**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from February 15, 2023 WEQ BPS Meeting

**DATE:** February 16, 2023

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**February 15, 2023 – 10:00 AM to 1:00 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 February 8, 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_bps020823fm.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 come close to finalizing a recommendation but still needed to reach a consensus regarding what if any language in the standards or the introduction would be included regarding emergency situations. Mr. Phillips reminded the participants that in crafting language, the subcommittee needs to be careful so as to avoid any overlap between the business practices and reliability standards.

Mr. Widergren stated that as part of [comments](https://naesb.org/member_login_check.asp?doc=weq_bps021523w3.docx) submitted for the meeting, there was an additional proposal for language to be included as part of the introduction. He explained that this language, proposed as Option 7, would indicate that common grid services can address a variety of operational objectives, which may include emergency services, while clarifying that emergency policies and procedures are beyond the scope of the standards. Ms. Berdahl stated that BPA held an internal discussion regarding the proposals and that while Option 7 may be a possibility, BPA’s first preference is for Option 5. Ms. Mendrala voiced support for Option 1 or Option 5. She stated that the standards should avoid any references to emergency situations, even high-level descriptions. Mr. Wood also expressed support for Option 1 or Option 5. He stated that if emergency situations are not going to be addressed within the standards language, then there should not be references to emergency situations as part of the introduction. Mr. Wright stated that MISO supports Option 1 or Option 5.

Mr. Brown asked if the subcommittee should consider excluding standards related to blackstart grid service, as this type of service is used in an emergency situation. Mr. Brooks noted that, as discussed during the previous meeting, a number of steps that would be taken as part of an emergency situation would fall into the category of energy grid service, whereas blackstart grid service is a grid service that is specifically transacted for in a commercial manner via a market mechanism. Mr. Wood agreed, stating that blackstart grid service can be differentiated as it is not used to mitigate or prevent an emergency, like actions taken during emergency situations, but rather the service is called upon after an emergency is over to provide self-starting generation.

The participants discussed Option 5. Mr. Phillips asked if the language would be redundant, given the existing language in the introduction and XXX-1. Ms. Berdahl indicated that BPA supports Option 5 because it provides additional flexibility regarding an entity’s governing documents that is not as explicitly stated in the current introductory language. Mr. Brooks expressed agreement.

Mr. Phillips noted that the discussion has centered around Option 1, Option 5, and Option 7. He suggested the use of a straw poll to determine if one of these options had a majority of support. The straw poll showed five participants in support of Option 1, eight participants in support of Option 5, and no participants in support of Option 7. Based on these results, the participants agreed to incorporate the language from Option 5 as part of the introduction.

Mr. Widergren reviewed the remainder of the proposed revisions included in the comments, noting that they were minor or to correct grammatical mistakes. The participants agreed to incorporate the [proposed modifications](https://naesb.org/member_login_check.asp?doc=weq_bps021523a3.docx).

Mr. Wright reviewed the [comments](https://naesb.org/member_login_check.asp?doc=weq_bps021523w2.docx) submitted by MISO. He stated that MISO is proposing revisions to the definition and standards language for energy grid service to clarify that a resource providing such services may provide energy or reduce consumption. Mr. Brown stated that the participants had thoroughly discussed the definition over the course of several meetings and indicated that as written, energy grid service is meant to capture both generation and reduction in demand. He explained that the participants opted to use the phrase “provide a quantity” as there was a determination that this phrase was broad enough to encompass both concepts. Mr. Wright indicated that MISO is not opposed to moving forward with the definition in its current state.

Mr. Wright asked if the standards should be modified to also capture that a market operator is one of the applicable entities for the standards. Mr. Wood responded that the subcommittee determined to use the NAESB defined term System Operator in order to be consistent with the WEQ-015, which addresses demand response. He stated that if the subcommittee is going to modify the definition for this term, then there will also need to be a consistency check to ensure that the revision does not materially impact the use of the term in other standards. Mr. Wright stated that MISO can support moving the recommendation forward without incorporating the market operator term.

The subcommittee’s response to the comments submitted by MISO can be viewed at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps021523a2.docx>.

The participants performed a final review of the draft standards. Mr. Phillips noted that the wording at the beginning of each section of the standards is formatted slightly different. The participants made non-substantive changes to the language to ensure the standards were consistent. Mr. Phillips asked if there were any additional revisions or modifications to the draft standards. None were offered.

Mr. Brooks moved, seconded by Mr. Wood, to adopt the draft standards as [revised](https://naesb.org/member_login_check.asp?doc=weq_bps021523a1.docx) during the meeting and distribute for a formal comment period. The motion passed a simple majority vote without opposition.

Mr. Phillips asked Ms. Trum, prior to sending out the recommendation for formal comment, to perform a final review to ensure the proposed standards language is correctly formatted, including redlining all new proposed standards language. The proposed standards as distributed for formal comment can be viewed at the following link: <https://naesb.org/member_login_check.asp?doc=weq_2023_api_5d_R22001_rec_021523_attachment.docx>

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

Mr. Phillips stated that the next meeting of the subcommittee will be held on March 1, 2023 to discuss the remaining annual plan items assigned to the WEQ BPS. He indicated that the subcommittee will also hold a meeting on March 21, 2023 to review any formal comments submitted regarding the recommendation and, if needed, develop additional proposed modifications in response.

1. **Other Business**

There was no other business discussed.

1. **Adjourn**

The meeting adjourned at 12:01 PM Central on a motion by Mr. Brooks, seconded by Mr. Wood.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Tanner | Brier | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| Cheryl | Mendrala | ISO-New England |
| Joshua | Phillips | Southwest Power Pool |
| Ron | Robinson | TVA |
| Caroline | Trum | NAESB |
| Bobbi | Welch | MISO |
| Steve | Widergren | Pacific Northwest National Laboratory |
| JT  | Wood | Southern Company |
| Terry | Wright | MISO |