**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from November 12, 2020 WEQ BPS Meeting

**DATE:** November 20, 2020

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**November 12, 2020 – 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. Ms. Berdahl moved, seconded by Mr. Robinson, to adopt the agenda. The motion passed a simple majority motion without opposition.

The participants reviewed the October 1, 2020 draft meeting minutes. No modifications were offered. Mr. Wood moved, seconded by Mr. Phillips to adopt the revised minutes as final. The final minutes for the meeting are available at the following link: <https://www.naesb.org/pdf4/weq_bps100120fm.docx>.

1. **Continue to Discuss Standards Request R20008 – Request to update WEQ-005 Area Control Error (ACE) Equation Special Cases to account for modifications to the NERC Dynamic Transfer Reference Document Version 4**

Mr. Brooks asked Ms. Trum to provide an update on coordination with NERC regarding Standards Request R20008. Ms. Trum stated that during the September meeting, a consensus was reached that the industry should seek feedback from the NERC Resources Subcommittee regarding the guidance provided by the NERC Dynamic Transfer Reference Document, specifically if the document also encompasses the areas addressed by the WEQ-005 ACE Equation Special Cases Business Practice Standards. MISO reached out to the NERC Resources Subcommittee leadership, and NAESB staff coordinated with NERC to ensure this topic was included on the agenda of the subcommittee’s most recent meeting. Mr. Brooks asked the chair of the NERC Resources Subcommittee, Mr. Park, to provide an update of the subcommittee’s discussions.

Mr. Park stated that the NERC Resources Subcommittee preliminarily discussed the topic during its October 22, 2020 meeting and will continue to review the document in conjunction with the NERC Real-Time Operations Subcommittee. He indicated that based on the limited review, it does appear that the recent modifications to the NERC Dynamic Transfer Reference Document and the NERC Glossary of Terms address the requirements found in the WEQ-005 ACE Equation Special Cases Business Practice Standards. The next meeting of the NERC Resources Subcommittee is scheduled for January 2021.

Mr. Park asked what areas the subcommittee participants determined to potentially overlap with requirements found in the NERC documents. Mr. Phillips stated that this discussion arose out of an industry submitted standards request proposing NAESB review the recent changes made by NERC to the Dynamic Transfer Reference Document to determine if the equations included in WEQ-005 ACE Equation Special Cases Business Practice Standards needed to be revised. In addressing the request, participants noticed potential areas of duplication between the business practice standards and the reliability guidelines, which led to a consensus that the prudent path forward would be to coordinate with NERC to determine if there is overlap or if there are gaps which still need to be captured within the business practices.

Ms. Trum stated that NAESB would continue to coordinate with NERC as well as leadership for the NERC Resources and Real-Time Operations Subcommittees regarding this effort.

1. **Discuss and Vote on Recommendation to Address 2020 WEQ Annual Plan Item 8.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 reviewed the [draft recommendation](https://naesb.org/member_login_check.asp?doc=weq_bps111220w1.docx) as revised by the participants based during the previous meeting to address the proposed modifications made by the informal commenters. He stated that if the subcommittee votes out a recommendation, that means that the recommendation will then be posted for a thirty-day formal comment period and forwarded to the WEQ Executive Committee for consideration. Entities can submit comments during the formal comment period to articulate their positions or propose additional modifications, and the WEQ Executive Committee will need to approve the recommendation by a super majority vote to submit the standards for membership ratification.

Mr. Phillips moved, seconded by Ms. Berdahl, to adopt the recommendation with the addition of hyperlinks to the subcommittee’s meeting minutes as part of Section 4.

Mr. Robinson asked if the informal comments had been discussed by the subcommittee. Mr. Brooks stated that the informal comments were reviewed by the subcommittee during the October 1, 2020 meeting and that additional modifications were incorporated into the draft recommendation as a result. Mr. Robinson asked if modifications were made to the recommendation to address any of the issues raised by the informal comments submitted by Southern Company. Mr. Wood stated that the [comments](https://naesb.org/pdf4/weq_bps091020reqcom_soco.docx) submitted by Southern Company are not applicable to the recommended standards language but rather articulates why business practice standards are not needed for manual time error correction. Mr. Wood explained that as noted in NERC’s petition to FERC to retire the NERC BAL-004-0 Reliability Standards, these standards and the WEQ-006 Manual Time Error Correction Business Practice Standards are redundant to NERC Reliability Standards BAL-003-1.1 and BAL-001-2.

Ms. Welch stated that based on data collected by MISO and discussed as part of a [presentation](https://naesb.org/pdf4/weq_bps052220w6.pdf) during the May 22, 2020 meeting, there is a systematic error within the Eastern Interconnection that is causing an accumulation of approximately 20 minutes a year. This requires the Eastern Interconnection to continue to call manual time error corrections at this time. Ms. Welch stated that until this issue is resolved, manual time error correction remains a needed commercial practice and it would be prudent to continue to have business practice standards that ensure equitable participation among all entities within a given interconnection that calls a manual correction. Mr. Wood stated that the problem the Eastern Interconnection is experiencing is related to inadvertent interchange and that manual time error corrections are masking the true source of the issue. Ms. Welch expressed disagreement, stating that the cause of the issue has not been determined but is being discussed within NERC. She noted that there could be an error with the formula for frequency calculations.

Mr. Baker stated that the recommendation developed by the subcommittee participants aligns with FERC’s directive in Order No. 676-I which was to either provide justification as to why there is not a commercial need for the WEQ-006 Business Practice Standards or consider if the standards should be retained or revised. He suggested that as the Eastern Interconnection is still calling manual time error corrections, there is a commercial need to have business practice standards that will help ensure the process is equitable. Mr. Robinson suggested that the participants discuss potentially tabling a vote on the motion to allow more time for discussion on the issues. Mr. Baker stated that there is a distinction between discussing the merits of manual time error correction as a practice and potential issues with the proposed standards. The subcommittee is not discussing if time error correction as a practice should be continued but rather if there is a need for business practices to support commercial aspects of the manual time error correction process. The NERC Time Monitoring Reference Document contains guidance on when and how manual time error corrections are to be called. Mr. Baker explained that the proposed standards do not require manual time error corrections be called but rather are intended to ensure commercial equity by requiring that if a balancing authority is within an interconnection in which a manual time error correction is called, the entity participate.

Mr. Kirsch asked why the table identifying the timeframes for initiating and terminating corrective action was removed from the proposed standards. Mr. Phillips stated that the table was struck based on a suggestion made by the informal comments submitted by SPP to provide reliability coordinators within each interconnection the ability to better manage time error. Ms. Welch expressed concern with the impact of not including the table as part of the proposed standards.

Mr. Delparte asked if voting out the recommendation would preclude the subcommittee from making a determination at a later point to reserve the business practices. Ms. Trum stated that the industry has the ability to propose modifications to any standard as part of future standard development requests. She noted that the NAESB Annual Plans also include provisional items that identify areas which are being monitored for potential future standards development.

Mr. Brooks asked if there was any additional discussion. Mr. Wood asked for a balanced vote on the motion. The motion failed to gain simple majority support. The results are as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Segment | Votes Cast |   | Balanced Vote |   |
|   | YES | NO | TOTAL | YES | NO | TOTAL |
| Transmission | 2 | 2 | 4 | 1 | 1 | 2 |
| Generation | 0 | 2 | 2 | 0 | 2 | 2 |
| Marketers/Brokers | 0 | 2 | 2 | 0 | 2 | 2 |
| Distribution/LSE | 1 | 0 | 1 | 1 | 0 | 1 |
| End Users | 0 | 0 | 0 | 0 | 0 | 0 |
| IGO | 2 | 0 | 2 | 2 | 0 | 2 |
| Tech/Services | 1 | 0 | 1 | 1 | 0 | 1 |
| Total | 6 | 6 | 12 | 5 | 5 | 10 |

Those voting in favor of the motion were Mr. Armstrong (Duke Energy – Transmission), Ms. Berdahl (BPA – Transmission), Mr. Kirch (BPA – Distribution/LSE), Mr. Phillips (SPP – IGO), Mr. Delparte (CAISO – IGO), and Mr. Brooks (Reliable Energy Analytics – Tech/Services). Those voting against the motion were Mr. Arbitelle (Southern Company – Transmission), Mr. Robinson (TVA – Transmission), Ms. Crockett (TVA – Generation), Mr. Kitchens (Southern Company – Generation), Mr. Pitcaithly (TVA – Marketer/Brokers), and Mr. Wood (Southern Company – Marketers/Brokers). Ms. Welch abstained, stating that MISO is in favor of the recommendation but has concerns regarding modifications made to the proposed standards during the previous meeting.

The participants discussed the next steps to address the annual plan item. Mr. Armstrong expressed support for the development of a recommendation proposing standards. He explained that time error correction is still a practice being utilized by the industry, and that the FERC incorporated by reference as part of FERC Order No. 676-I the WEQ-006 Manual Time Error Correction Business Practice as they appear in WEQ Version 003.1. Mr. Baker expressed agreement, stating that as the subcommittee discussed the issue, the focus was on any needed standards to support commercial needs if a manual time error correction is called. He explained that the industry needs standards to ensure equity and accuracy if a manual time error is called in accordance with the NERC guidance.

Mr. Robinson stated that TVA would prepare a work paper for the next meeting identifying areas of concern with the draft recommendation for subcommittee discussion.

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

The next meeting of the subcommittee is a conference call scheduled for December 10, 2020.

1. **Adjourn**

The meeting adjourned at 3:27 PM Central on a motion by Mr. Wood, seconded by Mr. Delparte.

1. **Attendance**

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| **First Name** | **Last Name** | **Organization** |
| Kokou | Agbassekou | CAISO |
| John | Arbitelle | Southern Company |
| Jack | Armstrong | Duke Energy |
| Daniel | Baker | SPP |
| Rebecca | Berdahl | BPA |
| Greg | Berglund | CAISO |
| Greg | Boness | MISO |
| Jim | Bostwick | MISO |
| Dick | Brooks | Reliable Energy Analytics  |
| Scott | Brown | SPP |
| Valerie | Crockett | TVA |
| Dave | Delparte | CAISO |
| John | Fitzgerald | TVA |
| Patrick | Foley | NV Energy |
| Cory | Herbolsheimer | NV Energy |
| David | Kirsch | BPA |
| Derrick | Kitchens | Southern Company |
| Chris | Norton | American Municipal Power |
| Greg | Park | Northwest Power Pool |
| Joshua | Phillips | SPP |
| Matt | Pitcaithly | TVA |
| Ken | Quimby | SPP |
| Robin | Rebillard | Manitoba Hydro |
| Ron | Robinson | TVA |
| John | Spomer | CAISO |
| Caroline | Trum | NAESB |
| Bobbi | Welch | MISO |
| JT | Wood | Southern Company |