**via posting**

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

**FROM:** Caroline Trum, NAESB Director of Wholesale Electric Activities

**RE:** Draft Minutes from Joint RMQ BPS and WEQ BPS Conference Call – June 11, 2024

**DATE:** June 14, 2024

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**June 11, 2024 – 1:00 PM to 4:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Ms. Sieg welcomed the participants to the meeting. Ms. Trum provided the Antitrust and Other Meeting Policies reminder. Ms. Sieg reviewed the agenda. Mr. Sappenfield moved, seconded by Mr. Grant, to adopt the draft agenda. The motion passed a simple majority vote without opposition.

Ms. Sieg reviewed the draft minutes from the May 29, 2024 meeting with the participants. No modifications were offered. Mr. Sappenfield moved, seconded by Ms. Stampfli, to adopt the draft minutes as final. The motion passed a simple majority vote without opposition. The final minutes for the meeting are available at the following link: <https://naesb.org/pdf4/weq_rmq_bps052924fm.docx>.

1. **Finalize Initial Draft of the NAESB Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations**

Ms. Sieg stated Mr. Sappenfield submitted comments on the Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations Work Paper and asked him to review. Mr. Sappenfield stated that his comments revise Section 3.2 and Section 5 for consistency in formatting and Section 13.x15 for consistency in the use of defined terms. He noted that the comments also add a checkbox to the Transaction Confirmation to denote if a Seller Attestation is attached and make modifications to the Attestation for consistency and clarity. The participants discussed the comments and agreed to incorporate the changes proposed by Mr. Sappenfield into the work paper.

Mr. Sappenfield explained that the Attestation is a mechanism for the Seller to identify the resources within the Portfolio that can or will provide the distribution service(s), as agreed to in the Transaction Confirmation, and convey certain assurances to the Buyer, including that the resource is not being used as part of another aggregator’s portfolio or to provide the same service simultaneously to another utility or wholesale provider. He noted that depending on the number of resources within the portfolio, aggregators may have to communicate a significant volume of data to the utility in addition to the information that is required as part of the pre-contracting process. Mr. Sappenfield suggested that the participants may want to consider if a registry tool could increase the efficiency of the pre-contracting and contracting processes and reduce the need for manual paperwork. Mr. Watson asked how a registry tool could function. Mr. Sappenfield stated that an aggregator would register its portfolio and/or the resources comprising the portfolio, providing specified information, such as the meter number and location, that can then be electronically retrieved or verified by the utility to ensure the identified portfolio and/or resources within the portfolio are qualified to provide the distribution service. He noted that a registry tool could be structured to be accessible by multiple parties, including aggregators, resource owners, utilities, regulators, and wholesale entities, meaning that required information could be entered and updated through one central location, possibly reducing the risk of errors and misinformation. Mr. Sappenfield suggested that the tool could potentially be modeled on the NAESB Electric Industry Registry (EIR) and asked if Ms. Trum could provide an overview. Ms. Trum stated that the NAESB EIR is an industry tool that serves as the central repository for information needed by the wholesale electric industry to support commercial scheduling and transmission management operations. She noted that the tool has supported increased efficiencies in commercial processes for wholesale electric market participants by improving data accessibility, supporting interoperability through greater consistency in data formatting, and enabling the use of a common cybersecurity protocol. Mr. Sappenfield noted that there are approximately 1,400 entities and over 25,000 data objects registered in the NAESB EIR. Mr. Watson stated that registries have increased the efficiency in purchase and sales of renewable energy certificates (RECs) as well as tracking of the certificates to help prevent double-counting. He noted that this may be an area for the subcommittees to further discuss. Ms. Sieg suggested that similar to RECs, a possible registry use case for consideration could be to verify that a resource is not enrolled with more than one aggregator, is qualified to provide a specific distribution service, and, if applicable, that an aggregator is not providing the same service simultaneously to different parties. Ms. Trum stated that she could coordinate with Mr. Sappenfield and the subcommittee co-chairs to provide additional information for discussion.

Ms. Sieg suggested the participants review the work paper and to make any additional needed revisions and resolve any outstanding comments. Mr. Watson stated that the intent is to use the work paper to create a strawman agreement that can be used to solicit informal industry feedback. He suggested that in considering possible provisions, the participants err on over inclusivity, knowing that provisions could be struck or modified based on subsequent comments. Ms. Sieg reviewed the work paper and the [Draft Distribution Services Base Contract Conditions Precedent Addendum](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps052924w2.docx) discussed during the previous meeting. The participants discussed the appropriate location to include terms and conditions related to regulatory oversight and an aggregator’s DER aggregation plan. Mr. Sappenfield noted that during previous meetings, participants have stated that while some aggregators and utilities could enter into a contract for distribution services after all pre-contracting conditions and requirements are met, the utility and aggregator may also want to execute the contract prior to or during the pre-contracting process. He suggested that as regulatory approval and DER aggregation plan requirements will need to be met before a transaction can be executed under the base contract, provisions related to this area should be included in the Conditions Precedent Addendum. Ms. Sieg noted that this would be consistent with the prior determination by the participants that the base contract should contain the terms and conditions that are required to conduct a transaction and the addendum include any necessary, related provisions that are not specifically applicable to purchase and sale transactions.

The Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations Work Paper as revised during the meeting is available through the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps061124a1.docx>.

The Draft Conditions Precedent Addendum as revised during the meeting is available through the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps061124a2.docx>.

1. **Discuss Informal Comment Period on the Initial Draft of the NAESB Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations**

Ms. Sieg asked if participants had any additional comments or proposals for consideration prior to seeking informal comments on the initial draft of the contract. None were offered. Mr. Watson stated that as part of the informal comment period, any interested parties can provide comments or proposals for consideration. He noted that while all input is helpful, feedback from utilities or aggregators regarding any specific contracting provisions that should be evaluated by the subcommittees would be especially beneficial in creating a final draft of the standard contract. Ms. Sieg proposed that the co-chairs perform a final proofread of the work paper and addendum revisions made during the meeting and make any edits that may be needed for consistency and clarification, with clean versions of the documents being used for the informal comment period. There was no objection to proceeding in this manner.

The initial draft of the Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations, with additional edits proposed by the co-chairs, is available at the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps061124a4.docx>

The initial draft of the Conditions Precedent Addendum to the Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations, with additional edits proposed by the co-chairs, is available at the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps061124a3.docx>

1. **Identify Next Steps and Action Items**

Ms. Sieg stated that the subcommittee co-chairs will work with NAESB staff to post the initial drafts of the base contract and addendum and announce the informal comment period. She suggested that the subcommittees consider extending the informal comment period through July 12, 2024 to accommodate the upcoming holiday. There was general agreement from the participants.

1. **Discuss Future Meetings**

Ms. Sieg stated that the subcommittee co-chairs will coordination with NAESB staff to schedule a meeting following the close of the informal comment period.

1. **Adjourn**

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

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Katie | Davis | BPA |
| Shawn | Grant | CAISO |
| Ben | Hammer | WAPA |
| Darren | Lamb | CAISO |
| Amrit | Nagi | NAESB |
| Chris | Norton | American Municipal Power |
| Saumil | Patel | ICF |
| Keith | Sappenfield | Corpus Christi Liquefaction, LLC |
| Kenneth | Schisler | CPower Energy |
| Lisa | Sieg | LGE & KU Services |
| Danielle | Smith | SMUD |
| James | Sorrels | AEP |
| Karen | Stampfli | TVA |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Sam | Watson | North Carolina Utilities Commission rep. NARUC |