

November 29, 2017

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: Informational Filing Regarding 2017 Frequency Response Annual Analysis Report
Docket No. RM13-11-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”) hereby submits its *2017 Frequency Response Annual Analysis Report* (“Report”) for the administration and support of Reliability Standard BAL-003-1.1 – Frequency Response and Frequency Bias Setting. The Report updates statistical analyses and calculations in the *2012 Frequency Response Initiative Report*, which was included with NERC’s petition for approval of Reliability Standard BAL-003-1 following subsequent reports filed under docket no. RM13-11.¹

The attached Report uses data from the operating years 2013 through 2016 (December 1, 2012 through November 30, 2016) to (i) analyze frequency events and interconnection frequency characteristics for BAL-003-1; and (ii) determine adjustment factors for calculating Interconnection Frequency Response Obligations (“IFROs”). This information is provided for consistency of the IFRO

¹ See generally, filings submitted in the above captioned docket (these materials commonly refer to the standard as BAL-003-1, although BAL-003-1.1 is the latest version and currently-effective). The *2012 Frequency Response Initiative Report* was attached as **Exhibit F** to the original petition submitted on March 20, 2015.

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calculation, however, as noted below, the Report recommends the application of the 2016 IFRO values for the operating year 2018.²

Specifically, the Report references inconsistencies in IFRO calculations under BAL-003-1.1 that were detailed in last year's report. Due to these inconsistencies, the IFRO values for operating year 2018 (December 2017 through November 2018) remain as calculated in the *2015 Frequency Response Annual Analysis* report for operating year 2016 and held constant through operating year 2017.³ Frequency Response Obligations for individual Balancing Authorities will be allocated using 2015 generation and load data, consistent with BAL-003-1.1. The Report recommends that the current Project 2017-01 Standard Drafting Team continue to pursue a consolidated Standard Authorization Request to address issues associated with BAL-003-1.1.

In addition, the recommended 2018 IFRO for the Eastern Interconnection was analyzed to determine if the prescribed level of primary frequency response is adequate to avoid tripping the first stage of regionally-approved underfrequency load shedding systems in the interconnection. Details of that analysis are contained in NERC's June 30, 2017 informational filing.⁴ Additional dynamic IFRO validations were not performed for the Western and ERCOT Interconnections, as those IFROs did not change from those prescribed last year. Instead, for convenience, the Report repeats the Western and ERCOT Interconnections IFRO validations from last year's report.

² *Id.*

³ *See, e.g., NERC, 2017 Frequency Response Annual Analysis Report, November 2017, at p. iv.*

⁴ *Informational Filing of the North American Electric Reliability Corporation Regarding the Light-Load Case Study of the Eastern Interconnection, Docket No. RM13-11-000 (filed June 30, 2017).*

As underscored in Key Finding 3 of the NERC *State of Reliability 2017* report, “[t]hree of the four interconnections showed overall improvement while the Québec Interconnection frequency trend moved from ‘declining’ to ‘stable.’ No interconnection experienced frequency response performance below its interconnection frequency response obligation (IFRO).”⁵ As further discussed in the Report, NERC will continue tracking frequency response performance across interconnections.⁶

NERC is not requesting any Commission action on the instant filing. NERC respectfully requests that the Commission accept this filing for informational purposes only.

Respectfully submitted,

/s/ Candice Castaneda
Candice Castaneda

*Counsel for North American Electric Reliability
Corporation*

cc: Official service list in Docket No. RM13-11-000

⁵ NERC, *State of Reliability 2017*, June 2017, available at http://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/SOR_2017_MASTER_20170613.pdf.

⁶ *Id.* at p. 2.

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of this submittal upon all parties listed on the official service lists compiled by the Secretary in this proceeding in Docket No. RM13-11-000.

Dated at Washington, D.C. this 29th day of November, 2017.

/s/ Courtney M. Baughan

Courtney M. Baughan

*Senior Legal Assistant for the North American
Electric Reliability Corporation*

ATTACHMENT