**via posting**

**TO:** Interested Industry Parties

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

**RE:** Final Minutes from February 8, 2023 WEQ BPS Meeting

**DATE:** February 9, 2023

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**February 8, 2023 – 1:00 PM to 4:00 PM Central**

**FINAL 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. Johnson.

Mr. Phillips reviewed the draft minutes from the January 25, 2023 meeting. No modifications were offered. Mr. Brooks moved, seconded by Ms. Berdahl 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_bps012523fm.docx>.

1. **Finalize and Vote on a 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 during the last meeting, the participants had completed review of the informal comments with the exception of the draft standards addressing Emergency Grid Service. He indicated that Mr. Widergren had submitted work papers with proposed language for consideration regarding Emergency Grid Service and additional changes to the standards and that Mr. Wood had submitted a work paper proposing consistency changes for subcommittee consideration. The participants agreed to begin discussions with the draft Emergency Grid Service language.

Mr. Widergren reviewed the work paper. He explained that in reviewing industry documentation, the GMLC team found that a number of ISOs/RTOs have certain actions that take place during emergency conditions, and is why the proposal to include Emergency Grid Service was originally made. Mr. Widergren expressed agreement with discussions from the previous meeting that rather than there being a specific Emergency Grid Service that may be contracted for between parties, the actions that take place during an emergency appear to fall into the other grid service categories identified in the draft standards. Mr. Brown agreed, stating that the grid service standards are built around defining the attributes of that service by category. He explained that if the attributes for the types of actions that are taking place during emergency situations fit into other categories, there is no need to have a separate Emergency Grid Service. Mr. Brooks stated that this is consistent with his understanding in that there are specific procedures for a system operator that dictate emergency actions that are to take place rather than a separate and distinct service. Mr. Wright agreed.

Mr. Widergren suggested that the participants consider striking the current draft standards addressing Emergency Grid Service and replacing with more general language that addresses emergency conditions. The participants reviewed the proposed language. Ms. Berdahl commented that the language as proposed was vague and may not accurately reflect the commercial interactions between parties for emergency situations. Mr. Brooks suggested that language addressing emergency situations may be more appropriate for inclusion as part of the introductory language rather than a separate standard.

Mr. Phillips expressed concern that the language as proposed may be too granular and inadvertently overlap with some aspects that could be considered reliability in nature. Ms. Trum stated that NERC maintains a number of standards that dictate the actions that must be taken in specific situations to maintain reliability as well as a suite of reliability standards addressing emergency operations that jurisdictional entities are mandated to follow. She explained that NERC and NAESB coordinate to ensure that the reliability standards and business practices are complementary and not contradictory, with reliability requirements addressed within the NERC Reliability Standards and commercial considerations within the WEQ Business Practice Standards. Ms. Trum stated that the subcommittee should not include language in any part of the standard, including the introduction, that could be interpreted as implying or addressing what grid services may or may not be permissible to use as part of emergency operations or in an emergency situation.

Mr. Brown asked if not including language around the types of services that can be used in an emergency situation would imply that system operators are only limited to utilizing market products that fall within one of the identified categories of grid services within the standards. Mr. Phillips stated that the language of the draft standards does not address or limit what types of market products or services may be offered by an operator but rather the standards identify the broad attributes that should be used to define performance requirements of a grid service. Mr. Wood agreed, noting that the introduction includes language that expressly states that system operators are not required to offer the common grid services identified in the standard and that XXX-1 contains language indicating that an entity’s governing documents have precedence in the event of a conflict with the business practice standards. He indicated that the standards only identify common types of grid services and are not intended to be an exhaustive list nor preclude a system operator from defining a different type of grid service to fulfill needs within its footprint.

Mr. Wood and Mr. Robinson expressed agreement that the language as proposed in the work paper should not be included within the standards.

Mr. Widergren asked if Blackstart Grid Service should be included as part of the standards given that this type of grid service will most likely be used during a grid emergency. Mr. Phillips responded that the introduction language makes clear that the standards do not establish requirements related to how common grid services are utilized. He explained that the intent of the standards is to identify broad categories of grid services and the attributes that define the performance needs in order to assist parties in commercial contracting efforts. Mr. Brooks agreed, stating that there are system operators that acquire through a competitive market place market products or services that could be classified as Blackstart Grid Service.

The participants worked to create alternative language for inclusion as part of the introduction. Mr. Wood suggested that one option may be to remain silent and not include any language regarding emergency situations. Mr. Widergren asked if this would create a gap in requirements that would leave the standards incomplete or give the impression that emergency services had been unintentionally omitted. Ms. Trum stated that, from time to time, NAESB subcommittees opt to stay silent on a topic, such as in areas where consensus cannot be reached or policy may be unclear. She stated that the subcommittee discussions will be included as part of the record of standards development, so interested parties will be able to assess the standards development process and why subcommittee participants made certain decisions regarding the content of the standards.

Mr. Phillips suggested a straw poll to determine if there was consensus as to if the standards should say silent on the topic. Mr. Wood, Mr. Robinson, and Ms. Welch expressed support. Mr. Widergren and Mr. Brooks expressed opposition.

Ms. Welch stated that it may be useful to have additional time to discuss internally. Ms. Trum stated that there was an available meeting time for the subcommittee on Wednesday, February 15, 2023. Mr. Phillips noted that this meeting date will provide the participants additional time to consider the proposals while ensuring that the subcommittee can meet the deadline to vote out a recommendation for consideration by the WEQ Executive Committee on March 28, 2023. There was general agreement to schedule the additional meeting and vote on the recommendation at that time.

Mr. Wood and Mr. Widergren reviewed the additional revisions each proposed as part of work papers for the meeting. Ms. Berdahl noted that the draft standards frequently make reference to a system operator but that this may not be the correct entity given the definition for the term in the NERC Glossary. Mr. Phillips stated that the use of the term system operator ties back to the definition included in WEQ-000. Mr. Wood commented that the NAESB definition for system operator encompasses a balancing authority, transmission operator, or a reliability coordinator and that these is the term that is also used in NAESB WEQ Business Practice Standards addressing demand response. The participants reviewed the definition and confirmed that the term is utilized correctly within the draft standards.

The draft standards as revised during the meeting are available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps021523w1.docx>

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 she would work with the subcommittee co-chairs to distribute the agenda for the February 15, 2023 meeting as soon as possible.

Mr. Phillips stated that participants should come prepared to finalize and vote out the recommendation.

1. **Other Business**

There was no other business discussed.

1. **Adjourn**

The meeting adjourned at 3:56 PM Central by consensus.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Tanner | Brier | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| Karen | Frank | MISO |
| Alan | Johnson | NRG |
| Andrea | Kleubet | MISO  |
| Ali | Miremadi | CAISO |
| Joshua | Phillips | Southwest Power Pool |
| Ron | Robinson | TVA |
| Christine | Ross | MISO |
| Lisa | Sieg | LG&E and KU Services |
| Scott | Stewart | BPA |
| Charanya  | Suri | NV Energy |
| Caroline | Trum | NAESB |
| Bobbi | Welch | MISO |
| Steve | Widergren | Pacific Northwest National Laboratory |
| JT  | Wood | Southern Company |
| Terry | Wright | MISO |