**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from June 17, 2021 WEQ BPS Meeting

**DATE:** June 24, 2021

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**June 17, 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. Mr. Wood moved, seconded by Mr. Robinson, to adopt the agenda. The motion passed a simple majority vote without opposition.

The participants reviewed the draft minutes from the June 3, 2021 meeting. One modification was made to correct a typographical error. Mr. Wood moved, seconded by Mr. Robinson to adopt the draft minutes as final. The motion passed a simple majority vote without opposition. The final meeting minutes are available at the following link: <https://www.naesb.org/pdf4/weq_bps060321fm.docx>

1. **Discuss 2021 WEQ Annual Plan Item 7 – 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. Brooks stated that during the previous meeting, the participants had reviewed the Standard Terms Work Paper submitted by Mr. Phillips to identify common terms associated with FERC Orders No. 841 and 2222 and energy storage resources/distributed energy resources as well as proposed definitions. Based on input provided by participants, the work paper was further [revised](https://naesb.org/pdf4/weq_bps061721w1.docx) during the last meeting. Mr. Brooks stated that during the last meeting, Mr. Wood took an action item to cross-reference the proposed terms with any defined terms that exist within the WEQ Business Practice Standards. Mr. Wood stated that he had submitted a revised [Standard Terms Work Paper](https://naesb.org/pdf4/weq_bps061721w3.docx) that is posted as a work paper for the meeting. He explained that the work paper identifies if one of the terms included in the work paper is an existing defined term in WEQ-000 Abbreviations, Acronyms, and Defined Terms Business Practice Standards or if there are similar or related terms used within other WEQ Business Practice Standards. Mr. Brooks asked Mr. Wood to review the work paper.

Mr. Wood stated that WEQ-000 identifies Distributed Energy Resource as a defined term and that the term is used in WEQ-016 Specifications for Common Electricity Product and Pricing Definition as well as WEQ-018 Specifications for Wholesale Standard Demand Response Signals. He noted that the definition for Distributed Energy Resource in WEQ-000 is based on a definition provided by the U.S. Department of Energy. Mr. Phillips noted that the existing definition may more narrowly define a distributed energy resource than as contemplated by the definition provided by FERC in Order No. 2222. Mr. Rahimi stated that the participants will need to discuss how to reconcile the definitions and use of existing defined terms within the WEQ Business Practice Standards that may differ from the definitions provided by the FERC in Order Nos. 841 or 2222. Mr. Wood stated that some of the definitions included in the FERC Orders may be incorporated into FERC regulations and/or included in tariffs by jurisdictional entities. He stated that where possible, the definitions for defined terms included in WEQ-000 should be broadly applicable.

Mr. Wood stated that there are exiting standards that reference aggregations that the participants may want to review in defining distributed energy resource aggregator and distributed energy resource aggregation. He explained that the WEQ-000 terms Aggregated Demand Resource, Asset Group, Baseline Type – II (Non-Interval Metered), Demand Resource, Resource, and Response Method Aggregation could have applicability to distributed energy resource aggregator and distributed energy resource aggregation. These defined terms are used within WEQ-015 Measurement and Verification of Wholesale Electricity Demand Response, WEQ-016, WEQ-017 Specifications for Common Schedule Communication Mechanism for Energy Transaction, WEQ-018, and WEQ-020 Smart Grid Data Elements Table. Mr. Rahimi stated that in defining distributed energy resource aggregator and distributed energy resource aggregation, the participants need to clearly differentiate between the terms and any potential abbreviations. Mr. Brooks took an action item to review FERC Order No. 2222 and identify any definitions provided by the FERC for each of the identified types of distributed energy resources within the Order.

Mr. Wood stated that WEQ-015 and WEQ-021 Measurement and Verification of Energy Efficiency Products have been incorporated by reference into the Commission’s regulations and mandated for jurisdictional entities. Ms. Trum stated that the WEQ Smart Grid Standards (WEQ-016, WEQ-018, WEQ-018, WEQ-019, and WEQ-020) are listed as part of non-mandatory guidance in the Commission’s regulations. The participant discussed how the existing standards should be evaluated. Mr. Phillips stated that reviewing existing standards could be a useful starting point but that there may be limited applicability to the current standards development effort. He stated that WEQ-015 and WEQ-021 are narrow in scope and, in part, reflective of directives in FERC Order Nos. 719 and 745 and that WEQ-016 through WEQ-020, while they reference demand response and distributed energy resources, are specifically focused on communication use cases and data requirements for smart grids.

Ms. Swenson stated that establishing common terms and definitions would be of use not only to the ISOs and RTOs implementing the FERC directives but also state regulators and distributed energy resource aggregators that may participate in multiple markets. She suggested that the subcommittee participants identify existing terms related to energy storage and distributed energy resources that markets are already using to determine if those terms and definitions can be leveraged for standards development. It was noted by participants that both CAISO and NYISO already have a number of distributed energy resources participating within their footprints and may have developed relevant defined terms. Mr. Brooks stated that both NYISO and CAISO have participated in recent WEQ BPS meetings but that there were not representatives from either organization on the call. Ms. Trum stated that she would reach out to the participants from these organizations.

The participants discussed how the subcommittee could address grid services. Mr. Fleishman stated that there could be a benefit in developing standards addressing grid services at a high level but that the it may be difficult to standardize specific grid services because of wide differences within the markets. Mr. Phillips agreed, stating that it may be more beneficial to identify the broad categories of grid services, such as capacity services or energy services rather than defining the specific types of services within each category. He stated that while a number of grid services are common across the industry, the services often have different names within each market and resource requirements are tailored to meet specific market needs. Mr. Rahimi stated that FERC has defined several ancillary services. Mr. Wood stated that there are existing WEQ Business Practice Standards that define grid services and took an action item to provide a work paper broadly categorizing the services included in the standards.

Mr. Rahimi stated that one area in which clarity may be needed is if a resource that is participating in both retail and wholesale markets can simultaneously provide services at the distribution and bulk power levels. Mr. Brooks stated that another area that may need clarity is if a resource can provide one or more bulk power level services at the same time. Mr. Gladd stated that these areas might be market specific and dependent on varying operational requirements.

Mr. Gladd stated that one path to support the provision of grid services from distributed energy resources could be to define the specific values such resource types can provide. These standardized attributes could then be used to identify which product or service that exists within a given market can be provided by a distributed energy resource. Mr. Gladd explained that standards of this nature may be of greater use than identifying and defining every type of grid service. Mr. Phillips stated this type of approach would also be better suited to accommodate the creation of future grid services than standards that identified a definitive list of existing grid services.

Mr. Brooks stated that in addition to the Standard Terms Work Paper, the participants had also created the [DER Aggregation Descriptive Characteristics Work Paper](https://naesb.org/pdf4/weq_bps061721w2.docx) which identified other areas for potential standardization relating to homogeneous and heterogenous aggregations. These include common information about such aggregations such as locational information, operational characteristics of the resources comprising an aggregation, and the type and number of resources in the aggregation.

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

Mr. Brooks stated that at the next meeting, the participants would continue to discuss the two work papers reviewed during the meeting as well as any additional work papers submitted by participants.

1. **Adjourn**

The meeting adjourned at 3:33 PM Central on a motion by Mr. Phillips.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Dawna | Aragon | TVA |
| Dick | Brooks | Reliable Energy Analytics |
| Patrick | Foley | NV Energy |
| Bob | Fleishman | Kirkland & Ellis |
| Michelle | Foss | NAESB Advisory Council |
| Nicholas | Gladd | Kirkland & Ellis |
| Cory | Herbolsheimer | NV Energy |
| Raleigh | Mohr | SPP |
| John | Pearson | ISO-NE |
| Joshua | Phillips | SPP |
| Farrokh | Rahimi | OATI |
| Ron | Robinson | TVA |
| Robin | Rebillard | Manitoba Hydro |
| Scott | Stewart | BPA |
| Kristin | Swenson | MISO |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |