**via posting**

**TO:** Interested Industry Parties

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

**RE:** Final Minutes from June 29, 2021 WEQ BPS Meeting

**DATE:** June 30, 2021

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**June 29, 2021 – 1:00 PM to 4:00 PM Central**

**FINAL 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. Phillips moved, seconded by Mr. Gladd, to adopt the agenda. The motion passed a simple majority vote without opposition.

The participants reviewed the draft minutes from the June 17, 2021 meeting. One modification was made to correct a typographical error. Mr. Phillips moved, seconded by Mr. Gladd 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://naesb.org//pdf4/weq_bps061721fm.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 [additions](https://naesb.org/pdf4/weq_bps061721w3.docx) to the Standards Terms Work Paper provided by Mr. Wood. He stated that CAISO had submitted [feedback](https://naesb.org/pdf4/weq_bps062921w3.docx) in response to the proposed term names and definitions.

The participants discussed the work paper provided by CAISO. Mr. Brooks stated that the first suggestion provided by CAISO is to change the term Distributed Energy Resource Aggregator to Distributed Energy Resource Provider to avoid confusion between the acronym DERA and terms Distributed Energy Resource Aggregator and Distributed Energy Resource Aggregation. Mr. Phillips stated that as part of Order No. 2222, the FERC specifically identified the term Distributed Energy Resource Aggregator and provided a definition. He suggested that for this reason, the subcommittee use the term Distributed Energy Resource Aggregator. Mr. Wood agreed, stating that it is important for the standards and defined terms to be consistent with FERC terms and definitions. Mr. Phillips stated that to avoid confusion with the use of the DERA acronym, the subcommittee could consider an alternative name for Distributed Energy Resource Aggregation. He stated that FERC did not specifically define name or define a term for aggregations of distributed energy resources. Mr. Wood stated that the subcommittee could also consider not using the acronym DERA and suggested that Distributed Energy Resource Aggregator could be abbreviated to DER Aggregator. Mr. Gladd stated that the participants may want to consider not using acronyms for Distributed Energy Resource Aggregator or Distributed Energy Resource Aggregation as the FERC did not identify one as part of Order No. 2222. The participants determined not to modify the definition of Distributed Energy Resource Aggregator at this time.

Mr. Brooks stated that the second suggestion provided by CAISO is to modify the definition for the term Electric Storage Resource as some storage resources, such as hybrids, may not receive electric energy from the grid but rather onsite generation. Mr. Phillips stated that as part of Order No. 841, the FERC specifically identified the term Electric Storage Resource and provided a definition. He stated that the NAESB definition for the term should align with the definition provided by the FERC. Mr. Gladd agreed, stating that the definition specifically identifies Electric Storage Resources as those that are capable of receiving electric energy from the grid, not that the resources must receive electric energy from the grid. He stated that a storage resource which has a self-imposed limitation of receiving electric energy from an alternate source, like directly from onsite generation, is likely still physically capable of receiving electric energy from the grid and would fit as a resource under the proposed definition. Mr. Wood agreed, noting that pumped-hydro storage fits under the definition of an Electric Storage Resource even though it uses water as a medium to extract electric energy from the grid. The participants determined not to modify the definition of Electric Storage Resource at this time.

Mr. Brooks explained that in the work paper provided by Mr. Wood for the previous meeting, he had identified existing defined terms that appear in the WEQ Business Practice Standards that may be related to the terms and definitions identified in the Standard Terms Work Paper. Mr. Brooks proposed that the participants review the identified related terms and determine if there is applicability to the current standards development effort. There was general agreement to proceed in this manner.

The participants discussed the term Distributed Energy Resource. Mr. Wood noted that the defined term is currently included in WEQ-000 Abbreviations, Acronyms, and Defined Terms and the abbreviation for the term, DER, is referenced in WEQ-016-1.1 as part of the identified actors list and WEQ-016-2.3 as an identified actor in the table of use cases. He stated that the term is also referenced as part of the introduction to WEQ-018 Specifications for Wholesale Standard Demand Response Signals. Mr. Phillips stated that while the definition for Distributed Energy Resource identified by the FERC in Order No. 2222 differs from the current definition for the term included in WEQ-000, there appear not to be substantive differences between the definitions outside of the specific reference to the term MicroGrid in the current WEQ-000 definition. He stated that microgrids would likely be considered a subsystem of a distribution system. The participants agreed to use the definition for the term Distributed Energy Resource provided in Order No. 2222 to ensure consistency with Commission determinations. It was noted that the proposed definition would need to be reconciled with the current definition for the term as it appears in WEQ-000.

The participants discussed the term Distributed Energy Resource Aggregation. Mr. Wood stated that the existing WEQ Business Practice Standards use similar terms: Aggregated Demand Resource, Asset Group, Baseline Type – II (Non-Interval Metered), Demand Resource, Resource, and Response Method Aggregation. Mr. Phillips stated that while a demand response resource can be a distributed energy resource, these terms are specifically associated with standard developed to address demand response and smart grid. He stated that these terms would likely not be relevant to or conflict with the defined term Distributed Energy Resource Aggregation or the use of the term in new standards to specifically address roles and interactions associated with the participation and aggregation of distributed energy resources. There was general consensus with Mr. Phillips statements. The participants discussed if an alternate term should be used for Distributed Energy Resource Aggregation to avoid confusion with the acronym DERA. Mr. Gladd stated that any new term would also need to avoid confusion between an aggregation of distributed energy resources and a singular aggregated distributed energy resource.

The participants discussed the terms Transmission System and Distribution System. Mr. Phillips noted that both terms are defined within Order No. 2222. Mr. Wood stated that while WEQ-000 does not include Transmission System or Distribution System as defined terms, both terms are used throughout the WEQ Business Practice Standards. He stated that if the subcommittee determines that these terms need to be defined, then there will need to be a consideration about how the terms are used in existing standards.

The participants discussed the terms Heterogeneous Aggregation, Homogeneous Aggregation, Aggregation Metering Types, and Heterogeneous Aggregation Classes. It was determined to include DER as part of the defined term name for these terms. Ms. Berdahl stated that while the proposed definitions for these terms are not highly detailed, they would likely be sufficient for initial definitions. Mr. Phillips agreed, stating that the definitions can be refined as needed once the subcommittee determines how the defined terms will be used within the standards. There was general agreement to proceed with the definitions and develop additional details as needed.

The participants discussed the various grid services identified as part of past meetings. There was general consensus to limit the grid services to the high-level categories of Regulation, Capacity, Energy, and Reserve as discussed during the previous meeting.

The Standard Terms Work Paper as revised during the meeting is available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps062921a1.docx>

The participants reviewed the Parking Lot included in the 2021 WEQ Annual Plan Item 7 Work Paper. Updates were made to eliminate items no longer relevant to the work effort. New items were added to consider if transmission system and distribution system should be defined terms as well as to identify the interactions between entities associated with distribution energy resources. Mr. Brooks took an action item to provide additional information on seams information that may be relevant for interactions that cross ISO/RTO footprints. The document as revised during the meeting is available at the following link: <https://naesb.org//pdf4/weq_bps062921a2.docx>

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

The participants discussed what topics to address at the next meeting by reviewing the [DER Aggregation Descriptive Characteristics Work Paper](https://naesb.org/pdf4/weq_bps062921w2.docx). Mr. Phillips suggested that the participants may want to identify the types of information that would be needed for homogeneous and heterogeneous aggregations and begin to draft standards to support the communication of such information between parties. There was general agreement to proceed in this manner.

1. **Adjourn**

The meeting adjourned at 3:51 PM Central on a motion by Mr. Phillips.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Mark | Capano | NYISO |
| Patrick | Foley | NV Energy |
| Michelle | Foss | NAESB Advisory Council |
| Nicholas | Gladd | Kirkland & Ellis |
| John | Pearson | ISO-NE |
| Joshua | Phillips | SPP |
| Danielle | Smith | SMUD |
| Scott  | Stewart | BPA |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |