

# Reserves/BAL 002

Where are we?

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- WECC will adopt 90 days after FERC approval.

# Importance of reserves market

- BAL002 will effectively clarify that energy will be sold unbundled from reserves.
- This will provide a plain vanilla energy product that is standard, easy to define, widely applicable, and fungible.
- Interchange transactions will have their effect on contingency reserve requirements via their effect on generation.
- Nearly all negative comments received by NERC on BAL002 referenced the need for a reserves market.
- Need to continue with development of reserves product.
- Need to continue educational effort.

# Remaining issues

- Single source generation
- Existing, long-dated contracts

# Suite of capacity products

- Task force believes creating separate capacity products will help with the unbundling.
- Slated:
  - Capacity with and w/o energy
  - RA capacity
  - Operating reserves
    - Contingency (spin and non-spin)
    - Regulating
  - Load following

How we doin'?



# How we doin'?

- Business is still getting done.

# OC duties

- *To submit to the Executive Committee proposed amendments to this Agreement, provided that the Operating Committee shall have no authority to amend this Agreement, and further provided that the Executive Committee may amend this Agreement under Section 8.1.6 without having first received recommendations from the Operating Committee.*