**via posting**

**TO:** Interested Industry Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE:** Final Minutes from January 4, 2023 WEQ BPS Meeting

**DATE:** January 6, 2023

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**January 4, 2023 – 1:00 PM to 4:00 PM Central**

**FINALMINUTES**

1. **Welcome**

Mr. Phillips welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. The participants introduced themselves. Mr. Phillips reviewed the agenda. The agenda was adopted on a motion by Mr. Brooks, seconded by Mr. Wood.

Mr. Phillips reviewed the draft minutes from the December 6, 2022 meeting. No modifications were offered. Mr. Brooks moved, seconded by Mr. Wood, to adopt the minutes as final. The motion passed a simple majority vote without opposition. The final minutes from the meeting are available at the following link: <https://naesb.org//pdf4/weq_bps120622fm.docx>.

1. **Continue Discussion on Standards Request R22001 – Continue to Discuss Informal Comments**

Mr. Phillips stated that during the informal comment period, comments were submitted by [WAPA](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_wapa.docx), [NRG](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_nrg.pdf), [Southern Company](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_soco.docx), [MISO](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_miso_late.docx), [jointly](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_ieso_isone_nyiso_miso_spp.docx) by IESO, ISO-New England, NYISO, MISO, and SPP and on [behalf](https://naesb.org/member_login_check.asp?doc=weq_bps103122reqcom_gmlc.docx) of the U.S. Department of Energy Grid Modernization Laboratory Consortium Project on Grid Services and Energy Services Interface (GMLC). He indicated that the informal comments had been compiled into a [work paper](https://naesb.org/member_login_check.asp?doc=weq_bps120622reqcom_w1.docx) and that during the previous meeting, the participants had completed review of the informal comments relating to the defined terms and accompanying definitions. The participants continued review with the informal comments addressing the drafts standards language.

Mr. Wood stated that Southern Company proposed that the applicability section of the new suite of standards be consistent with the applicability of WEQ-015 and WEQ-020, which indicates that the business practices are only applicable to ISO/RTO administered markets. Mr. Widergren responded that the intent of Standards Request R22001 was to develop standards broadly applicable to any system operator and indicated that the draft standards language was crafted in such a way as to be applicable to any wholesale market system operator. Mr. Wood stating that if the standards are to be applicable to ISO/RTO markets as well as those operated by vertically integrated utilities, then there may need to be further revisions to the standards, noting that non-ISO/RTO entities often do not have governing documents. Mr. Phillips stated that the draft standards use the defined term “Governing Documents,” the definition for which in WEQ-000 generically reference an entity’s governance documents, not any one specific document.

Mr. Wood expressed concern that the standards could be interpreted to require a system operator to offer specific services or market products. Mr. Widergren stated that the language of the draft standards makes clear that an entity’s Governing Documents is the driver for which grid services are offered within a given market. Mr. Phillips agreed, noting that WEQ-XXX-1 specifically states that it is the Governing Documents of a system operator that define the grid services offered within a market.

Mr. Wood noted that there could be confusion between the grid services as referenced in the new suite of standards and the demand response related services referenced in WEQ-015 and WEQ-020, which are only applicable to ISO/RTO administered markets. Mr. Brooks acknowledged that while WEQ-015 and WEQ-020 do use similar terminology to that included in the new suite of standards, the subcommittee participants purposefully created new defined terms with explicit definitions for inclusion in WEQ-000 in order to help make a clear distinction between demand response services and the broader category of grid services. He noted that WEQ-000 also identifies which suite of standards in which a defined term is used, which should serve to further minimize any confusion. Mr. Widergren agreed, stating that the request for standards development submitted by the U.S. DoE, Lawrence Berkley National Laboratory, and Pacific Northwest National Laboratory was not intended to build upon WEQ-015 or WEQ-020 but rather create new standards that can provide commonality regarding the various operational grid services that may be offered within markets.

Mr. Wood asked if this effort should be joint with the WEQ OASIS Subcommittee or if asked if additional standards development activities would be required to ensure the new standards are consistent with the WEQ OASIS Suite of Standards as WEQ-001-2.5.1 specifically contains requirements related to ancillary services. Mr. Phillips indicated that this effort had been specifically assigned to the WEQ BPS as the standards broadly identify the categories of grid services that may be offered and do not create new services or define how such services work or are used. He noted that the WEQ OASIS Suite of Standards specifically address the scheduling and reservation process on a transmission system and that while this could be an area of future standards development, the execution and utilization of grid services is beyond the scope of the current effort.

The participants worked to reword the Introduction and Applicability sections to clearly indicate that the standards establish common grid services, not any specific requirements related to compensation, design, operation or use, and that a system operator is not required to offer any of the grid services identified within the standards. There was general agreement with the proposed language.

Mr. Phillips noted that the majority of the remaining informal comments propose modifications for consistency and to correct grammatical mistakes. The participants reviewed and discussed the informal comments submitted regarding the draft standards addressing Energy Grid Service and Reserve Grid Service. The participants agreed to apply the consistency and grammatical modifications made for these standards to the draft standards addressing Regulation Grid Service, Frequency Response Grid Service, Voltage Management Grid Service, and Emergency Grid Service, as applicable. Due to time constraints, the participants will finish review of the informal comments during the next meeting.

The response of the WEQ BPS to the informal comments discussed during the meeting can be viewed at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps010423a1.docx>.

1. **Identify Next Steps and Action Items**

Mr. Phillips stated that the next meeting of the subcommittee will be held on January 25, 2022, during which the participants will finish review of the informal comments and potentially consider voting on a recommendation for standards development. He stated that he and Ms. Sieg would work to prepare a draft recommendation that can be discussed.

1. **Other Business**

There was no other business discussed.

1. **Adjourn**

The meeting adjourned at 4:01 PM Central on a motion by Ms. Berdahl.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| Tina | Gary | Portland General Electric  |
| Cheryl | Mendrala | ISO-New England |
| Joshua | Phillips | Southwest Power Pool |
| Ken | Quimby | Southwest Power Pool |
| Robin | Rebillard | Manitoba Hydro |
| Ron | Robinson | TVA |
| Lisa | Sieg | LG&E and KU Services |
| Danielle | Smith | SMUD |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Steve | Widergren | Pacific Northwest National Laboratory |
| JT  | Wood | Southern Company |