**via posting**

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

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

**RE:** Final Minutes from Joint RMQ BPS and WEQ BPS Conference Call – April 2, 2024

**DATE:** April 9, 2024

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**April 2, 2024 – 1:00 PM to 4:00 PM Central**

**FINAL MINUTES**

1. **Welcome**

Ms. Sieg welcomed the participants to the meeting. Ms. Trum provided the Antitrust and Other Meeting Policies reminder. Ms. Sieg reviewed the agenda. The agenda was adopted by a simple majority on a motion by Mr. Johnson, seconded by Mr. Maples.

Ms. Sieg reviewed the draft minutes from the March 12, 2024 meeting with the participants. No modifications were offered. Mr. Johnson, seconded by Mr. Brooks, moved to adopt the draft minutes as final. The motion passed a simple majority vote. The final minutes for the meeting are available at the following link: <https://www.naesb.org/pdf4/weq_rmq_bps031224fm.docx>

1. **Review Industry Submitted Contract Examples, White Papers, and Other Documentations**

Ms. Sieg stated that posted as work papers for the meeting are example contracts provided by the U.S. Department of Energy as well as the [Examples Spreadsheet](https://naesb.org/pdf4/weq_rmq_bps040224w1.xlsx) which identifies and categorizes the various terms and conditions within the example contracts. Ms. Trum noted that the first two tabs contain the listing of articles and subsections for each example contract and the NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates (NAESB REC Base Contract) and the third tab organizes the articles and subcategories into different groups based on topic area. She suggested that as the subcommittees move forward with standards development, it may be helpful to have a tab for each different section of the terms and conditions.

Ms. Sieg asked participants for feedback on the categorization of the example terms and conditions. Mr. Patel stated that the participants may want to prioritize the development of terms and condition that maybe specific to a standard contract for obtaining distribution services from DER aggregators, such as performance assurance and operational coordination. Mr. Sappenfield suggested that the participants may want to review the categories and determine which topics would be addressed through general terms and conditions and what areas may be covered by the transaction confirmation, exhibits, addendums, or separate documentation. Mr. Brooks agreed and stated that the participants may be able to leverage the NAESB REC Base Contract as a template for this effort. Ms. Sieg reviewed the contract with the participants. She noted that some areas, such as the content formatting of the cover pages are generally applicable to any contract but that much of the language contained within the terms and conditions is REC specific. Mr. Brooks suggested that, where possible, for consistency purposes, the participants use defined terms and definitions that appear in the NAESB contracts or business practice standards. He stated that last year, in response to a request from the U.S. Department of Energy, NAESB developed REQ.30 Distribution Services Supporting Retail Electric Interactions. Mr. Patel provided that the U.S. DoE also has a few white papers related to grid services and grid service-related definitions that may be helpful in creating consistency in the use of defined terms. He stated that he would provide these as work papers for the next meeting. Ms. Hamid stated that evaluating defined terms used in capacity contracts may also be beneficial. She explained that capacity contracts can often contemplate a number of resources and may be similarly aligned to how resources within a DER aggregation would be addressed. Mr. Patel stated that this could be helpful as the DoE Standard Distribution Services Contract White Paper (U.S. DoE White Paper) proposes the standard contract include consideration of DER aggregation plans.

Mr. Dotson-Westphalen asked about the scope of the standard contract and if the standard contract would address the provision of distribution services as part of tariff-based programs offered by utilities. Mr. Patel stated that the U.S. DoE White Paper and the request broadly focus on the acquisition of distribution services by a utility. He explained that the intent is to develop a standard contract that is adaptable regardless of how the distribution utility procures DER services from an aggregation.

Ms. Sieg reviewed tab three of the Examples Spreadsheet with the participants. She noted that some of the example terms and condition articles are included in multiple categories because the areas addressed in the subsections did not fall into a singular topic bucket. Mr. Patel stated there are several categories of terms and conditions that are not currently found in existing contracts and may need to be expanded on, such as performance assurance and the administrative obligations. Mr. Sappenfield stated that the service provider obligation category contains topics similar to those addressed by the transaction confirmation would not be part of the general terms and conditions. Ms. Sieg noted that the participants may need to have more in depth discussion as some of the areas listed in the service provider obligation category go beyond transaction confirmation activities. She stated that areas like grid service descriptions and customer service may fall under existing or new terms and conditions.

Mr. Brooks asked whether the standard contract will need to address the transfer of RECs. Mr. Patel stated that the focus of the contract is the acquisition of distribution services. Mr. Brooks noted that some of the distribution services provided by a DER aggregation may have an associated REC. He suggested that there may be a need to address as part of the contract if the utility, in acquiring the distribution service, is also assuming to obtain ownership of the REC. Ms. Sieg stated that the NAESB REC Base Contract addresses title transfer for RECs. Mr. Patel noted that this could potentially be addressed by the distribution utility’s product definition.

Mr. Sappenfield stated that there are several of the example contracts contain very similar terms and conditions. He asked if it would be more efficient to limit the number of documents the participants are comparing when identifying the categories for the terms and conditions. Mr. Patel noted that Contract Examples 2, 3, 6, and 7 would likely be the most representative. He suggested the participants use these examples and the contract framework identified in the U.S. DoE White Paper to determine the appropriate terms and conditions. Mr. Brooks agreed. Ms. Sieg suggested the participants create a terms and conditions category for every section identified in the U.S. DoE contract framework. The participants agreed to proceed in this manner.

The participants discussed the Data and Visibility category. Ms. Trum noted that this is not a section addressed within the NAESB REC Base Contract but is included as part of the U.S. DoE White Paper. Mr. Dotson-Westphalen stated that in addition to data and visibility requirements applicable to DERs or DER aggregators, the standard contract should also define the role, responsibility, and process for DER owners and aggregators to obtain information, such as historical meter data, from the distribution utility. Ms. Hamid agreed, stating that it would be beneficial if the contract established parameters on the obligation of a distribution utility to provide data in a timely and accurate manner. Mr. Patel explained that the data requirements and obligations of aggregators and utilities could be addressed as part of the terms and conditions addressing performance expectations, data and visibility, and measurement and verification. He stated that the U.S. DoE White Paper addresses the need to identify how data is communicated from the aggregators to the utility and vice versa. Mr. Patel suggested that the performance expectation related terms and conditions include: (1) roles and responsibilities of DER owners/aggregators for providing data specified by utility; (2) meter data provided to aggregators by utility; (3) non-performance; and (4) non-performance penalties. Ms. Sieg stated that the participants would likely need distribution utilities to provide examples of non-performance penalties.

Ms. Sieg noted that the operational coordination category is included in the U.S. DoE White Paper and suggested this be made a new section of the terms and conditions. She suggested that requirements related to communication systems and equipment be included in this section. Mr. Patel proposed including a new terms and conditions section on pre-contract requirements and steps which would include information regarding interconnection agreements. Mr. Dotson-Westphalen stated that there may need to be flexibility in regards to interconnection agreements. He explained that depending on the timeline identified by the utility for the provision of the distribution service, the aggregator may still be executing contracts with DER owners for participation in the aggregation. Mr. Patel stated that the DER Aggregation Plan will be an important part of the contract as the distribution utility needs oversight into how the DERs are being aggregated, the implementation plan for the DER aggregation, and the resource plan and schedule. He explained that the utility will need to provide aggregation rules, such as capacity limit and DER type, that will identify how each DER needs to perform to satisfy the performance requirements for the distribution service. Ms. Hamid asked about what type of information would be included in the resource plan and schedule. Mr. Patel explained that there needs to be an agreement in place between the DER aggregator and the utility regarding the DER portfolio for the aggregation. He stated that the resource plan will specify items such as how DERs within the aggregation will be dispatched and capacity limits. Ms. Hamid stated that DER aggregators may be continually recruiting customers to participate in the aggregation and may not always have an exact line of sight into the exact location or capabilities of the resource. She suggested that the standard contract include terms and conditions providing flexibility for a DER aggregator to change the resources comprising the aggregation. Mr. Dotson-Westphalen agreed, stating that it could be helpful to tie performance obligations to the delivery of the service at the aggregation node rather than by the performance of individual DERs.

The Examples Spreadsheet as revised during the meeting is available at the following link: <https://naesb.org/pdf4/weq_rmq_bps040224a1.xlsx>.

1. **Discuss Development of Standardized Terms and Conditions**

Ms. Sieg suggested that during the next meeting, the participants begin discussing proposed language for the standard terms and conditions based on the categories and topics identified within the revised spreadsheet. The participants agreed to proceed in this manner.

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

Ms. Trum stated that the revised Examples Spreadsheet will be posted as an attachment for the meeting. Mr. Patel stated he would provide additional white papers related to grid service terms and definitions. Ms. Sieg asked participants to provide any additional work papers that could help contribute to discussions or draft language for review at the next meeting.

1. **Discuss Future Meetings**

Ms. Sieg stated that the next meetings of the WEQ/RMQ BPS will be held on April 17, 2024 from 1:00 – 4:00 PM Central. She noted that additional meetings are scheduled for April 30, 2024 from 1:00 to 4:00 PM Central and May 16, 2024 from 1:00 – 4:00 PM Central.

1. **Adjourn**

The meeting adjourned at 3:22 PM Central on a motion by Mr. Dotson-Westphalen.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Briana | Ashiotes | Budderfly, Inc. |
| Rebecca | Berdahl | Bonneville Power Administration |
| Tanner | Brier | Bonneville Power Administration |
| Dick | Brooks | Reliable Energy Analytics |
| Katie | Davis | Bonneville Power Administration |
| Peter | Dotson-Westphalen | CPower |
| Thomas | Chamberlain | Entergy |
| Shawn | Grant | CAISO |
| Amaani | Hamid | Kraken |
| Alan | Johnson | NRG |
| Brian | Jordan | NV Energy |
| Darren | Lamb | CAISO |
| Hayden | Maples | KCP&L and Westar, Evergy Companies |
| Katrina | McEvoy | Arizona Public Service Company |
| Amrit | Nagi | NAESB |
| Chris | Norton | American Municipal Power |
| Saumil | Patel | ICF Consulting |
| Sam | Ressin | Advanced Energy United |
| Keith | Sappenfield | Corpus Christi Liquefaction, LLC |
| Kim | Sperry | MISO |
| Scott | Stewart | BPA |
| Lisa | Sieg | LG&E and KU Services Company |
| Caroline | Trum | NAESB |