

## Standard Development Timeline

This section is maintained by the drafting team during the development of the standard and will be removed when the standard becomes effective.

### Description of Current Draft

This is the first posting of the draft standard for a 45-day formal comment period.

| Completed Actions                            | Date          |
|--|---------------|
| Standards Committee approved SAR for posting | June 10, 2014 |
| SAR posted for comment                       | July 16, 2014 |

| Anticipated Actions                               | Date                  |
|---|-----------------------|
| 45-day formal comment period with parallel ballot | August/September 2015 |
| Final ballot                                      | October 2015          |
| NERC Board adoption                               | November 2015         |

### **New or Modified Terms Used in NERC Reliability Standards**

This section includes all new or modified terms used in the proposed standard that will be included in the *Glossary of Terms Used in NERC Reliability Standards* upon applicable regulatory approval. Terms used in the proposed standard that are already defined and are not being modified can be found in the *Glossary of Terms Used in NERC Reliability Standards*. The new or revised terms listed below will be presented for approval with the proposed standard.

**Term:** None

## Introduction

1. **Title:** Inadvertent Interchange

2. **Number:** BAL-006-32

3. **Purpose:**

This standard 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.

4. **Applicability:**

4.1. Balancing Authorities.

5. **Effective Date:** [See Implementation Plan](#)

## B. Requirements

**R1.** Each Balancing Authority shall calculate and record hourly Inadvertent Interchange. (*Violation Risk Factor: Lower*)

**R2.** Each Balancing Authority shall include all AC tie lines that connect to its Adjacent Balancing Authority Areas in its Inadvertent Interchange account. The Balancing Authority shall take into account interchange served by jointly owned generators. (*Violation Risk Factor: Lower*)

~~**R3.** Each Balancing Authority shall ensure all of its Balancing Authority Area interconnection points are equipped with common megawatt-hour meters, with readings provided hourly to the control centers of Adjacent Balancing Authorities. (*Violation Risk Factor: Lower*)~~

**R4-R3.** Adjacent Balancing Authority Areas shall operate to a common Net Interchange Schedule and Actual Net Interchange value and shall record these hourly quantities, with like values but opposite sign. Each Balancing Authority shall compute its Inadvertent Interchange based on the following: (*Violation Risk Factor: Lower*)

~~**R4.1-R3.1.** Each Balancing Authority, by the end of the next business day, shall agree with its Adjacent Balancing Authorities to: (*Violation Risk Factor: Lower*)~~

~~**R3.1.1** The hourly values of Net Interchange Schedule. (*Violation Risk Factor: Lower*)~~

~~**R3.1.2** The hourly integrated megawatt-hour values of Net Actual Interchange. (*Violation Risk Factor: Lower*)~~

~~**R4.2-R3.2.** Each Balancing Authority shall use the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off-Peak hours of the month. (*Violation Risk Factor: Lower*)~~

~~**R4.3-R3.3.** A Balancing Authority shall make after-the-fact corrections to the agreed-to daily and monthly accounting data only as needed to reflect actual operating conditions (e.g. a meter being used for control was sending bad data). Changes or corrections based on non-reliability considerations shall not be reflected in the Balancing Authority's Inadvertent Interchange. After-the-fact corrections to scheduled or actual values will not be accepted without agreement of the Adjacent Balancing Authority(ies). (*Violation Risk Factor: Lower*)~~

**R5-R4.** Adjacent Balancing Authorities that cannot mutually agree upon their respective Net Actual Interchange or Net Scheduled Interchange quantities by the 15th calendar day of the following month shall, for the purposes of dispute resolution, submit a report to their respective Regional Reliability Organization Survey Contact. The report shall describe the

nature and the cause of the dispute as well as a process for correcting the discrepancy.  
(*Violation Risk Factor: Lower*)

**C. Measures**

None specified.

**D. Compliance**

**1. Compliance Monitoring Process**

- 1.1.** Each Balancing Authority shall submit a monthly summary of Inadvertent Interchange. These summaries shall not include any after-the-fact changes that were not agreed to by the Source Balancing Authority, Sink Balancing Authority and all Intermediate Balancing Authority(ies).
- 1.2.** Inadvertent Interchange summaries shall include at least the previous accumulation, net accumulation for the month, and final net accumulation, for both the On-Peak and Off-Peak periods.
- 1.3.** Each Balancing Authority shall submit its monthly summary report to its Regional Reliability Organization Survey Contact by the 15th calendar day of the following month.
- 1.4.** Each Balancing Authority shall perform an Area Interchange Error (AIE) Survey as requested by the NERC Operating Committee to determine the Balancing Authority's Interchange error(s) due to equipment failures or improper scheduling operations, or improper AGC performance.
- 1.5.** Each Regional Reliability Organization shall prepare a monthly Inadvertent Interchange summary to monitor the Balancing Authorities' monthly Inadvertent Interchange and all-time accumulated Inadvertent Interchange. Each Regional Reliability Organization shall submit a monthly accounting to NERC by the 22nd day following the end of the month being summarized.

2. Violation Severity Levels

| R#             | Lower VSL   | Moderate VSL   | High VSL   | Severe VSL  |
|----------------|---|--|--|---|
| R1.            | N/A   | N/A  | N/A  | Each Balancing Authority failed to calculate and record hourly Inadvertent Interchange.   |
| R2.            | N/A   | N/A  | The Balancing Authority failed to include all AC tie lines that connect to its Adjacent Balancing Authority Areas in its Inadvertent Interchange account.<br><br>OR<br><br>Failed to take into account interchange served by jointly owned generators. | The Balancing Authority failed to include all AC tie lines that connect to its Adjacent Balancing Authority Areas in its Inadvertent Interchange account.<br><br>AND<br><br>Failed to take into account interchange served by jointly owned generators. |
| <del>R3.</del> | <del>N/A</del>  | <del>N/A</del>   | <del>N/A</del>   | <del>The Balancing Authority failed to ensure all of its Balancing Authority Area interconnection points are equipped with common megawatt hour meters, with readings provided hourly to the control centers of Adjacent Balancing Authorities.</del>   |
| R34.           | The Balancing Authority failed to record Actual Net Interchange values that are equal but opposite in sign to its Adjacent Balancing Authorities. | The Balancing Authority failed to compute Inadvertent Interchange. | The Balancing Authority failed to operate to a common Net Interchange Schedule that is equal but opposite to its Adjacent Balancing Authorities.   | N/A   |
| R34.1.         | N/A   | N/A  | N/A  | The Balancing Authority, by the end of the next business day, failed to agree with its Adjacent Balancing Authorities to the hourly values of Net Interchanged  |

| R#       | Lower VSL | Moderate VSL | High VSL | Severe VSL  |
|----------|-----------|--------------|----------|---|
|          |           |              |          | <p>Schedule.</p> <p>AND</p> <p>The hourly integrated megawatt-hour values of Net Actual Interchange.</p>  |
| R34.1.1. | N/A       | N/A          | N/A      | The Balancing Authority, by the end of the next business day, failed to agree with its Adjacent Balancing Authorities to the hourly values of Net Interchanged Schedule.  |
| R34.1.2. | N/A       | N/A          | N/A      | The Balancing Authority, by the end of the next business day, failed to agree with its Adjacent Balancing Authorities to the hourly integrated megawatt-hour values of Net Actual Interchange.  |
| R34.2.   | N/A       | N/A          | N/A      | The Balancing Authority failed to use the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off-Peak hours of the month.   |
| R34.3.   | N/A       | N/A          | N/A      | The Balancing Authority failed to make after-the-fact corrections to the agreed-to daily and monthly accounting data to reflect actual operating conditions or changes or corrections based on non-reliability considerations were reflected in the Balancing Authority's Inadvertent |

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| R#   | Lower VSL  | Moderate VSL   | High VSL | Severe VSL   |
|------|--|--|----------|--------------|
|      |  |  |          | Interchange. |
| R45. | Adjacent Balancing Authorities that could not mutually agree upon their respective Net Actual Interchange or Net Scheduled Interchange quantities, submitted a report to their respective Regional Reliability Organizations Survey Contact describing the nature and the cause of the dispute but failed to provide a process for correcting the discrepancy. | Adjacent Balancing Authorities that could not mutually agree upon their respective Net Actual Interchange or Net Scheduled Interchange quantities by the 15th calendar day of the following month, failed to submit a report to their respective Regional Reliability Organizations Survey Contact describing the nature and the cause of the dispute as well as a process for correcting the discrepancy. | N/A      | N/A          |

**E. Regional Differences**

1. [Inadvertent Interchange Accounting](#) Waiver approved by the Operating Committee on March 25, 2004 includes SPP effective May 1, 2006.

**Version History**

| Version | Date             | Action   | Change Tracking |
|---------|------------------|--|-----------------|
| 0       | April 1, 2005    | Effective Date   | New             |
| 0       | August 8, 2005   | Removed “Proposed” from Effective Date   | Errata          |
| 1       | April 6, 2006    | Added following to “Effective Date:” This standard will expire for one year beyond the effective date or when replaced by a new version of BAL-006, whichever comes first. | Errata          |
| 2       | November 5, 2009 | Added approved VRFs and VSLs to document.<br>Removed MISO from list of entities with an Inadvertent Interchange Accounting Waiver (Project 2009-18).                       | Revision        |
| 2       | November 5, 2009 | Approved by the Board of Trustees  |                 |
| 2       | January 6, 2011  | Approved by FERC   |                 |