**via posting**

**TO:** Interested Industry Parties

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

**RE:** Final Minutes from September 27, 2022 WEQ BPS Meeting

**DATE:** October 14, 2022

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**September 27, 2022 – 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. Wood

Mr. Phillips reviewed the draft minutes from the September 7, 2022 meeting. No modifications were offered. Mr. Brooks moved, seconded by Mr. Wood, to adopt the revised 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_bps090722fm.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 discussed [draft standards language](https://naesb.org/pdf4/weq_bps092722w2.docx). Mr. Brown stated that he had submitted as a revised [Common Grid Services](https://naesb.org/pdf4/weq_bps092722w1.docx) containing additional language that could be used as an introductory for the standards. The participants discussed the language. Mr. Rahimi indicated that the language uses both market operator and system operator and asked if these terms are synonymous or intended to convey different constructs. Mr. Widergren indicated that the intent is for the language to be broad applicable so as to encompass markets that utilize a market operator as well as vertically integrated utilities.

Mr. Rahimi noted that the language appears to provide background information regarding energy service. Mr. Brown stated that the language is meant to help provide information regarding what kinds of energy transfers are covered under energy service. Mr. Phillips indicated that the language as written may not fit into the NAESB standards construct and that any terminology used within the language would need to be consistent with other standards. The participant agreed to make further modifications and discuss at a later date for potential inclusion into the draft standards.

Mr. Phillips suggested that it may be helpful to consider developing potential standards language regarding bilateral agreements rather than discussing as part of an introductory section. Mr. Widergren asked if the basic concept of the language was correct. Mr. Brooks indicated that the description is accurate.

Mr. Widergren noted that Appendix A of the Common Grid Services Work Paper contains a mapping that describes existing grid services reviewed by the GMLC team to develop the language included as part of the work paper. Mr. Brown stated that the mapping information is informational and that the intention is not to include any such appendix as part of the draft standards. There was general agreement that the subcommittee would use the mapping as a reference where helpful in developing the standards but that the subcommittee would not take any action to update or revise the mapping. Mr. Brooks asked if the mapping could be referenced as part of the standard. Mr. Phillips responded that this could result in inaccuracies as the different services offered by a market are controlled by an entity’s tariff. He asked if the mapping will be updated by the GMLC team. Mr. Brown responded that the intent is to publish a white paper that will contain the mapping but that the purpose of including such language would be to provide the research down by the GMLC team in creating the white paper. The participants discussed that it may be helpful to include a reference to the white paper as part of any informal comment period.

Mr. Brown and Mr. Widergren reviewed the draft language regarding reserve service proposed as part of the Common Grid Services Work Paper. The participants discussed the background language. Mr. Wood noted that the terminology and description of reserve service is more applicable to organized markets and not reflective of the service within integrated utilities. He explained that within Southern Company, a pooling mechanism is utilized to ensure there are sufficient energy reserves. Mr. Widergren indicated that the intent is to have language that is reflective of any market mechanism utilized to obtain reserve service, including those vertically integrated utilities, and for that language to describe the service through a performance-oriented description as opposed to technology-specific. Mr. Widergren and Mr. Brown took an action item to update the language.

The participants discussed the draft language for performance expectations and made minor modifications for consistency. Mr. Wood reminded the participants that Reserve Service is a defined term in WEQ-000. He noted that in drafting standards, the participants will need to ensure that there is not any conflict with existing standards that reference Reserve Service, including the definition as included in WEQ-000. Mr. Phillips commented that the language may need to also be revised to fit the NAESB standards construct.

Mr. Brown and Mr. Widergrin reviewed the draft language regarding regulation service proposed as part of the Common Grid Services Work Paper. The participants discussed the background language. Mr. Phillips noted that the language includes references to specific companies and that NAESB standards language should be neutral. Mr. Brown and Mr. Widergren took an action item to revise the language to remove references to outside material and specific companies as well as provide more information regarding the mileage concept.

Mr. Brown stated that as part of any standards language, it may be important to ensure the business practices are compatible with any applicable reliability standards. Ms. Trum stated that this is an area of coordination between NAESB and NERC staff. She indicated that any draft language can be provided to NERC staff and that if needed, the business practices can reference specific NERC Reliability Standards.

The participants discussed the draft language for performance expectation. Minor modifications were made. Mr. Phillips noted that the language would need to be slightly modified to fit the template for NAESB standards. Mr. Wood stated that vertically integrated utilities typically do not have any timing parameters associated with regulation or reserve service because these services are obtained through a pooling mechanism. He noted that he would further discuss internally the processes Southern Company uses associated with these services. Mr. Widergren indicated the importance of drafting standards language that is reflective of practices in organized markets as well as vertically integrated utilities.

The Common Grid Services Work Paper as revised during the meeting is available at the following link: <https://naesb.org//pdf4/weq_bps092722a2.docx>.

The R22001 Parking Lot as revised during the meeting is available at the following link: <https://naesb.org//pdf4/weq_bps092722a1.docx>.

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

Mr. Phillips stated that the subcommittee had previously discussed holding an informal comment period on draft standards language. He suggested that the participants aim to have language to send out for informal comment by the end of the next meeting, October 27, 2022. Mr. Brown indicated that he could provide an updated work paper that contains draft language for the subcommittee to consider within the next few weeks. He suggested that it may be helpful to include a link to this document as part of the agenda for the next meeting.

1. **Other Business**

Mr. Phillips noted that the next meeting of the subcommittee is scheduled for October 27, 2022.

1. **Adjourn**

The meeting adjourned at 4:03 PM Central by consensus.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Dick | Brooks | Reliable Energy Analytics |
| Rich | Brown | Lawrence Berkeley National Laboratory |
| John | Pearson | ISO-NE |
| Joshua | Phillips | Southwest Power Pool |
| Ken | Quimby | Southwest Power Pool |
| Farrokh | Rahimi | OATI |
| Robin | Rebillard | Manitoba Hydro |
| Lisa | Sieg | LG&E and KU Services |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Steve | Widergren | Pacific Northwest National Laboratory |
| JT | Wood | Southern Company |