**via posting**

**TO:** Interested Industry Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE:** Draft Minutes from February 18, 2021 WEQ BPS Meeting

**DATE:** February 24, 2021

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**February 18, 2021 – 1:00 PM to 4:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Mr. Brooks welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. The participants introduced themselves. Mr. Brooks reviewed the agenda. The agenda was adopted by consensus.

The participants reviewed the December 10, 2020 draft meeting minutes. No modifications were offered. Mr. Robinson moved, seconded by Mr. Phillips, to adopt the draft minutes as final. The motion passed a simple majority vote. The final minutes for the meeting are available at the following link: <https://www.naesb.org/pdf4/weq_bps121020fm.docx>.

1. **Review Formal Comments and Develop Additional Revisions if Necessary in Response to the Recommendation to Support 2021 WEQ Annual Plan Item 2.a – Consistent with FERC Order No. 676-I, reconsider the reservation of WEQ-006 Manual Time Error Correction and determine if the standards should be retained or revised (see ¶46 – 47)**

Mr. Brooks stated that the in response to the recommendation to support 2021 WEQ Annual Plan Item 2.a, BPA, SPP, and Southern Company submitted formal comments.

Ms. Berdahl reviewed the formal comments submitted by BPA. She stated that while BPA is in favor of ultimately reserving the WEQ-006 Manal Time Error Corrections Business Practice Standards, BPA recognizes that there are entities that within the Eastern Interconnection that believe standards addressing manual time error correction are commercial necessary at this time. BPA is supportive of the standards proposed by the recommendation as the standards make accommodations for those in the Western Interconnection that participate in automatic time error correction as proposed by WECC.

Mr. Phillips reviewed the formal comments submitted by SPP. He stated that SPP is supportive of the recommendation and appreciates the work of the subcommittee participations in drafting the proposed standards.

Mr. Wood reviewed the formal comments submitted by Southern Company. He stated that Southern Company is not supportive of the recommendation and favors retirement of all standards addressing manual time error correction. This is reflected in a proposal to strike WEQ-006-x14 and WEQ-006-x15. Mr. Brooks asked if there were any participants that also supported striking these two proposed standards. Mr. Swan stated that these standards should be retained.

Mr. Wood stated that the formal comments submitted by Southern Company propose one minor change to the recommendation. As part of the introduction, a sentence is included that indicates the standards are not applicable to entities that are practicing automatic time error correction. Mr. Wood explained that for consistency with other WEQ Business Practice Standards, this language should be included as an actual standard. He proposed that the sentence be struck from the introduction and incorporated as WEQ-006-x13.1. Mr. Swan asked if it would be more appropriate to include the exclusion as part of the applicability portion of the standard. Mr. Wood stated that including the exclusion in the standards language would be consistent with how exclusions are addressed in other standards, including WEQ-001.

Mr. Swan moved, seconded by Mr. Wood, to adopt as late formal comments the revisions proposed by Southern Company to the introduction and WEQ-006-x13.1. The motion passed a simple majority vote without opposition.

Ms. Trum stated that the recommendation and all formal comments, including those just developed by the WEQ BPS, would be submitted to the WEQ Executive Committee for consideration on March 9, 2021.

1. **Discuss 2021 WEQ Annual Plan Item 1.a – Update WEQ-005 Area Control Error (ACE) Equation Special Cases to account for modifications to NERC Dynamic Transfer Reference Document V4 (Standards Request R20008)**

Mr. Brooks asked Ms. Trum to provide an update regarding coordination with NERC. Ms. Trum stated that as indicated in a previous meeting of the WEQ BPS, the NERC Resources Subcommittee reviewed the WEQ-005 ACE Equation Special Cases and the NERC Dynamic Transfer Reference Document. She stated that the NERC subcommittee had indicated that there were areas of overlap, but that the NAESB standards included additional details not currently found in the NERC documentation. Mr. Swan noted that the NERC Resources Subcommittee had identified modifications to the NERC Dynamic Transfer Reference Document to incorporate elements from WEQ-005. Ms. Trum stated that as part of coordination with NERC staff and NERC subcommittee leadership, NERC indicated that it would not move forward with these modifications until the NAESB standards development process was completed.

Mr. Brooks asked if a commercial gap would exist if NAESB reserved the standards. Ms. Trum stated that this is a determination for the subcommittee participants. She explained that if the standards serve a commercial purpose, then the subcommittee participants need to determine if the standards should be retained as is or revised. The WEQ-005 Business Practice Standards were developed in coordination with NERC to address issues that were deemed commercially relevant as part of the ACE Equation. NERC included ACE-related requirements necessary for reliability as part of the NERC Reliability Standards and has since developed additional non-mandatory guidance as part of the NERC Dynamic Transfer Reference Document. Mr. Wood stated that if NERC has made a determination that particular requirements are not related to reliability and as such not included in the reliability standards, then that information could be included in a business practice standard. He explained that because the Dynamic Transfer Reference Document contains guidance that is not mandatory for the industry to follow, there should not be a double jeopardy issue in overlap with the WEQ Business Practice Standards.

Mr. Wood asked where the ACE equation is maintained within the NERC documentation. Mr. Kirsch stated that the ACE equation previously appeared in NERC BAL-001 but has since been moved to the NERC Glossary of Terms. Mr. Ciabattoni noted that the equation that appears in the NERC documentation and WEQ-005 appears to be mathematically the same. Mr. Phillips stated that the perceived differentiations could just be because of a difference in terminology between NAESB and NERC. Mr. Kirsch agreed.

Mr. Swan stated that correctly calculating ACE is a reliability issue but that ensuring JOUs are properly addressed is a commercial component of the reliability calculation. He stated that based on his review of WEQ-005 and the NERC Dynamic Transfer Reference Document, it does not appear that the reference document explicitly addresses JOUs although the subject may be implicitly discussed.

Mr. Phillips suggested that the participants discuss internally within their own companies if there is still a commercial value to the standards. He stated that if so, the participants need to decide if the standards should the standards be retained as they currently appear or revised, and if not, then the participants would need to determine if all or a portion of the standards should be reserved. There was general agreement to proceed in this manner

1. **Next Steps/Review Action Items**

Ms. Trum stated that the WEQ BPS will be holding a joint meeting with the RMQ BPS on February 23, 2021 to continue addressing the REC master agreement as well as meeting on February 25, 2021 to kick-off work on 2021 WEQ Annual Plan Item 7.

1. **Adjourn**

The meeting adjourned at 2:54 PM Central by consensus.

1. **Attendance**

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| **First Name** | **Last Name** | **Organization** |
| Scott | Aclin | SPP |
| Kokou | Agbassekou | CAISO |
| Dawna | Argon | TVA |
| Jack | Armstrong | Duke Energy |
| Rebecca | Berdahl | BPA |
| Dick | Brooks | Reliable Energy Analytics |
| Scott | Brown | SPP |
| Joe | Ciabattoni | PJM |
| Dave | Delparte | CAISO |
| Patrick | Foley | NV Energy |
| Cory | Herbolsheimer | NV Energy |
| Dave | Kirsch | BPA |
| Joshua | Phillips | SPP |
| Nick | Quinata | BPA |
| Robin | Rebillard | Manitoba Hydro |
| Ron | Robinson | TVA |
| John | Spomer | CAISO |
| Steve | Swan | MISO |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |