**via posting**

**TO:** NAESB Retail Markets Quadrant (RMQ) and Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS) Participants and Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE:** Final Minutes from Joint RMQ BPS and WEQ BPS Conference Call – September 21, 2021

**DATE:** October 4, 2021

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**Tuesday, September 21, 2021 – 10:00 AM to 12:00 PM Central**

**FINAL MINUTES**

1. **Welcome**

Ms. Do opened the meeting, welcomed the participants, and conducted introductions. Ms. Mallett provided the Antitrust and Other Meeting Policies reminder. Ms. Crockett moved to adopt the agenda as final. Ms. Meiners seconded the motion which passed without opposition.

The participants reviewed the September 7, 2021 draft minutes. Ms. Crockett moved to adopt the draft minutes as final. Ms. Sieg seconded the motion which passed without opposition.

The September 7, 2021 final minutes may be accessed at the following link: <https://www.naesb.org/pdf4/weq_bps_rmq_bps090721dm.docx>.

1. **Finalize Late Formal Comments from Subcommittees in Response to the Recommendation to Address 2021 RMQ Annual Plan Item 2.a/2021 WEQ Annual Plan Item 6.b.i – Develop a base contract to improve and automate the current voluntary Renewable Energy Certificate (REC) creation, accounting, and retirement processes**

Ms. Do noted that several work papers were posted for the meeting: [Contract Datasets](https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121w1.xlsx), [Status and Parking Lot for Technical Implementation](https://www.naesb.org/pdf4/weq_bps_rmq_bps092121w2.docx), [Status and Parking Lot](https://www.naesb.org/pdf4/weq_bps_rmq_bps092121w3.docx), [Attachment D – TIBP Transaction Confirmation Datasets](https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121w4.docx), [Attachment D – Transaction Confirmation](https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121w5.xlsx), [Draft Late Formal Comments - FAQ Document](https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121w6.doc), and [Draft Late Formal Comments - REC Base Contract](https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121w7.doc) (Draft Late Formal Comments).

The subcommittees reviewed the Draft Late Formal Comments as revised during the last meeting. A minor edit was made. Ms. Do explained that late comments would be drafted for the Executive Committees and asked for any further comments. None were offered. Ms. Trum stated that the WEQ Executive Committee will meet on October 5th and the RMQ Executive Committee will meet on October 6th to review the late comments submitted by the subcommittees.

1. **Discussion and Vote on 2021 RMQ Annual Plan Item 2.b/2021 WEQ Annual Plan Item 6.b.ii – Develop technical implementation business practice standards to support automation of the current REC creation, accounting and retirement processes for voluntary markets consistent with the Base Contract for Sale and Purchase of REC.**

**Data Dictionary**

The participants turned their attention to Line 136, Party A Base Data Group, on Tab 2 of the Contracts Datasets Xcel spreadsheet. Ms. Crockett explained that the contracts datasets consist of two pieces – the data dictionary and the code values. She stated that several references would need to be updated throughout the document. Ms. Do suggested that the references be highlighted and updated at the end in case further modifications are made. The references were highlighted throughout the document.

Ms. Crockett noted that, digitally, the information for Parties A and Party B remains the same regardless of whether they are acting as the Buyer or Seller. She added that the Party A Tax Identification Code was retained in the document and the references to the Mexican and Canadian Addendum were deleted in the Party A Tax Identification section. Ms. Crockett noted that the dark blue shading contains information about the specific data group that follows and contains references that need to be updated.

Ms. Crockett noted that Lines 201 through 247 are universal to gas and RECs, and that the lines address information that would be the same data for counterparties. Starting at line 253, the same fields are repeated from Party A to Party B. The Party B Tax Identification Code was retained in the document and the references to the Mexican and Canadian Addendum were deleted in the Party B Tax Identification section. The Federal Tax ID under both the Party A and Party B Tax Identification was also retained in case it would be needed. It was noted that the Party B Signatory Data would mirror that of Party A and be the same for any commodity. Ms. Crockett stated that the data elements starting on Line 356 are unique to the digital contract and will not be found in the paper contract. Ms. Do noted that the subcommittees had completed Schedule C and asked for any questions. None were offered.

**Code Values**

The participants turned their attention to Tab 3 of the Contracts Datasets Excel spreadsheet. Ms. Crockett stated that she removed the color coding on the spreadsheet since the last meeting. Throughout the review the participants noted, in Column A, whether the item was “Valid”, “Deleted”, or, where text is shaded in blue, “Update Ref”.

*Choice of Law*: Ms. Crockett stated that, in the technical implementation for the Base Contract, the Choice of Law that applies to the Addendum is covered by the “Other” code value. She asked the participants whether “Other” should be retained or expanded. Ms. Crockett stated that she received feedback from the DLT testing participants that “law” may be a regulatory regime, such as an organized market. Mr. Allen suggested adding “Province” and “Territory.” The document was modified accordingly. Mr. Burden asked if there is a state data element. Ms. Crockett explained that state is not a code value because of the leeway that the software developers will have. She added that it will most likely be pulled from the addresses or a drop-down menu will allow you to pick a state.

*Contract Type*: Ms. Crockett stated that a code value, Transfer/Attestation, was added in the table, as it does not appear in the Base Contract. Ms. Sieg stated that there may be two different contracts between a GIS and an attestation. The proposed Attestation/Transfer code value was split into two separate code values.

*Contract Change Type*: Ms. Crockett noted that this code value is identical to the parallel code value in the technical implementation for the Base Contract.

*Contract Change Type Status*: Ms. Crockett explained that, in the process of transacting the contract, there are a number of activities that can occur before the final execution. For example, accepting, activating, initiating, and modifying. Additionally, there may be credit issues which could lead to putting the contract on hold or a withdraw.

*Contract Status*: A note to update the references to NAESB WGQ Standard No. 6.3.1 in this code value was added to the document. Ms. Crockett listed the potential statuses of the REC contracts: Execute, Null, Suspend, and Terminate. She stated that the specific definition of each code value is important. She explained that once a contract is finalized and executed it will reach a state that pulls in the General Terms and Conditions.

*Credit Support Addendum Indicator*: Ms. Sieg stated that there is an addendum selection under the provisions page. The Credit Support Addendum Indicator was deleted.

*Early Termination Damages*: Ms. Crockett stated that most contracts do address early termination as a simple yes or no field, as seen in the technical implementation for the Base Contract.

*NAESB WEQ and RMQ Version Final Action As-of-Date*: Ms. Crockett explained that, when the standards are updated, there will be a contract number with a date and a revision date, allowing the electronic contract to be tied to a specific version. A note to update the references was placed in the NAESB WEQ and RMQ Version Final Action As-of-Date sections.

*Performance Obligation*: The Performance Obligation section was deleted, along with the Spot Price Publication Identifier, because there is no current spot price for RECs.

*Tax Payment*: Ms. Crockett stated that the tax payment “at and after” language was a topic of discussion during one of the previous meetings. Ms. Sieg stated there was a proposal to delete this election and move it to Section 5, the section for taxes. The participants deleted the section.

*Termination Currency*: The participants determined that this section should be deleted along with the Tax Payment section.

The Contracts Datasets Excel spreadsheet, as revised during the meeting, may be accessed at the following link: <https://www.naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps092121a1.xlsx>.

During the next meeting, the participants will review Exhibit A, the Transaction Confirmation.

1. **Next Steps**

The next joint RMQ/WEQ BPS meeting is scheduled for October 12, 2021 from 10:00 AM to 12:00 PM Central. During the meeting, the participants will continue addressing the NAESB Base Contract for Renewable Energy Certificates (RECs) under 2021 RMQ Annual Plan Item 2.b and 2021 WEQ Annual Plan Item 6.b.ii – Develop technical implementation business practice standards to support automation of the current REC creation, accounting and retirement processes for voluntary markets consistent with the Base Contract for Sale and Purchase of REC.

**5.** **Adjourn**

The meeting adjourned at 11:51 AM Central on a motion by Ms. Sieg. Ms. Crockett seconded the motion which passed without opposition.

**5. Attendance**

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| **First Name** | **Last Name** | **Organization** |
| Adrian | Allen | Bonneville Power Administration |
| Dawna | Aragon | Tennessee Valley Authority |
| Christopher | Burden | Enbridge (U.S.) Inc. |
| David | Crabtree | Tampa Electric Company |
| Valerie | Crockett | Tennessee Valley Authority |
| Mary | Do | Agility CIS |
| Patrick | Foley | NV Energy |
| Rachel | Hogge | Eastern Gas Transmission and Storage |
| Elizabeth | Mallett | North American Energy Standards Board |
| Catherine | Meiners | Electric Reliability Council of Texas |
| Robin | Rebillard | Manitoba Hydro |
| Lisa | Sieg | LG&E and KU Energy |
| Caroline | Trum | North American Energy Standards Board |
| Karen | Utt | Tennessee Valley Authority |
| Jeremy | Weinstein | PacifiCorp |