
BAL-002-3 – Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency

1. OVERVIEW OF THE STANDARD

1.1. Applicability

In Québec, BAL-002-3 covers the function of the Balancing Authority (BA), and Hydro-Québec's Direction – Contrôle des mouvements d'énergie (DCME) is the only registered BA.

1.2. Purpose of the Reliability Standard

The purpose of BAL-002-3 is to ensure the balance between generation resources and demand, as well as to return the Area Control Error (ACE) to defined values (subject to applicable limits) following a Balancing Contingency Event. BAL-002-1 is the standard currently in effect in Québec.

1.3. Regulatory Context

The BAL-002-3 standard is an update of the BAL-002-1 standard. In Decision D-2014-216,¹ the Régie de l'énergie (hereinafter "the Régie") adopted BAL-002-1 and its Québec Appendix, both of which came into effect on April 1, 2015.

The NERC Board of Trustees adopted BAL-002-2 on November 5, 2015; BAL-002-2(ii) on August 10, 2017; and BAL-002-3 on August 16, 2018. FERC approved the latter version of the standard on September 25, 2018. As required by the *Act respecting Régie de l'énergie*, the Reliability Coordinator intends to file BAL-002-3 for adoption by the Régie.

1.4. Specific Provisions for Québec

The Reliability Coordinator is not proposing any specific provisions for the BAL-002-3 standard.

1.5. Proposed Effective Dates

BAL-002-3 became effective in the United States on April 1, 2019. The NERC Implementation Plan allows for a period of six months between regulatory approval and the effective date of the standard.

The Reliability Coordinator proposes a period of nine months between the adoption by the Régie and the effective date of the BAL-002-3 standard.

1.6. Standards or Requirements to Retire

BAL-002-1 will have to be retired as soon as BAL-002-3 becomes effective, in accordance with the NERC Implementation Plan.²

¹ Régie de l'Énergie, Decision D-2014-216, consulted online on June 28, 2019, at: <http://www.regie-energie.qc.ca/audiences/decisions/D-2014-216.pdf>

² NERC Implementation Plan, consulted online on June 28, 2019, at: https://www.nerc.com/pa/Stand/Project_201706_Modifications_to_BAL0022_DL/2017-06_BAL-002-3_Implementation_Plan_03222018.pdf

1.7. Modifications to the Glossary

Modifications to the Glossary shall take effect on the effective date of BAL-002-3.

The following terms will be added:

- Balancing Contingency
- Most Severe Single Contingency
- Reportable Balancing Contingency
- Contingency Event Recovery Period
- Contingency Reserve Restoration Period
- Pre-Reporting Contingency Event ACE Value

The definitions of the following terms will be modified:

- Reserve Sharing Group Reporting ACE
- Contingency Reserve

The definitions of these terms, in French and English, are provided in the document “Modifications au Glossaire.”

2. ASSESSMENT OF RELEVANCE

On January 19, 2017, FERC issued Order No. 835,³ in which it petitioned NERC to make modifications to the BAL-002-2 standard in order to address its concerns about the 15-minute recovery period defined in Requirement R1. The order directed that BAL-002-2 Requirement R1 be modified to oblige the Balancing Authority to i) inform the Reliability Coordinator of the conditions described in Requirement R1 Subsection 1.3.1, which prevents it from complying with the ACE recovery period in less than 15 minutes (as per Requirement R1 Section 1.1); and ii) provide the Reliability Coordinator with an ACE recovery plan that specifies the targeted recovery period. The BAL-002-3 standard satisfies that Order.

BAL-002-3 results from three revisions made to BAL-002-1, which is the standard in effect in Québec. The first revision consolidated the six requirements of BAL-002-1 into three requirements in BAL-002-2. This modification clarified the obligations stemming from the objectives of the standard by clearly stating the responsible entities. Furthermore, certain commercial concepts that focused mainly on Regulation Reserve Sharing Groups were retired.

Next, BAL-002-2(i) replaced BAL-002-2 to take into account the approval of modifications that raised the Violation Risk Factor (VFR) from Moderate to High for Requirements R1 and R2 of the standard.⁴

In accordance with the agreement made in 2009 between the Régie, NERC and the NPCC and with the authorization of the Québec government,⁵ this standard was developed and approved by external agencies for North America, including Québec. In the opinion of the Reliability Coordinator, this standard

³ FERC Order No. 835, page 22, paragraph 37, consulted online on April 9, 2019, at:

<https://www.ferc.gov/whats-new/comm-meet/2017/011917/E-12.pdf?csrt=1601345710526260752>.

⁴ FERC Order letter, consulted online on January 22, 2019, at:

<https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/Delegated%20Letter%20Order%20Approving%20revisions%20to%20VRF%20for%20BAL-002-2.pdf>

⁵ Agreement entered into in accordance with Order-in-Council 443-21009 dated April 8, 2019.

is relevant for system reliability in Québec and the standard contributes to harmonization with neighboring systems.

3. PRELIMINARY IMPACT ASSESSMENT

As the Balancing Authority (BA), Direction – Contrôle des mouvements d'énergie (DCME) is the only entity to which this standard applies in Québec. In the opinion of the Reliability Coordinator, enforcing this new version of the standard and monitoring its compliance would have no added financial impact.

	Low	Moderate	High
Implementation of the standard	X		
Enforcement of the standard	X		
Compliance monitoring	X		

Legend:

Low: Normal industry practice that only requires minor adjustments to existing processes or practices.
Moderate: Change that requires allocation of some physical, human or financial resources to implement the proposed standard, maintain it or monitor its compliance.
High: Change that requires allocation of significant physical, human or financial resources to plan and implement the proposed standard, maintain it or monitor its compliance.

4. FINAL IMPACT ASSESSMENT

This section shall be completed upon receipt of the impact assessment forms and at the conclusion of the consultation process prior to filing of reliability standards with the Régie de l'énergie.