**via posting**

**TO:** NAESB Retail Markets Quadrant (RMQ) and Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS) Participants and Interested Parties,

**FROM:** Caroline Trum, NAESB Deputy Director

**RE:** Final Minutes from Joint RMQ BPS and WEQ BPS Conference Call – August 10, 2020

**DATE:** August 28, 2020

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**August 10, 2020 – 10:30 AM to 12:30 PM Central**

**FINAL MINUTES**

1. **Welcome**

Mr. Brooks welcomed the participants to the meeting. Ms. Trum provided the Antitrust and Other Meeting Policies reminder. The participants introduced themselves over the phone. Mr. Brooks reviewed the agenda. The agenda was adopted by consensus.

Mr. Brooks reviewed the draft minutes from the July 27, 2020 conference call. Modifications were made to correct a typographical error. Ms. Crockett moved, seconded by Ms. Do, to adopt the minutes as final. The motion passed a simple majority vote without opposition. The final minutes for the meeting are available at the following link: <https://naesb.org/pdf4/weq_bps_rmq_bps072720fm.docx>.

1. **Continue to Develop Proposed Model Contract to Address 2020 RMQ Annual Plan Item 6.b and 2020 WEQ Annual Plan Item 7.b.ii – Develop a standard contract to improve and automate the current voluntary REC creation, accounting, and retirement processes**

Mr. Brooks stated that during the previous meeting, the subcommittees had continued efforts to draft a model REC contract based on the NAESB Base Contract for Sale and Purchase of Natural Gas. He noted that the working title that had been given to the draft document was the Base Contract for Sale and Purchase of Renewable Energy Certificates. Ms. Do asked if the title of the model contract should be changed to avoid confusion with the wholesale gas contract NAESB maintains, which is often referred to as the NAESB Base Contract. Mr. Weinstein suggested that the document be titled the Master Agreement for Sale and Purchase of Renewable Energy Certificates. Ms. Crockett agreed with Mr. Weinstein’s suggestion. There was general consensus among the participants to modify the title of the draft document.

Mr. Brooks stated that over the past several meetings, the participants had reviewed the cover page through the end of Section 1 – Purpose and Procedures. As part of these discussions, the participants had proposed to remove the procedures for oral transactions from the master agreement. Ms. Sieg voiced support for the master agreement to encompass procedures for oral transactions. She explained that often times parties engage in oral communications when buying and selling RECs and that having a set procedure for oral transactions is a valuable tool for the parties. There was general consensus to add the oral transaction procedures back into the master agreement.

Ms. Crockett stated that as part of recent modifications to the NAESB Base Contract for Sale and Purchase of Natural Gas, references to EDI had been replaced with the broader term secure electronic communication exchange, abbreviated as ECS. She suggested that the subcommittees may want to consider using this term in lieu of EDI. Ms. Sieg and Ms. Do voiced support for Ms. Crockett’s suggestion. The participants agreed to replace references to EDI and ECS and define the term as part of Section 2 – Definitions.

The participants began to work through the proposed revisions to Section 2 – Definitions. Ms. Crockett stated that she had submitted a [work paper](https://naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps081020w1.docx) with additional proposed modifications.

The participants discussed the defined term Alternative Damages. Mr. Brooks asked if the reference to a firm obligation was appropriate to include in a master agreement addressing the sale and purchase of RECs. Ms. Sieg stated that there are many different types of RECs and that the master agreement likely cannot include a comprehensive list of all REC products. She suggested that a better option may be to generically state that alternative damages apply when a party fails to perform its obligation. Ms. Crockett agreed, stating that requirements to perform a firm obligation are more applicable to gas transactions than RECs. The participants modified the definition with language suggested by Mr. Brooks.

The participants discussed the defined terms Applicable Program, Certification, and Certification Authority. Mr. Weinstein stated that the terms Certification and Certification Authority may not be applicable to voluntary RECs. Ms. Utt stated that the terms could be applicable based on quality requirements agreed upon for the REC by the parties to the transaction but suggested that Applicable Product could be a more appropriate term than any of the current defined terms. She explained that parties could require as a condition to the contract that a REC be certified by Green-e, from a specific region, or from a specific renewable resource. Ms. Crockett suggested that this type of situation could be addressed through an addendum to the contract. Mr. Weinstein stated that Certification Authority, if retained as a defined term, should represent the party that certifies the REC. He suggested the term be defined as the authority that validates and issues the certificates for renewable energy. Ms. Crockett expressed support for this proposed definition. She explained that it would encompass RECs that are issued not only through tracking systems but also attestations via contract path tracking. The participants continued to discuss these three defined terms. Ms. Crockett stated that the participants may need to determine the master agreement terms and conditions before making a determination on the defined terms and the accompanying definitions. This item was added to the parking lot for further discussion.

The draft master agreement as modified during the meeting is available at the following link: <https://naesb.org/member_login_check.asp?doc=weq_bps_rmq_bps081020a2.doc>.

The parking lot as modified during the meeting is available at the following link: <https://naesb.org/pdf4/weq_bps_rmq_bps081020a1.docx>.

1. **Discuss Next Steps and Future Meetings**

The next meeting of the subcommittee is a conference call scheduled for September 1, 2020. The participants will continue discussions regarding the draft master agreement.

1. **Adjourn**

The meeting adjourned by consensus at 12:30 PM Central by consensus.

1. **Attendance**

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| **First Name** | **Last Name** | **Organization** |
| T. Leetha | Abazid | TVA |
| Jack | Armstrong | Duke Energy |
| Dick | Brooks | Reliable Energy Analytics |
| Peyton | Butler | TVA |
| Bill | Casey | Portland General Electric |
| Joe | Ciabattoni | PJM |
| Valerie | Crockett | TVA |
| Mary | Do | Znalytics, LLC |
| Eva | Hunt | Avista |
| Jo | Johnson | Portland General Electric |
| Elizabeth | Mallett | NAESB |
| Beth | Martin | WE Energies |
| Ken | Podgorski | TVA |
| Farrokh | Rahimi | OATI |
| Lisa | Sieg | LG&E and KU Energy |
| Caroline | Trum | NAESB |
| Karen | Utt | TVA |
| Jeremy | Weinstein | PacifiCorp |