**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from August 4, 2022 WEQ BPS Meeting

**DATE:** August 10, 2022

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**August 4, 2022 – 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 July 18, 2022 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_bps071822fm.docx>

1. **Continue Discussion on Standards Request R22001 – Review and Discuss the Public Review Draft Version of the U.S. Department of Energy’s GMLC’s State of Common Grid Services Definitions Report**

Mr. Phillips stated that during the previous meeting, the participants had agreed to start by addressing proposed definitions and performance expectations for energy schedule service and reserve service. He indicated that to support discussion, a [gap analysis work paper](https://naesb.org/member_login_check.asp?doc=weq_bps080422w1.docx) had been created comparing potential grid service definitions with existing defined terms in WEQ-000 and that LBNL and PNNL had submitted a [draft white paper](https://naesb.org/pdf4/weq_bps080422w2.docx), Common Grid Services Terms and Definitions, as well as a [presentation](https://naesb.org/pdf4/weq_bps080422w3.pptx). Mr. Phillips noted that the presentation also includes the potential timeline for standards development that was discussed during the last meeting. He stated that over the next few meetings, the subcommittee will work to develop draft standards that can be sent out for informal comment and then use any feedback to finalize a recommendation to be presented to the WEQ Executive Committee early next year. Mr. Brown reviewed the presentation with the participants, which included potential standards language for performance expectations for energy schedule service and reserve service.

Mr. Wood asked how the gap analysis work paper was created. Mr. Phillips stated that he pulled existing definitions from WEQ-000 that may be relevant and then a column was added to include potential definitions drafted by the requesters. He noted that a number of the terms were created as part of standards development efforts to address demand response and have demand response specific definitions. Mr. Brown explained that the potential definitions proposed by LBNL/PNNL are based on a survey of the marketplace and inclusive of both regulated and vertically integrated utilities. Mr. Wood stated that if existing definitions for defined terms in WEQ-000 are modified, then the subcommittee will need to ensure that the meaning of the defined term is not substantively changed as this could impact the use of the term in other WEQ Business Practice Standards. Mr. Brown responded that the intent is to create definitions that are broad enough to encompass both demand response resources as well as other generation resource types.

Mr. Rahimi asked if the definitions for the categories of grid services would be aligned with terminology in FERC Order Nos. 841 and 2222. Mr. Brown responded that intent is to create definitions that are technologically neutral regarding the type of generation resource so to be as broadly applicable as possible. Mr. Kolln stated LBNL/PNNL started with a review of applicable FERC Orders to identify the potential categories of grid services and definitions and then developed the proposed definitions in the work paper based on how the terminology had evolved in the marketplace. He explained that by drafting definitions for grid service based on performance expectations as opposed to resource descriptors, the results will be broadly applicable and prevent the creation of islanded, repetitive terminology that is resource specific. Mr. Rahimi asked if capacity-based services should be included as part of the standards development effort. Mr. Brown stated that one of the goals of the effort is to help facilitate wider integration of new resource types and increase market participant coordination through improved automated data exchanges which is why LBNL/PNNL have focused on categories of grid services that require near real-time communications. He noted that the six identified categories of grid services are not definitive and could change based on input by market participants through the NAESB process.

The participants discussed the definition for the WEQ-000 defined term Energy Service and the proposed grid service category of Energy Schedule Service. Mr. Brooks noted that it may be confusing to have the defined term Energy Service specifically applicable to demand response resources as well as the defined term Energy Schedule Service describing the same type of service but using a definition that is more broadly applicable. He suggested that revising the existing definition for Energy Service as opposed to creating a new defined term, Energy Schedule Service. Mr. Phillips noted the earlier statement from Mr. Wood that if revisions are made to definitions for existing defined terms, then those modifications cannot substantively change the meaning of the defined term as this would impact how the term is used in existing WEQ Business Practice Standards.

The participants agreed to use the term Energy Service and discussed how to modify the definition for this term as well as Reserve Service in order to make the terms more broadly applicable to all resource types will still tailored to use for demand response. Mr. Phillips noted that the definition for Energy Service had been carefully crafted to describe the service as providing electricity but was purposefully silent on if the provision of electricity is done through production or consumption of energy.

Mr. Bressers asked what type of performance is being described by the LBNL/PNNL proposed definition for the term Reserve Service. Mr. Kolln responded that the attempt is to create a category of grid service that encompasses a service by which a resource is compensated for the commitment to available energy in the future either through production or reduction of consumption. Mr. Phillips stated that the proposed definition appears to imply that reserve service is bidirectional. The participants worked to revise the definition.

The participants discussed the use of the WEQ-000 defined term Service Location as part of the definitions for Energy Service and Reserve Service. Mr. Bressers stated that per FERC directives in Order Nos. 841 and 2222, resources can be located both in-front and behind the meter. Mr. Brown responded that the definition for Service Location in WEQ-000 appears to be broad enough to encompass resources located anywhere on the bulk electric system or distribution system. Mr. Schoppe noted FERC Order No. 2222 does not limit the location of a distributed energy resource aggregation to a single point on the grid. He suggested that the use of the term Service Location may be unintentionally limiting.

The presentation as revised during the meeting is available at the following link: <https://naesb.org//pdf4/weq_bps080422a2.pptx>

The gap analysis work paper as revised during the meeting is available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps080422a1.docx>

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

Mr. Phillips suggested that the participants continue discussion during the next meeting on the proposed definitions as well as performance expectations. Mr. Brown stated that for the next meeting, he could provide updates to the proposed definitions from LBNL/PNNL based on the revisions discussed during the meeting for the definitions of Energy Service and Reserve Service. He indicated that LBNL/PNNL can also provide proposed standards language regarding performance expectations for additional categories of grid services.

Mr. Phillips stated that the subcommittee will need to perform a consistency review on the proposed definitions to ensure the wording is similar and that the meaning of any existing defined terms is not substantively altered by proposed modifications.

1. **Other Business**

Mr. Phillips noted that the next meeting of the subcommittee is scheduled for August 23, 2022.

1. **Adjourn**

The meeting adjourned at 4:00 PM Central on a motion by Mr. Brooks.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Rebecca | Berdahl | BPA |
| Bert | Bressers | SPP |
| Dick | Brooks | Reliable Energy Analytics  |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| Yarrow | Etheredge | Entergy |
| Daniel | Harless | Southwest Power Pool |
| Jaime | Kolln | Pacific Northwest National Laboratory |
| Elizabeth | Mallett | NAESB |
| Cheryl | Mendrala | ISO-New England |
| Ken | Quimby | Southwest Power Pool |
| Todd | Pence | Southwest Power Pool |
| Joshua | Phillips | Southwest Power Pool |
| Farrokh | Rahimi | OATI |
| Robin | Rebillard | Manitoba Hydro |
| Byron | Reischl | Arizona Public Service |
| Ryan | Schoppe | Southwest Power Pool |
| Lisa | Sieg | LG&E and KU Services |
| Charanya | Suri | NV Energy |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |