##### July 27, 2016

**TO:** All Interested Parties

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

**RE: WEQ OASIS Subcommittee Update**

**Update on the WEQ OASIS Subcommittee Activities–**

The Federal Energy Regulatory Commission (FERC or the Commission) issued a Notice of Proposed Rulemaking (NOPR), *Standards for Business Practices and Communication Protocols for Public Utilities* on July 21, 2016 (Docket No. RM05-5-025). The NOPR proposes to incorporate by reference, with certain exceptions, Version 003.1 of the NAESB WEQ Business Practice Standards, filed with the Commission on October 26, 2015 (Docket No. RM05-5-000). While addressing the OASIS standards on the treatment of redirects from conditional parent reservations, the Commission invited comments on whether to apply its policy from *Dynegy Power Marketing, Inc.* to conditional and non-firm redirects. Further, the Commission requested that parties comment on the four redirect-related issues that did not gain a consensus within the NAESB process: (1) the treatment of a firm redirect for transmission service following the preemption of the conditional parent reservation; (2) the circumstances under which a firm redirect for transmission service may return to the conditional parent reservation; (3) the number of subsequent firm redirects for transmission service that can stem from the original firm redirect for transmission service; and (4) the proper treatment of requests to redirect requests for non-firm transmission service. In Paragraph 2 of the NOPR, the Commission explained that “[b]ased on these responses, the Commission will consider whether it will adopt regulations regarding redirects from conditional parent reservations and non-firm service.”

On August 8, 2016, the WEQ OASIS Subcommittee will hold an informational call on the recommendation for 2016 WEQ Annual Plan Item 5.b/R09015. The annual plan item and the standards request call for the creation of a new OASIS mechanism, “Consolidations,” that allow for the merger of like reservations without the use of the resale mechanism. Due to the complexity of the draft recommendation, an informal comment period was held from May 26, 2016 to July 8, 2016. The six informal comments submitted – Southern Company, Bonneville Power Administration, American Municipal Power, Inc., NCEMC, PJM, and MISO – were reviewed during the July face-to-face OASIS meeting. The subcommittee anticipates presenting a formal recommendation to the WEQ Executive Committee within 2016.

In response to FERC Order No. 890 and the NAESB Standards Request R05019, the WEQ OASIS Subcommittee is continuing its work to formalize the process of short term firm preemption and competition on the Open Access Same-Time Information Systems (OASIS). The OASIS set of standards support the management of the electronic scheduling of wholesale electricity. Last year, the WEQ OASIS Subcommittee worked to address short term firm preemption and competition; however, the issuance of FERC Order No. 676-H postponed the standards development effort. The recommendation will update the following NAESB WEQ Business Practice Standards: WEQ-000 Abbreviations, Acronyms, and Definitions of Terms; WEQ-001 Open Access Same-Time Information Systems; WEQ-002 OASIS Standards and Communications Protocol; WEQ-003 OASIS Data Dictionary; and WEQ-013 OASIS Implementation Guide. During the August WEQ Executive Committee meeting, the OASIS Subcommittee anticipates delivering a presentation detailing the progress on the development of the preemption and competition standards.

As you know, on May 13, 2016, the recommendation to support long term rollover rights competition failed to gain the requisite super majority approval of the WEQ Executive Committee via a notational ballot. Back in February, the WEQ Executive Committee remanded a previous recommendation, Recommendation 1, to support the annual plan item back to the WEQ OASIS Subcommittee with direction to resolve the issues raised by the formal comments and discussion during the meeting. On April 26, 2016, the WEQ Executive Committee considered the revised recommendation, Recommendation 2, and a notational ballot was sent to the wholesale electric industry after the meeting. As discussed during the February and April meetings, the NAESB Managing Committee and Board of Directors will be notified of the notational ballot results. The next face-to-face OASIS Subcommittee meeting is scheduled for August 17-18, 2016 and will be hosted by Oncor in Dallas, Texas.