

A. Introduction

1. **Title:** Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event
2. **Number:** BAL-002-3
3. **Purpose:** To ensure the Balancing Authority or Reserve Sharing Group balances resources and demand and returns the Balancing Authority's or Reserve Sharing Group's Area Control Error to defined values (subject to applicable limits) following a Reportable Balancing Contingency Event.
4. **Applicability:**
 - 4.1. **Responsible Entity**
 - 4.1.1. Balancing Authority
 - 4.1.1.1. A Balancing Authority that is a member of a Reserve Sharing Group is the Responsible Entity only in periods during which the Balancing Authority is not in active status under the applicable agreement or governing rules for the Reserve Sharing Group.
 - 4.1.2. Reserve Sharing Group
5. **Effective Date:** See the Implementation Plan for BAL-002-3.

B. Requirements and Measures

- R1. The Responsible Entity experiencing a Reportable Balancing Contingency Event shall: *[Violation Risk Factor: High] [Time Horizon: Real-time Operations]*
 - 1.1. within the Contingency Event Recovery Period, demonstrate recovery by returning its Reporting ACE to at least the recovery value of:
 - zero (if its Pre-Reporting Contingency Event ACE Value was positive or equal to zero); however, any Balancing Contingency Event that occurs during the Contingency Event Recovery Period shall reduce the required recovery: (i) beginning at the time of, and (ii) by the magnitude of, such individual Balancing Contingency Event,or,
 - its Pre-Reporting Contingency Event ACE Value (if its Pre-Reporting Contingency Event ACE Value was negative); however, any Balancing Contingency Event that occurs during the Contingency Event Recovery Period shall reduce the required recovery: (i) beginning at the time of, and (ii) by the magnitude of, such individual Balancing Contingency Event.
 - 1.2. document all Reportable Balancing Contingency Events using CR Form 1.

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1.3. deploy Contingency Reserve, within system constraints, to respond to all Reportable Balancing Contingency Events, however, it is not subject to compliance with Requirement R1 part 1.1 if the Responsible Entity:

1.3.1 is (i) a Balancing Authority or (ii) a Reserve Sharing Group with at least one member that:

- is experiencing a Reliability Coordinator declared Energy Emergency Alert Level, and
- is utilizing its Contingency Reserve to mitigate an operating emergency in accordance with its emergency Operating Plan, and
- has depleted its Contingency Reserve to a level below its Most Severe Single Contingency, and
- has, during communications with its Reliability Coordinator in accordance with the Energy Emergency Alert procedures, (i) notified the Reliability Coordinator of the conditions described in the preceding two bullet points preventing the Responsible Entity from complying with Requirement R1 part 1.1, and (ii) provided the Reliability Coordinator with an ACE recovery plan, including target recovery time

or,

1.3.2 the Responsible Entity experiences:

- multiple Contingencies where the combined MW loss exceeds its Most Severe Single Contingency and that are defined as a single Balancing Contingency Event, or
- multiple Balancing Contingency Events within the sum of the time periods defined by the Contingency Event Recovery Period and Contingency Reserve Restoration Period whose combined magnitude exceeds the Responsible Entity's Most Severe Single Contingency.

M1. Each Responsible Entity shall have, and provide upon request, as evidence, a CR Form 1 with date and time of occurrence to show compliance with Requirement R1. If Requirement R1 part 1.3 applies, then dated documentation that demonstrates compliance with Requirement R1 part 1.3 must also be provided.

R2. Each Responsible Entity shall develop, review and maintain annually, and implement an Operating Process as part of its Operating Plan to determine its Most Severe Single Contingency and make preparations to have Contingency Reserve equal to, or greater than the Responsible Entity's Most Severe Single Contingency available for maintaining system reliability. *[Violation Risk Factor: High] [Time Horizon: Operations Planning]*

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- M2.** Each Responsible Entity will have the following documentation to show compliance with Requirement R2:
- a dated Operating Process;
 - evidence to indicate that the Operating Process has been reviewed and maintained annually; and,
 - evidence such as Operating Plans or other operator documentation that demonstrate that the entity determines its Most Severe Single Contingency and that Contingency Reserves equal to or greater than its Most Severe Single Contingency are included in this process.
- R3.** Each Responsible Entity, following a Reportable Balancing Contingency Event, shall restore its Contingency Reserve to at least its Most Severe Single Contingency, before the end of the Contingency Reserve Restoration Period, but any Balancing Contingency Event that occurs before the end of a Contingency Reserve Restoration Period resets the beginning of the Contingency Event Recovery Period. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- M3.** Each Responsible Entity will have documentation demonstrating its Contingency Reserve was restored within the Contingency Reserve Restoration Period, such as historical data, computer logs or operator logs.

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority

“Compliance Enforcement Authority” means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.

1.2. Evidence Retention

The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

The Responsible Entity shall retain data or evidence to show compliance for the current year, plus three previous calendar years, unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

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If a Responsible Entity is found noncompliant, it shall keep information related to the noncompliance until found compliant, or for the time period specified above, whichever is longer.

The Compliance Enforcement Authority shall keep the last audit records and all subsequent requested and submitted records.

1.3. Compliance Monitoring and Assessment Processes:

As defined in the NERC Rules of Procedure, “Compliance Monitoring and Assessment Processes” refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated Reliability Standard.

1.4. Additional Compliance Information

The Responsible Entity may use Contingency Reserve for any Balancing Contingency Event and as required for any other applicable standards.

Table of Compliance Elements

R #	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1.	<p>The Responsible Entity achieved less than 100% but at least 90% of required recovery from a Reportable Balancing Contingency Event during the Contingency Event Recovery Period</p> <p>OR</p> <p>The Responsible Entity failed to use CR Form 1 to document a Reportable Balancing Contingency Event.</p>	<p>The Responsible Entity achieved less than 90% but at least 80% of required recovery from a Reportable Balancing Contingency Event during the Contingency Event Recovery Period.</p>	<p>The Responsible Entity achieved less than 80% but at least 70% of required recovery from a Reportable Balancing Contingency Event during the Contingency Event Recovery Period.</p>	<p>The Responsible Entity achieved less than 70% of required recovery from a Reportable Balancing Contingency Event during the Contingency Event Recovery Period.</p>
R2.	<p>The Responsible Entity developed and implemented an Operating Process to determine its Most Severe Single Contingency and to have Contingency Reserve equal to, or greater than the Responsible Entity’s Most Severe Single Contingency but failed to maintain</p>	N/A	<p>The Responsible Entity developed an Operating Process to determine its Most Severe Single Contingency and to have Contingency Reserve equal to, or greater than the Responsible Entity’s Most Severe Single Contingency but failed to implement the Operating Process.</p>	<p>The Responsible Entity failed to develop an Operating Process to determine its Most Severe Single Contingency and to have Contingency Reserve equal to, or greater than the Responsible Entity’s Most Severe Single Contingency.</p>

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	annually the Operating Process.			
R3.	The Responsible Entity restored less than 100% but at least 90% of required Contingency Reserve following a Reportable Balancing Contingency Event during the Contingency Event Restoration Period.	The Responsible Entity restored less than 90% but at least 80% of required Contingency Reserve following a Reportable Balancing Contingency Event during the Contingency Event Restoration Period.	The Responsible Entity restored less than 80% but at least 70% of required Contingency Reserve following a Reportable Balancing Contingency Event during the Contingency Event Restoration Period.	The Responsible Entity restored less than 70% of required Contingency Reserve following a Reportable Balancing Contingency Event during the Contingency Event Restoration Period.

D. Regional Variances

None.

E. Interpretations

None.

F. Associated Documents

CR Form 1

BAL-002-3 Rationales

Version History

Version	Date	Action	Change Tracking
0	April 1, 2005	Effective Date	New
0	August 8, 2005	Removed "Proposed" from Effective Date	Errata
0	February 14, 2006	Revised graph on page 3, "10 min." to "Recovery time." Removed fourth bullet.	Errata
1	September 9, 2010	Filed petition for revisions to BAL-002 Version 1 with the Commission	Revision
1	January 10, 2011	FERC letter ordered in Docket No. RD10-15-00 approving BAL-002-1	
1	April 1, 2012	Effective Date of BAL-002-1	
1a	November 7, 2012	Interpretation adopted by the NERC Board of Trustees	
1a	February 12, 2013	Interpretation submitted to FERC	
2	November 5, 2015	Adopted by NERC Board of Trustees	Complete revision
2	January 19, 2017	FERC Order approved BAL-002-2. Docket No. RM16-7-000	
2	October 2, 2017	FERC letter Order issued approving raising the VRF for Requirement R1 and R2 from Medium to High. Docket No. RD17-6-000.	
3	August 16, 2018	Adopted by NERC Board of Trustees	Revisions to address two FERC directives from Order No. 835
3	September 25, 2018	FERC Order approving BAL-002-3. Docket No. RD18-7-000	

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

Appendix QC-BAL-002-3 Provisions specific to the standard BAL-002-3 applicable in Québec

This appendix establishes specific provisions for the application of the standard in Québec. Provisions of the standard and of its appendix must be read together for the purposes of understanding and interpretation. Where the standard and appendix differ, the appendix shall prevail.

A. Introduction

1. **Title: Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event**
2. **Number:** BAL-002-3
3. **Purpose:** No specific provision
4. **Applicability:** No specific provision
5. **Effective Date:**
 - 5.1. Adoption of the standard by the Régie de l'énergie: June 8, 2020
 - 5.2. Adoption of the appendix by the Régie de l'énergie: June 8, 2020
 - 5.3. Effective date of the standard and its appendix in Québec: April 1, 2021

B. Requirements and Mesures

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority

The Régie de l'énergie is responsible, in Québec, for compliance enforcement with respect to the reliability standard and its appendix that it adopts.

1.2. Evidence Retention

No specific provision

1.3. Compliance Monitoring and Assessment Processes

The Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) of the Régie de l'énergie identifies the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated Reliability Standard.

1.4. Additional Compliance Information

No specific provision

Table of Compliance Elements

No specific provision

D. Regional Differences

No specific provision

E. Interpretations

No specific provision

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**Appendix QC-BAL-002-3
Provisions specific to the standard BAL-002-3 applicable in Québec**

F. Associated Documents

No specific provision

Revision History

Revision	Date	Action	Change Tracking
0	June 8, 2020	New appendix	New