**via posting**

**TO:** Interested Industry Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE:** Draft Minutes from January 25, 2023 WEQ BPS Meeting

**DATE:** January 30, 2023

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**January 25, 2023 – 1:00 PM to 4:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Mr. Phillips welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. The participants introduced themselves. Mr. Phillips reviewed the agenda. The agenda was adopted on a motion by Mr. Brooks, seconded by Mr. Wood.

Mr. Phillips reviewed the draft minutes from the January 4, 2023 meeting. No modifications were offered. Mr. Brooks moved, seconded by Mr. Wood, to adopt the minutes as final. The motion passed a simple majority vote without opposition. The final minutes from the meeting are available at the following link: <https://naesb.org//pdf4/weq_bps010423fm.docx>.

1. **Continue Discussion on 2023 WEQ Annual Plan 5.d – Develop business practices to define a common list of grid services for electric market interactions that support grid-edge resources such as distributed energy resources and batteries in support of U.S. Department of Energy Grid Modernization Laboratory Consortium efforts (**[**Standards Request R22001**](https://naesb.org/pdf4/r22001.doc)**)**

Mr. Phillips stated that the participants would be continuing review of the informal comments received regarding the draft standards with the goal of finalizing and voting on a recommendation.

The participants began by discussing the proposed revisions to the standards addressing Regulation Grid Service. Mr. Widergren noted that some of the language included in XXX-4 may need to be revised to more closely mirror the definition for Regulation Grid Service created by the subcommittee. Mr. Wood suggested that the standards language not include language that mirrors the definitions created for the defined terms, explaining that this can create consistency issues if either the standards language or the definition is revised at a later point. There was general agreement, and the participants agreed to strike the first sentence of XXX-4.

Mr. Phillips stated that as part of the standards created for Regulation Grid Service, the identified electrical attributes make a reference to the service location and noted that this concept is referred to as electrical location elsewhere in the standards. He asked if this is an intentional difference in terminology. Mr. Wood expressed support for using the phrase electrical location throughout the standards in order to create consistency and avoid confusion. Mr. Widergreen agreed, indicating that electrical location was likely the more appropriate terminology. The participants agreed to use the phrase electrical location throughout the standards and made corresponding revisions. Mr. Phillips noted that unlike the standards language for the grid services reviewed during the previous meeting, the electrical location for Regulation Grid Service makes reference to zones or areas of the system. Mr. Widergreen explained that unlike Energy Grid Service, which is injected at a specific point on the electrical network, Regulation Grid Service is typically not tied to a particular point but rather an area. Mr. Phillips suggested that similar language should also be incorporated into the standards regarding the electrical location for Reserve Grid Service, as this is also zone-based rather than tied to a singular point. Mr. Wood agreed. The participants revised XXX-3.1.3 to include this language.

Mr. Wood noted that throughout the draft standards, there are minor tweaks to the standards language that may be needed for consistency purposes, including how the standards language addressing performance expectations is worded. He suggested that the word “shall” be replaced with the word “may” or that the subcommittee consider rewording these standards. Mr. Widergreen expressed agreement. Mr. Phillips suggested that the participants complete review of the informal comments and then discuss if and how to modify the standards language regarding performance expectations. There was general agreement with this approach.

The participants reviewed the proposed revisions to the standards addressing Frequency Response Grid Service. Mr. Widergreen noted that the language in XXX-5 mirrors the proposed definition and suggested alternative language be created. Mr. Phillips noted that as part of the informal comments submitted by NRG, there was a proposal to modify XXX-5.1.3 to replace the phrase “balancing area” with the use of the defined term Balancing Authority Area (BAA). The participants reviewed the definition for BAA included in WEQ-000. Mr. Wood noted that based on the definition, it would likely be appropriate to specifically reference the BAA for the Frequency Response Grid Service electrical location rather than a generalized reference to a zone or region. He explained that frequency response services are not provided for an entire region but rather tied to a BA’s ATC. There was general agreement, and the participants revised XXX-5.1.3.

There was general agreement among the participants regarding the proposed modifications to the standards addressing Voltage Management Grid Services.

The participants discussed the standards addressing Emergency Grid Service and Blackstart Grid Service. Mr. Phillips indicated that during the December 6, 2022, the participants agreed to create separate defined terms for Emergency Grid Service and Blackstart Grid Service. He asked if including a singular section of the standards to address both grid services would be appropriate or if Emergency Grid Service and Blackstart Grid Service should be addressed in separate sections. Mr. Wood suggested that for clarity, it may be helpful to have separate sections for the two grid services, even if there are similar or the same attributes. The participants agreed to create separate standards. There was a question as to if power regulation range would be an electrical attribute for Blackstart Grid Service, as the resource performing such a service is re-energizing the grid. Mr. Wood responded that power range regulation is an applicable attribute as a resource performing blackstart will likely come back online incrementally.

The participants confirmed that the proposed definition for Blackstart Grid Service is consistent with the description included in the NERC Glossary.

Mr. Wood noted that the NERC Glossary does not include a defined term that would equate to Emergency Grid Service but does identify “emergency conditions” as a defined term. Mr. Brooks asked the distinction between an Emergency Grid Service and Blackstart Grid Service. Mr. Brown responded that blackstart is utilized after a complete outage to re-energize the electric grid. He indicated that the proposal to include a category for Emergency Grid Service was in recognition that system operators may have products are services that are only intended to be utilized during emergency operations to stabilize the grid before an outage occurs. Mr. Phillips suggested that these types of services may already be covered by Energy Grid Service and Reserve Grid Service. Mr. Brown stated that the intent was to make a distinction between grid services that are scheduled in advance, like Energy Grid Service and Reserve Grid Service, and a grid service that is resource may be called upon to perform without notice and on a reactive or unscheduled basis due to grid conditions. Mr. Widergren indicated that there are some system operators that have specific services that could be classified under an umbrella category of Emergency Grid Service. Mr. Wood stated that per the NERC definition for emergency condition, a BA would be taking action to shed load after all other resource options have been exhausted and the BA can no longer meet or expects to no longer meet load obligations. He suggested that these types of steps may be more appropriately described as an operational action rather than a specific type of service which is fulfilled through the buying and selling of a market product. Ms. Mendrala explained that generation resources typically have a bid curve that establishes limits for normal operating conditions but may also specify a differing emergency operating minimum and maximum. Mr. Phillips stated that rather than being a commercial service that could be categorized as a grid service, emergency services may be better classified as part of a bid curve for a generator or an operating condition that is dictated by grid stability. Mr. Brown noted that regardless of if a market product is sold, generators are compensated for emergency services that are provided. Mr. Widergren indicated that there may be a gap in the standards if this type of grid service is not addressed. Due to time constraints, the participants will continue this discussion during the next meeting.

The draft standards language as revised during the meeting is available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps012523a1.docx>.

1. **Discuss and Potentially Vote on Recommendation in Support of 2023 WEQ Annual Plan 5.d – Develop business practices to define a common list of grid services for electric market interactions that support grid-edge resources such as distributed energy resources and batteries in support of U.S. Department of Energy Grid Modernization Laboratory Consortium efforts (**[**Standards Request R22001**](https://naesb.org/pdf4/r22001.doc)**)**

Mr. Phillips stated that the participants should be prepared to finalize the recommendation and vote during the next meeting, scheduled for February 8, 2023.

1. **Discussion on 2023 WEQ Annual Plan Assignments for the WEQ BPS**

Due to time constraints, discussion on this agenda item was postponed until the next meeting.

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

Ms. Trum stated that the revised standards language would be posted following the meeting.

Mr. Phillips stated that during the February 8, 2023 meeting, the subcommittee will be working to finalize the recommendation. He asked that participants come prepared to discuss the need for the standards to include Emergency Grid Services as well as have ready any other additional modifications that may be needed.

1. **Other Business**

There was no other business discussed.

1. **Adjourn**

The meeting adjourned at 4:01 PM Central by consensus.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| Deborah | Currie | Southwest Power Pool |
| Robert | DeMelo | Seminole Electric |
| Cheryl | Mendrala | ISO-New England |
| Chris | Norton | American Municipal Power |
| Joshua | Phillips | Southwest Power Pool |
| Ken | Quimby | Southwest Power Pool |
| Byron | Reischl | Arizona Public Service |
| Ron | Robinson | TVA |
| Lisa | Sieg | LG&E and KU Services |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Steve | Widergren | Pacific Northwest National Laboratory |
| Ira | Witherspoon | WAPA |
| JT  | Wood | Southern Company |