

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Real Power Balancing Control
Performance Reliability Standard**

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Docket No. RM14-10-000

The New York Independent System Operator (“NYISO”) submits these comments in response to the Notice of Proposed Rulemaking (“NOPR”) issued on November 20, 2014, by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in this proceeding.

I. INTRODUCTION

During the NERC stakeholder process developing the proposed BAL-001-2 reliability standard the Commission proposes to approve in this NOPR, the NYISO opposed approval of BAL-001-2 in its present form based on the same concerns the Commission expresses here regarding the results of NERC’s field trial of the Balancing Authority ACE Limit (“BAAL”) requirement. As a Reliability Coordinator, Balancing Authority, and Transmission Operator, the NYISO is concerned that BAL-001-2 will allow balancing authorities to have a very large deviation from an Area Control Error (“ACE”) of zero—and potentially negatively affect reliability—yet still be compliant with the dynamic values of the BAALs calculated pursuant to the proposed Reliability Standard. Significant unscheduled power flows will be allowed to occur, which could result in power flows approaching or exceeding system operating limits (“SOLs”) or interconnection reliability operating limits (“IROLs”). These circumstances would require system operators to take action, up to and including load shedding, potentially unaware of the source of the unscheduled flow causing the overloads.

Given these concerns, the NYISO submits these comments to support the Commission’s proposal that NERC collect data regarding unscheduled power flows for the first two years the standard is in effect, prepare an informational filing based on that data collection and, if the data

indicates reliability issues due to increases in unscheduled power flows and inadvertent interchange under the new BAAL requirement at any time during the two-year study, require that NERC immediately propose and implement adequate remedies.

II. COMMUNICATIONS AND CORRESPONDENCE

All communications regarding this filing should be directed to:

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III. COMMENTS

On April 2, 2014, NERC filed a petition (“Petition”) seeking approval of proposed Reliability Standard BAL-001-2. The proposed reliability standard focuses on ensuring that entities subject to the standard maintain system frequency within narrow bounds around a scheduled value. Among other things, BAL-001-2 would replace the Control Performance Standard 2 with the BAAL: a calculation unique for each balancing authority that contains dynamic limits based on interconnection frequency and provides the basis for a balancing authority’s obligation to balance its resources and demand in real-time so that its clock-minute average ACE does not exceed its BAAL for more than 30 consecutive minutes. BAL-001-2 permits a balancing authority to allow its ACE to deviate from zero—even substantially—as long as the balancing authority does not exceed its BAAL for more than 30 consecutive minutes.

As the Commission observed in the NOPR, during the development of the proposed Reliability Standard some stakeholders that participated in a field trial of the revised standard commented to the NERC standard drafting team that the proposed BAAL calculated pursuant to Requirement R2 of BAL-001-2 caused increased system operating limit violations. Specifically of concern, the field trials indicated the potential for an increased number of SOL violations as well as potential for increased unscheduled flows with the proposed BAAL limits based on frequency triggers. Further, as the NYISO noted in comments submitted to NERC on BAL-001-2 during the balloting process, the reliability standards governing SOLs and IROLs may be inadequate to address these additional overloads, as the flows that are causing the overloads due to the allowable increase in ACE, under the proposed standard, are not identifiable in energy management systems if they originate in distant balancing authority areas. For these reasons, the NYISO strongly supports the Commission's proposal to order that NERC collect data regarding unscheduled power flows in the Western and Eastern Interconnections, prepare an informational filing based on that data collection, and if the data indicates reliability issues due to increases in unscheduled power flows and inadvertent interchange under the new BAAL requirement at any time during the two-year study, require that NERC will immediately propose and implement adequate remedies.

With respect to the nature of the data collection, the NYISO agrees with the data points the Commission suggests, namely: the number, date and time, location, duration, and magnitude of SOL/IROL violations due to unscheduled power flows within Western and the Eastern Interconnections. In order to ensure that NERC is correctly identifying instances of SOL/IROL violations associated with the BAAL calculation—and, more specifically, large ACE values—the NYISO suggests that, in addition to these data points, NERC also be required to track ACE

and BAAL values for the SOL/IROL violations that may be caused by unscheduled power flows or inadvertent exchange.

III. CONCLUSION

For the foregoing reasons, the NYISO respectfully requests that Commission consider the NYISO's comments as articulated above.

Respectfully submitted,

/s/ Christopher R. Sharp

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New York Independent System Operator, Inc

January 26, 2015

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 26th day of January, 2015.

/s/ Joy A. Zimmerlin

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