**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from June 1, 2022 WEQ BPS Meeting

**DATE:** June 2, 2022

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**June 1, 2022 – 10:00 AM to 4:00 PM Central**

**DRAFT MINUTES**

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. Wood, seconded by Mr. Stewart.

The participants reviewed the draft minutes from the May 4, 2022 meeting. No modifications were offered. Mr. Wood moved, seconded by Mr. Stewart, to adopt the draft minutes as final. The final meeting minutes from the meeting are available at the following link: <https://naesb.org//pdf4/weq_bps050422fm.docx>

1. **Continue to Discuss 2022 WEQ Annual Plan Items 2.a and 2.b – Consistent with FERC Order No. 676-J, review WEQ-023-1.4 and WEQ-023-1.4.1 and determine if revisions are needed to address NOPR comments regarding contract path management/Consistent with FERC Order No. 676-J, review the WEQ-023 Business Practice Standards and make modifications as necessary to improve the accuracy of ATC and related calculations**

Mr. Phillips stated that at the last meeting, the subcommittee participants had developed six [proposals](https://naesb.org/member_login_check.asp?doc=weq_bps060122w2.docx) for consideration regarding potential revisions to WEQ-023-1.4.1. He indicated that BPA had submitted a [work paper](https://naesb.org/member_login_check.asp?doc=weq_bps060122w1.docx) regarding the proposals.

Mr. Stewart stated that BPA is in support of the modification to WEQ-023-1.4.1 included in the subcommittee’s work paper as Option #1A with a slight modification to incorporate “TTC” into the language. He explained that this language will provide the greatest clarity for entities in both the Eastern Interconnection and Western Interconnection while also being consistent with Commission findings in FERC Order No. 676-J. Mr. Wood stated that during the previous meeting, there had been questions regarding if the phrase “prior to the top of the hour or the interval of flow” was unclear and would cause confusion regarding the intended timeframe. Mr. Stewart stated that the timing described in WEQ-004-20, as discussed at the last meeting, is specific to a single e-Tag. He explained that WEQ-023-1.4.1 references Net Interchange Schedule, which represents an aggregate of e-Tags, and that the phrase “prior to the top of the hour or the interval of flow” in the standard would be describing Net Scheduled Interchange, which includes all e-Tags that are in place and continuing as well as those that will start in the next interchange schedule. Mr. Stewart stated BPA’s proposed revisions to WEQ-023-1.4.1 makes clear that the action which must be taken, reconciling the sum of e-Tags versus the TTC or the facility ratings of the tie facilities, and that this action must happen before the top of the hour or the beginning of an interval of flow. He explained that the specific timing window (e.g. 10 minutes prior, 15 minutes prior, etc.) will be dependent upon a transmission provider’s specific business practices.

Mr. Pacella indicated that he had expressed concerns during the previous meeting that the phrase “prior to the top of the hour or the interval of flow” was ambiguous but that the explanation provided by BPA in the work paper is helpful. He stated that while there may be alternative language that could be used, PJM could be supportive of the modifications proposed by BPA.

Mr. Wood expressed support for BPA’s proposal, noting that it accommodates practices in both the Eastern Interconnection and Western Interconnection in a better way than the original language.

Mr. Phillips asked if there was any opposition to the modifications proposed by BPA to WEQ-023-1.4.1. None were offered.

The subcommittee’s WEQ-023-1.4.1 Modification Proposals document as revised during the meeting is available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps060122a1.docx>

Mr. Phillips stated that as part of original discussions on 2022 WEQ Annual Plan Item 2.a, there had been an indication from some participants that other revisions may be necessary in addition to modifications to address the timing parameters. He asked if there were further changes to WEQ-023-1.4 or WEQ-023-1.4.1 that should be discussed. Mr. Stewart stated that BPA had revisions to WEQ-023-1.4 but was not prepared to discuss those modifications at the meeting. He indicated that BPA could submit a work paper for the next meeting. Mr. Wood noted that conforming changes to WEQ-023-1.4 are needed to mirror the terminology changes proposed in WEQ-023-1.4.1. He suggested that the participants make these modifications during the next meeting and potentially consider voting out a recommendation. Mr. Phillips asked the participants to come prepared to the next meeting with any further changes for subcommittee consideration. He indicated that he would prepare a draft recommendation for subcommittee review.

Mr. Phillips noted that as previously discussed, the subcommittee is reliant upon industry input as to if there are any needed additional modifications to improve the accuracy of ATC and related calculations as part of 2022 WEQ Annual Plan Item 2.b. He stated that to date, no one had raised an issue to be addressed or put forth modifications for consideration. Mr. Phillips asked participants to bring any proposals for discussion as part of this annual plan item to the next meeting and suggested that if there were no recommendations for items of consideration, then the subcommittee should consider a no action recommendation. There was no objection to proceeding in this manner.

1. **Discuss 2022 WEQ Annual Plan Item 7.a.ii – Create standard designations of critical electric infrastructure facilities during impending extreme weather-related emergency operating conditions consistent with other industry designations**

Mr. Phillips stated that as part of Standards Request R21006, an annual plan item had been created for both the WEQ BPS and the WGQ BPS to address, individually, the creation of a standard designation of critical electric and natural gas infrastructure facilities, respectively, during impending extreme weather-related emergency operating conditions consistent with other industry designations. He explained that the WEQ, WGQ, and RMQ BPS held a series of joint meetings to address the jointly assigned annual plan items resulting from the request, defining a standard for the declaration of an impending extreme weather-related emergency operating condition and developing standard communication protocols to support information sharing between critical parties during such an event.

Mr. Phillips stated that during the April 26, 2022 meeting of the Joint WEQ, WGQ, and RMQ BPS, the subcommittees voted out a no action recommendation for both jointly assigned annual plan items. He indicated that in making the assignments on the request, the intent of the Joint WEQ, WGQ, and RMQ Executive Committees was for the subcommittees to work jointly to create a standard designation for extreme weather-related emergency operating conditions, followed by the WEQ and WGQ identifying the critical infrastructure elements, and then joint development of communication standards by the WEQ, WGQ, and RMQ.

Mr. Phillips explained that now that the joint WEQ, WGQ, and RMQ BPS have voted out a no action recommendation for both jointly assigned annual plan items, the WEQ BPS needed to determine how to move forward on its individual assignment. The participants discussed how to proceed. It was noted that without guidance on what constitutes an extreme weather-related emergency operating condition, it would be difficult to identify which electric infrastructure facilities were critical.

Mr. Wood moved, seconded by Mr. Robinson, for a no action recommendation in support of 2022 WEQ Annual Plan Item 7.a.ii. The motion passed a simple majority vote without opposition.

1. **Continue to Discuss 2022 WEQ Annual Plan Item 6 – Develop and/or modify standards for information and reporting requirements to support battery storage/energy storage and, more broadly, distributed energy resources in front and behind the meter**

Mr. Phillips stated that during the previous meeting, the subcommittee had discussed the items on the [parking lot](https://naesb.org/pdf4/weq_bps060122w3.docx) for the drafting of standards to support the registration process for distributed energy resources and distributed energy resource aggregations, one of which was the need to potentially create standards supporting grid services. He indicated that in May, NAESB received a request for standards development, R22001, submitted jointly by the U.S. Department of Energy, Lawrence Berkeley National Laboratory, and Pacific Northwest National Laboratory proposing to define a common list of grid services for electric market interactions that support distributed energy resources.

Mr. Rahimi asked if the request focuses only on bulk power grid services or also grid services applicable at the distribution level. Ms. Trum responded that the request proposes to harmonize grid service terminology and definitions supporting distributed energy resources in both the organized markets and distribution systems and has been assigned to both the WEQ and RMQ to address individually. Mr. Phillips stated that within wholesale electric, the request has been assigned to the WEQ BPS with a kick-off meeting scheduled for June 14, 2022. He explained that similar to the demand response/energy efficiency standards development efforts, the intent is for the WEQ to develop standards first, which the RMQ can use as a foundation for a similar standards development effort.

Mr. Wood noted that work to address the new standards request may potentially overlap with the subcommittee’s efforts to address standards development under 2022 WEQ Annual Plan Item 6. Mr. Phillips responded that while these are distinct efforts, standards developed to address Standards Request R22001 could provide the subcommittee with a better understanding of necessary information that will need to be communicated regarding grid services as part of the registration process. Mr. Rahimi asked if the request addresses the communication of information associated with the grid services that can be provided by a distributed energy resource. Mr. Phillips responded that as described in the request, the effort proposes to leverage the FERC EQR Data Dictionary that identifies existing market products and services and to develop a list of common grid services with technology-neutral descriptions. He explained that communication of information regarding the capabilities of a distributed energy resource to provide a specific service would likely fall under 2022 WEQ Annual Plan Item 6. Mr. Brooks agreed.

Mr. Phillips suggested that the participants may want to consider pausing work on the annual plan item to focus on the standards request. He explained that this would allow the subcommittee to be responsive to the request from the U.S. Department of Energy in a timely manner, potentially provide guidance on communication activities necessary to support the participation of distributed energy resources in the wholesale market, and prevent the development of duplicative or contradictory standards. There was general agreement to proceed in this manner.

Mr. Phillips asked if there were any additional items that needed to be added to the parking lot as placeholders for future discussion. Mr. Rahimi asked that an item be added for the participants to consider revisions to the data elements to support minimum down time and seasonality for distributed energy resource aggregation profiles.

The draft standards work paper as revised during the meeting is available at the following link: <https://naesb.org//pdf4/weq_bps060122a2.docx>

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

Mr. Phillips proposed that the meeting time for the July 1, 2022 meeting of the WEQ BPS be changed from 10:00 AM – 4:00 PM Central to 10:00 AM – 12:00 PM Central. There was no opposition to the proposal.

1. **Adjourn**

The meeting adjourned at 1:52 PM Central on a motion by Mr. Brooks, seconded by Mr. Wood.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Dick | Brooks | Reliable Energy Analytics  |
| Scott | Brown | SPP |
| Brad | Decker | MISO |
| Amy | Doner | MISO |
| Julie | Gerush | SPP |
| Brad | Johnston | SPP |
| Nichole | Mulcahy | Nebraska Public Service Commission |
| Chris | Pacella | PJM |
| Conway | Pan | PJM |
| John | Pearson | ISO-New England |
| Joshua | Phillips | SPP |
| Farrokh | Rahimi | OATI |
| Robin | Rebillard | Manitoba Hydro |
| Byron | Reischl | Arizona Public Service |
| Ron | Robinson | TVA |
| Patrick | Scarborough | Southern Company |
| Mike | Steigerwald | BPA |
| Scott  | Stewart | BPA |
| Matt | Sutton | MISO |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |