

<sup>1</sup> Because the definition of "Reporting ACE" associated with BAL-005-1 will become effective immediately after the effective date of BAL-001-2, the definition of "Reporting ACE" that was approved by the Commission on April 16, 2015 in Order No. 810 (151 FERC ¶ 61,048) will never go into effect.

after the effective date of the applicable governmental authorities order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, BAL-005-1 and associated definitions, except the definitions enumerated in the section directly above, shall become effective on the first day of the first calendar quarter that is twelve months after the date the standard is adopted by the NERC Board of Trustees', or as otherwise provided for in that jurisdiction.

## Retirements

BAL-005-0.2b (Automatic Generation Control) shall be retired immediately prior to the Effective Date of BAL-005-1 (Balancing Authority Controls) in the particular jurisdiction in which the revised standard is becoming effective.

BAL-006-2 (Inadvertent Interchange) Requirement R3 shall be retired immediately prior to the Effective Date of BAL-005-1 (Balancing Authority Controls) in the particular jurisdiction in which the revised standard is becoming effective.

The existing definitions of Automatic Generation Control, Pseudo Tie and Balancing Authority shall be retired at midnight of the day immediately prior to the effective date of BAL-005-1, in the jurisdiction in which the new standard is becoming effective.

The existing definitions of Reporting ACE, Actual Frequency, Actual Net Interchange, Scheduled Net Interchange, Interchange Meter Error, and Automatic Time Error Correction shall be retired immediately after the effective date of BAL-001-2.<sup>2</sup>

---

<sup>2</sup> Note that the definition of Reporting ACE that was approved by the Commission in Order No. 810, which will replace the existing definition of Reporting ACE, will be retired immediately prior to the effective date for the revised definition of Reporting ACE, as described above. As such, the definition of Reporting ACE approved by the Commission in Order No. 810 will never go into effect.