**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 – August 20, 2024

**DATE:** August 22, 2024

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**August 20, 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. Villarreal moved, seconded by Ms. Berdahl, to adopt the draft agenda. The motion passed a simple majority vote without opposition.

Ms. Sieg reviewed the August 8, 2024 meeting draft minutes with the participants. No changes were offered. Mr. Villarreal moved, seconded by Ms. Berdahl, to adopt the draft minutes as final. The motion passed a simple majority vote without opposition. The final minutes for the meeting are available through the following hyperlink: <https://naesb.org/pdf4/weq_rmq_bps080824fm.docx>.

1. **Review and Discuss Draft FAQ Document**

Ms. Sieg stated that, as discussed during the previous meeting, the WEQ/RMQ BPS chairs created a draft [NAESB Distribution Services Base Contract FAQ](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w3.doc). She reviewed the document with participants. Ms. Trum noted that document incorporates the general language used in the FAQ documents for other NAESB standard contracts with additions requested by participants to clarify the use and applicability of the NAESB Conditions Precedent Addendum and the data exchange interactions addressed within the contract. Ms. Sieg asked participants to review the document and provide feedback for the next meeting regarding any questions or revisions that should be made.

1. **Discuss the Proposed Final Drafts of the NAESB Base Contract for the Sale and Purchase of Distribution Services from DER Aggregations and Conditions Precedent Addendum**

Ms. Sieg stated that the WEQ/RMQ BPS chairs had provided work papers for the meeting proposing consistency revisions to the [contract](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w5.docx) and [addendum](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w4.docx) and that additional comments had been provided by Mr. Hubert on behalf of [EPRI](https://naesb.org/pdf4/weq_rmq_bps082024w7.docx) and Mr. Villarreal on behalf of [NARUC](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w6.docx). She noted that a combined comment document had been created for ease of discussion. The participants reviewed and discussed the [combined comments](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w9.docx) appliable to the contract.

Mr. Hubert stated that the definition for the defined term Account may be confusing as there are multiple, different accounts that would be associated with distributed energy resource (DER) aggregation. He asked if this defined term was meant to reference the account a customer has with a Distribution System Operator, the account a customer has with the DER aggregator, or the account the DER aggregator has with the Distribution System Operator. Ms. Sieg stated that the references to Account within the contract, including the Transaction Confirmation, are meant to identify the account a DER aggregator will have with the Distribution System Operator to support billing and payment exchanges. The participants revised the definition to better clarify that the defined term Account references the account the Seller has with the Buyer.

Mr. Hubert noted that the defined term Contract Quantity may be too narrowly defined to adequately reflect the services that could be procured using the contract. He explained that while some transactions between parties may be for the procurement of electricity, the majority of transactions are likely to procure a specific behavior, such as the actions needed to manage frequency response, or an intangible service like reserving capacity on a battery for a specific amount of time. The participants agreed to replace the term Contract Quantity with Contract Capability and create a broader definition to reflect the range of distribution services a Buyer may be seeking.

Mr. Hubert suggested that the participants review the contract to ensure the precise and consistent use of the defined terms Portfolio and Resource. He noted that some of the language, as written, may not clearly specify if the term relates to the Seller’s Portfolio, a Participant’s Resource enrolled in the Seller’s Portfolio, or both. Ms. Sieg agreed and proposed participants make the necessary revisions as part of the review of the comments.

The participants discussed the defined terms Energy Service Provider Interface and Energy Usage Information and if the terms or definitions should be revised. Mr. Villarreal stated that the definitions mirror those that are used for the same defined terms in the REQ.21 Energy Service Provider Interface Model Business Practices. He proposed that changes not be made to the terms to ensure consistency with the established standards language in use by industry.

Mr. Villarreal noted that in Section 13.15, the term references a “reliability program” but that the language of the term does not clearly describe the term. Ms. Sieg stated that the intent was for the term to address an Applicable Program that had been approved by an Applicable Regulatory Authority. The participants revised the language to better clarify the reference.

The participants discussed Section 14. Data and Data Visibility. Mr. Villarreal stated that there are several terms within the section related to the confidentiality and safeguarding of information provided by the Buyer to the Seller but that similar requirements are not extended to the Buyer. He explained that as the contract contemplates that both the Seller and the Buyer will be providing information to the other party, there should be similar requirements for the Buyer to keep confidential and safeguard the Seller’s information. There was general agreement among the participants to make this change. Ms. Sieg stated that the terms related to confidentiality were included in the same section as those addressing data and data visibility as part of the initial drafting effort and are interspersed throughout the section. She asked if creating a separate section specifically for confidentiality would provide greater clarity to parties using the contract. There was no objection from the participants and changes were made to create a separate confidentiality section to appear before the terms addressing data and data visibility.

In discussing the terms in Section 17. Operational Coordination, the participants agreed that those relating to the planned and unplanned outage notice actions could be condensed so that a single term would be applicable to both the Buyer and the Seller, rather than using separate but identical terms. Mr. Villarreal suggested that Section 17.11 be revised to create parity between the Buyer and Seller by requiring the parties mutually agree to how dispatch instructions will be provided from the Buyer to the Seller and better clarify that the use of a DER management system by a utility is not a pre-requisite to using the contract.

The revisions accepted and made to the NAESB Distribution Services Base Contract by the participants during the meeting are available through the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024a1.docx>.

Ms. Sieg reviewed with participants the [combined comments](https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024w8.docx) document for the addendum. The participants further revised the definition for the defined term Interconnection Agreement Identifier to better clarify that an interconnection agreement will be specific to each Resource and not applicable to the Portfolio itself.

The revisions accepted and made to the NAESB Conditions Precedent Addendum by the participants during the meeting are available through the following hyperlink: <https://naesb.org/member_login_check.asp?doc=weq_rmq_bps082024a2.docx>.

1. **Discuss and Potentially Vote on a Recommendation**

Ms. Sieg suggested that consideration of a recommendation be postponed until the next meeting to allow participants additional time to review the NAESB Distribution Services Base Contract FAQ as well as the revisions to the contract and addendum made during the meeting. There was no objection to proceeding in this manner.

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

Ms. Sieg asked participants to review the NAESB Distribution Services Base Contract FAQ as well as the contract and addendum, as revised during the meeting, and provide any additional feedback or modifications that should be considered and discussed by the subcommittees before voting on a recommendation.

1. **Discuss Future Meetings**

Ms. Sieg stated that the WEQ/RMQ BPS chairs would work with the NAESB office to schedule a meeting for the first week of September.

1. **Adjourn**

The meeting adjourned at 2:51 PM Central on a motion by Mr. Villarreal.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Katie | Davis | BPA |
| Shawn | Grant | CAISO |
| Ben | Hammer | WAPA |
| Samantha | Joyce | Philadelphia Gas Works |
| Tanguy | Hubert | EPRI |
| Amrit | Nagi | NAESB |
| Chris | Norton | American Municipal Power |
| Farrokh | Rahimi | OATI |
| Lisa | Sieg | LGE & KU Services |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Christopher | Villarreal | Rep. NARUC |