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## Retirement of BAL-006-2

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### 1. OVERVIEW OF THE STANDARD

#### 1.1. Applicability

This standard applied to the Balancing Authority (BA) function. At present, Hydro-Québec's Direction – Contrôle des mouvements d'énergie (DCME) is the only Registered BA.

#### 1.2. Purpose of the Reliability Standard

BAL-006-2 defines a process for monitoring Balancing Authorities to ensure that, over the long term, Balancing Authority Areas do not excessively depend on other Balancing Authority Areas in the Interconnection for meeting their demand or interchange obligations.

#### 1.3. Regulatory Context

BAL-006-2 was adopted by the Régie de l'énergie in its Decision D-2014-216<sup>1</sup> and put into effect on April 1, 2015. Then, the Régie suspended the application of some requirements in its decision D-2018-179.<sup>2</sup>

NERC's Board of Trustees approved the retirement of BAL-006-2. FERC then approved the retirement on September 20, 2017, in Order No. 836.<sup>3</sup> The standard has not been in effect in the United States since December 31, 2018.

#### 1.4. Specific Provisions for Québec

Section not applicable to standard retirements.

#### 1.5. Proposed Effective Dates

The Reliability Coordinator proposes the adoption and implementation of BAL-005-1 to allow BAL-006-2 to be retired.

#### 1.6. Standards or Requirements to Retire

BAL-006-2 must be retired as soon as BAL-005-1 comes into effect. This will ensure that BAL-006-2 Requirement R3, which has been moved to BAL-005-1, remains in effect at all times and will avoid a regulatory vacuum for this requirement.

#### 1.7. Modifications to the Glossary

With the retirement of BAL-006-2, the English terms "Net Actual Interchange" and "Net Scheduled Interchange" are replaced by "Actual Net Interchange" and "Scheduled Net Interchange". In French, the terms "échange réel net" and "échange programmé net" remain unchanged, however their definitions change. The definitions, in French and English, are provided in the document "Modifications au Glossaire."

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<sup>1</sup> Régie de l'énergie, Decision D-2014-216, consulted on July 11, 2019, at: [www.regie-energie.qc.ca/audiences/decisions/D-2014-216.pdf](http://www.regie-energie.qc.ca/audiences/decisions/D-2014-216.pdf)

<sup>2</sup> Régie de l'énergie, Decision D-2018-179, consulted on July 11, 2019, at: [publicsde.regie-energie.qc.ca/projets/481/DocPri/R-4068-2018-A-0006-Dec-Dec-2018\\_12\\_11.pdf](http://publicsde.regie-energie.qc.ca/projets/481/DocPri/R-4068-2018-A-0006-Dec-Dec-2018_12_11.pdf)

<sup>3</sup> FERC Order No. 836, consulted online on July 11, 2019 at: [https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/E-1\\_Order%20No%20836.pdf](https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/E-1_Order%20No%20836.pdf)

## 2. ASSESSMENT OF RELEVANCE

NERC proposed the retirement of BAL-006-2 and justified the retirement of Requirements R1, R2, R4 and R5 due to their administrative nature. Requirement R3 was transferred to BAL-005-1.

In its petition to FERC, NERC provided the following detailed justification:<sup>4</sup>

*“...the calculation requirements in Requirements R1, R2, R4, and R5 of BAL-006-2 are commercial energy accounting requirements and do not contribute to Reliable Operation of the BES. For example, Inadvertent Interchange generally occurs because of a variety of factors, including accounting errors such as bilateral or unilateral Inadvertent payback, false schedules implemented to correct a perceived metering error, hourly interchange calculations that do not compensate for ramps, or minor calculation errors. Balancing Authority Areas routinely monitor and account for Inadvertent Interchange using standard accounting procedures.<sup>64</sup> If the Requirements of proposed Reliability Standard BAL-005-1 are met, responsible entities will have all data necessary to calculate Reporting ACE and will avoid potential reliability issues caused by Inadvertent Interchange. The remaining issues associated with Inadvertent Interchange accumulations are commercial issues and may be addressed as such. As such, Requirements R1, R2, R4, and R5 should be retired as administrative...”*

In Québec, Requirements R1, R2, R4 and R5 also pertain to administrative issues, and NERC’s justification for their retirement is equally relevant. Moreover, the move of Requirement R3 to BAL-005-1 is also justified. The Reliability Coordinator therefore recommends retirement of BAL-006-2.

## 3. FINAL IMPACT ASSESSMENT

The retirement of this standard will have a positive impact for the Registered Entity, i.e., the Reliability Coordinator. Compliance tasks will be reduced as a result.

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<sup>4</sup> NERC request, consulted online on July 11, 2019, at:  
[https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/BAL-005%20FAC-001-3\\_%20Petition.pdf](https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/BAL-005%20FAC-001-3_%20Petition.pdf)