

A. Introduction

1. **Title:** Near-term Energy Reliability Assessments
2. **Number:** BAL-007-1
3. **Purpose:** To assess, report, and plan to address forecasted Energy Emergencies in the near-term time horizon.
4. **Applicability:**
 - 4.1. **Functional Entities:**
 - 4.1.1. Balancing Authority
5. ~~Effective Date: See Implementation Plan for BAL 007 1.~~

B. Requirements and Measures

- R1.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, document a process for conducting Near-Term Energy Reliability Assessments (ERA). *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- 1.1.** The Near-Term ERA process shall account for:
- 1.1.1.** Forecasted or assumed Demand profiles;
 - 1.1.2.** Resource capabilities and operational limitations, including fuel supply;
 - 1.1.3.** Energy transfers with other Balancing Authorities; and
 - 1.1.4.** Known Bulk Electric System (BES) Transmission constraints that limit the ability of generation to deliver their output to Load.
- 1.2.** The Near-Term ERA process shall specify the duration of the Balancing Authority's Near-Term ERAs.
- 1.3.** The Near-Term ERA process shall specify the frequency at which the Balancing Authority will conduct Near-Term ERAs, subject to the following:
- 1.3.1.** Each Balancing Authority will conduct Near-Term ERAs for all time periods unless the Balancing Authority demonstrates, via a documented methodology, that a Near-Term ERA is not necessary for a specified time period(s) because there is a low risk of an Energy Emergency occurring during that specified time period(s).
 - 1.3.2.** The documented methodology for identifying time periods for which the Balancing Authority will not conduct a Near-Term ERA must (i) define the criteria used to determine when there is a low risk of an Energy Emergency occurring, and (ii) account for the items listed in 1.1.1 – 1.1.4 and other conditions associated with Energy Emergencies.
- M1.** Each Balancing Authority shall have evidence that it documented a process for conducting Near-Term ERAs in accordance with Requirement R1.
- R2.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, document a set of Scenarios, or a method for developing Scenarios, for use in performing Near-Term ERAs. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- 2.1.** The set of Scenarios must include (i) a base Scenario with expected system conditions, and (ii) other Scenarios that stress the system due to the following conditions, as applicable to the Balancing Authority's system:
- 2.1.1.** Higher than forecasted or assumed Demand profiles;
 - 2.1.2.** The effects of an energy supply contingency;
 - 2.1.3.** The effects of a fuel supply contingency; and

2.1.4. Other stressed conditions that have a historical precedent of occurring, as defined by the Balancing Authority, based on the information available at the time of Scenario development.

- M2.** Each Balancing Authority shall have evidence that it documented the Scenarios, or the method of developing Scenarios, for use in performing Near-Term ERAs.
- R3.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, document one or more Operating Plan(s) to implement in response to forecasted Energy Emergencies, including provisions for notification to their Reliability Coordinator of the forecasted Energy Emergency and the Operating Plan(s). *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- M3.** Each Balancing Authority shall have evidence that it documented its Operating Plan(s) in accordance with Requirement R3.
- R4.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, perform Near-Term ERAs according to the process documented in Requirement R1 using the Scenarios or methods documented in Requirement R2. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- M4.** Each Balancing Authority shall have evidence that it performed the Near-Term ERAs in accordance with Requirement R4.
- R5.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, implement its Operating Plan(s), as documented in Requirement R3, when Near-Term ERAs identify any of the following forecasted Energy Emergencies: *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- Forecasted EEA2 circumstances as defined in EOP-011 Attachment 1 Section B; or
 - Forecasted EEA3 circumstances as defined in EOP-011 Attachment 1 Section B.
- M5.** Each Balancing Authority shall have evidence that it has implemented an Operating Plan(s) in accordance with Requirement R5.
- R6.** Each Balancing Authority shall, individually or jointly with other Balancing Authorities, review, update, as necessary, and provide to the applicable Reliability Coordinator its Near-term ERA process, Scenarios or methods, and Operating Plan(s), documented under Requirements R1 through R3, at least once every 24 calendar months. *[Violation Risk Factor: Low] [Time Horizon: Operations Planning]*
- M6.** Each Balancing Authority shall have evidence that it reviewed and provided its Near-term ERA process, Scenarios or methods, and Operating Plan(s) to its Reliability Coordinator, in accordance with Requirement R6.

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority: “Compliance Enforcement Authority” means NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

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 applicable entity shall keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

- The Balancing Authority shall keep data or evidence to show compliance with applicable requirements for six months for Near Term ERAs or since the last audit.

1.3. Compliance Monitoring and Enforcement Program: “Compliance Monitoring Enforcement Program” or “CMEP” means, depending on the context (1) the NERC Compliance Monitoring and Enforcement Program (Appendix 4C to the NERC Rules of Procedure) or the Commission approved program of a Regional Entity, as applicable, or (2) the program, department or organization within NERC or a Regional Entity that is responsible for performing compliance monitoring and enforcement activities with respect to Registered Entities’ compliance with Reliability Standards.

~~Violation Severity Levels~~

| R # | Violation Severity Levels | | | |
|----------------|---|--|---|--|
| | Lower VSL | Moderate VSL | High VSL | Severe VSL |
| R1. | N/A | The Balancing Authority documented an Energy Reliability Assessment process for the Near Term ERAs but did not account for the elements in Requirement R1 Part 1.1 or Part 1.2. | The Balancing Authority documented an Energy Reliability Assessment process for the Near Term ERAs but did not account for the elements in Requirement R1 Part 1.1 through Part 1.2. OR The Balancing Authority documented an Energy Reliability Assessment process for the Near Term ERAs but did not account for one of the elements in Requirement R1 Part 1.3. | The Balancing Authority failed to document an Energy Reliability Assessment process for the Near Term ERAs. OR The Balancing Authority documented an Energy Reliability Assessment process for the Near Term ERAs but did not account for any of the elements in Requirement R1 Part 1.3. |
| R2. | The Balancing Authority documented a set of Scenarios or a method of developing Scenarios but did not include one of the conditions listed in Requirement R2 Part 2.1. | The Balancing Authority documented a set of Scenarios or a method of developing Scenarios but did not include two of the conditions listed in Requirement R2 Part 2.1. | The Balancing Authority documented a set of Scenarios or a method of developing Scenarios but did not include three of the conditions listed in Requirement R2 Part 2.1. | The Balancing Authority documented a set of Scenarios or a method of developing Scenarios but did not include any of the conditions listed in Requirement R2 Part 2.1. OR The Balancing Authority failed to document a set of Scenarios or a method of developing Scenarios for use in performing Near-Term ERAs. |

| R # | Violation Severity Levels | | | |
|----------------|---------------------------|--------------|---|--|
| | Lower VSL | Moderate VSL | High VSL | Severe VSL |
| R3. | N/A | N/A | The Balancing Authority documented an Operating Plan(s) to implement in response to forecasted Energy Emergencies as identified in the Near Term ERAs but failed to include provisions for notification to the Reliability Coordinator. | The Balancing Authority failed to document an Operating Plan(s) to implement in response to forecasted Energy Emergencies as identified in the Near Term ERAs. |
| R4. | N/A | N/A | N/A | The Balancing Authority failed to perform a Near Term ERA in accordance with its process documented in Requirement R1 using the Scenarios or methods documented in Requirement R2. |
| R5. | N/A | N/A | N/A | The Balancing Authority failed to implement an Operating Plan(s) when a Near Term ERA identified any of the forecasted conditions in Requirement R5. |
| R6. | N/A | N/A | The Balancing Authority reviewed information that contained the Near Term ERAs process, the Scenarios or methods, and Operating Plan(s) but failed to update within 24 months. | The Balancing Authority failed to review, update, and provide the Near Term ERAs process, the Scenarios or methods, and Operating Plan(s) to the Reliability Coordinator. |

D. Regional Variances

None.

E. Associated Documents

- Implementation Plan
- NERC Project 2022-03 Technical Rationale
- NERC Project 2022-03 Project Page

Version History

| Version | Date | Action | Change Tracking |
|---------|-------------------|---------------------------------------|--|
| 1 | December 10, 2024 | Adopted by the NERC Board of Trustees | NERC Project 2022-03 energy assurance new standard |