**November 1, 2024**

**TO:** NAESB Retail Markets Quadrant (RMQ) Executive Committee and Interested Industry Participants

**FROM:** Caroline Trum, Director of Wholesale Electric Activities

**RE:** RMQExecutive Committee Meeting Draft Minutes – October 24, 2024

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**RETAIL MARKETS QUADRANT**

**EXECUTIVE COMMITTEE**

**Thursday, October 24, 2024 – 10:00 AM to 12:00 PM Eastern**

**BHE Eastern Gas Transmission & Storage Inc., Glen Allen, VA**

**DRAFT MINUTES**

**1. Welcome**

Mr. Watson called the meeting to order and welcomed the RMQ Executive Committee (EC) members, alternates and other participants. She provided information concerning the meeting facilities and noted that the meeting was being transcribed. Mr. Booe thanked Ms. Hogge and BHE Eastern Gas Transmission & Storge, Inc. for hosting the meeting. Ms. Trum reminded the participants that the [NAESB Antitrust Guidelines and Other Meeting Policies](http://www.naesb.org/misc/antitrust_guidance.doc) were in effect and called the roll of the RMQ EC members and alternates. Quorum was established.

Mr. Booe thanked Mr. David Lawrence with Duke Energy Corporation who resigned as an alternate in the Retail Electric Utilities Segment earlier this year.

**2. Consent Agenda**

Mr. Watson reviewed the consent agenda with the participants, which included the adoption of the [agenda](http://www.naesb.org/misc/antitrust_guidance.doc) and the [draft meeting minutes](https://naesb.org/pdf4/rmq_ec032124fm.docx) from the March 21, 2024. Mr. Coffin moved, seconded by Ms. Hastey, to adopt the consent agenda. The motion passed a simple majority vote.

**3. Review and Consider the Recommendation for Standards Request R24001 – Request for a standardized pro forma distribution services contract for DER aggregations**

Mr. Watson reviewed the [recommendation](https://naesb.org/pdf4/weq_rmq_r24001_rec_090624.docx), developed jointly by the RMQ and WEQ Business Practices Subcommittees (BPS) in response to Standards Request R24001, submitted by the U.S. Department of Energy (DoE) and ICF Consulting, proposing that NAESB develop a standard contract to support transactions for distribution grid services between distribution utilities and DER aggregations. Mr. Watson stated that the recommendation proposes a new contract, the NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from DER Aggregations (NAESB Distribution Grid Services Base Contract) as well as two other documents developed at the suggestion of participants, the NAESB Conditions Precedent Addendum and the NAESB Distribution Grid Services Base Contract Frequently Asked Questions (FAQs). He explained that the NAESB Distribution Services Base Contract establishes standard terms and conditions to help increase consistency and minimize uncertainties in the contracting process, and the standard contract is intended to be used across multiple retail jurisdictions. He stated that the NAESB Conditions Precedent Addendum will help facilitate contract negotiations between the DER aggregator and distribution utility, before the aggregator has completed the registration process with the utility, and the FAQ provides information generally applicable to all NAESB contracts as well as specific details regarding the use of the NAESB Distribution Grid Services Base Contract and the NAESB Conditions Precedent Addendum.

Mr. Watson stated that the [formal comment period](https://naesb.org/pdf4/weq_rmq090624reqcom.doc) concluded on October 7, 2024 with comments submitted by Cheniere, [CAISO](https://naesb.org/pdf4/weq_rmq090624_caiso.docx), [Concentric Energy Advisors](https://naesb.org/pdf4/weq_rmq090624_ceAdvisors.docx), on behalf of [Southern California Edison](https://naesb.org/pdf4/weq_rmq090624_SCE.pdf), on behalf of the National Association of Regulatory Utility Commissioners (NARUC), and on behalf of the [U.S. DoE](https://naesb.org/pdf4/weq_rmq090624_DOE_late.docx). The Cheniere comments proposed redline revisions to R24001 Recommendation [Attachment 1](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment1_Cheniere.docx), [Attachment 2](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment2_Cheniere.docx), and [Attachment 3](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment3_Cheniere.doc). The Southern California Edison comments included proposed redline revisions to R24001 Recommendation [Attachment 1](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment1_additional_SCE.docx) and [Attachment 2](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment2_additional_SCE.docx). The NARUC comments proposed redline revisions to R24001 Recommendation [Attachment 1](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment1_NARUC.docx) and [Attachment 2](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment2_NARUC.docx). The U.S. DoE comments included proposed redline revisions to R24001 Recommendation [Attachment 1](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment1_DOE_late.docx) and [Attachment 2](https://naesb.org/member_login_check.asp?doc=weq_rmq090624_attachment2_DOE_late.docx).

Mr. Watson stated that the RMQ/WEQ BPS met on October 10, 2024 and October 16, 2024 to discuss the formal comments and to consider the need for additional modifications to address issues raised by the formal commenters. He noted that the main discussion area during the first meeting was the identification and correction of ambiguous language that did not distinguish between transactions for distribution services that are under FERC’s jurisdiction and those that are under state or local jurisdiction. He explained that the majority of revisions proposed by the late comments to [Attachment 1](https://naesb.org/member_login_check.asp?doc=weq_rmq_ec102324w2.docx), [Attachment 2](https://naesb.org/member_login_check.asp?doc=weq_rmq_ec102324w3.docx), and [Attachment 3](https://naesb.org/member_login_check.asp?doc=weq_rmq_ec102324w4.doc) of the RMQ/WEQ BPS clarify that the contract is specifically limited to retail market transactions and not intended to be used for the sale and purchase of distribution services that would be considered wholesale sales.

Mr. Watson noted that representatives of the U.S. DoE, as part of the formal comments and during meeting discussions regarding the formal comments, confirmed the intent of the request was for NAESB to develop a contract that could be used to purchase distribution grid services from a DER aggregator by a distribution system operator under the jurisdiction of an applicable retail regulatory authority. He stated that the RMQ/WEQ BPS late comments make several modifications to the contract that revise the ambiguous language and clarify this intent. He explained that the most substantive change is to the definition of Distribution Services in Section 2 of the NAESB Distribution Grid Services Base Contract. These modifications rename the defined term to Distribution Grid Services and incorporate new language to limit the types of services that can be transacted for using the contract. Mr. Watson stated that the new language narrows the definition of Distribution Grid Services to those that enhance or support the Buyer’s distribution system facilities and includes specific examples, such as distribution voltage and reactive power, distribution capacity, power quality, and resilience and reliability. He noted that there was consensus among the meeting participants to make these changes and that, during the meeting, representatives of the U.S. DoE stated that the revisions align the contract with the intent of the request to NAESB.

Mr. Watson stated that the RMQ/WEQ BPS late comments also modify language inadvertently not removed or revised during the drafting of the contract. He noted that, where possible, the RMQ/WEQ BPS leveraged language from existing NAESB contracts, such as the NAESB Base Contract for the Sale and Purchase of Voluntary Renewable Energy Certificates. He explained that while most of these terms and conditions are generally applicable to any sale and purchase transaction, others were specifically related to commodities and had to be adapted to cover transactions for distribution grid services. He stated that during the review of the formal comments, participants identified additional changes for clarity to some of these provisions. The RMQ/WEQ BPS late comments include these revisions and several non-substantive modifications for consistency and to correct typographical errors.

Mr. Watson noted that during the WEQ EC discussion on this recommendation, Ms. Sieg identified a few additional consistency changes and other corrections that were not included in the RMQ/WEQ BPS late comments. He stated that she suggested revisions to Sections 2.24, 2.26, and 2.36 to be consistent in the use of the defined term Distribution Grid Services, to strike the phrase “entering into new arrangements which replace a Terminated Transaction” in Section 2.50, and to re-add the inadvertently deleted defined term Transactional Cross Default. He noted that her changes also proposed to delete 13.11.c.ii, as this term is not applicable to the sale and purchase of distribution grid services, and to correct a grammatical error in the NAESB Distribution Services Base Contract FAQ Question 10.

Mr. Watson stated that following the RMQ/WEQ BPS development of the late comments, [additional late comments](https://naesb.org/member_login_check.asp?doc=weq_rmq_ec102324w1.docx) were submitted on behalf of the U.S. DoE. These comments propose a non-substantive change to the revised definition for Distribution Grid Services for clarity. Mr. Watson suggested that the RMQ EC incorporate the changes proposed by Ms. Sieg and the U.S. DoE.

Mr. Watson explained that the vote by the WEQ EC regarding the recommendation did not receive the necessary super majority support for adoption. He stated that as the contract is limited to retail market transactions, the WEQ EC determined that the contract would be more appropriate as an RMQ standard, should the RMQ EC vote to adopt the recommendation.

Mr. Watson asked if there were any questions or comments on the recommendation. Mr. Coffin asked who are the intended parties to the contract and how the contract will be used. Mr. Watson responded that, per the request of the U.S. DoE and ICF Consulting, the NAESB Distribution Grid Services Contract establishes standard terms and conditions to facilitate transactions between DER aggregators and distribution utilities for procuring distribution grid services from DER aggregations. He explained that the standard contract can be used to engage in bilateral transactions for distribution grid services across the country and could be used by individual contracting parties or as directed by an applicable retail regulatory authority.

Mr. Watson asked if there were any additional questions or comments. None were offered. Mr. Watson stated that Ms. Sieg, co-chair of the WEQ BPS, shepherded the development of the recommendation and thanked her for her leadership and contributions.

Mr. Watson moved, seconded by Mr. Coffin, to adopt the recommendation as revised by the RMQ/WEQ BPS and with the additional revisions to [Attachment 1](https://naesb.org/member_login_check.asp?doc=rmq_ec102424a5.docx), [Attachment 2](https://naesb.org/member_login_check.asp?doc=rmq_ec102424a6.docx), and [Attachment 3](https://naesb.org/member_login_check.asp?doc=rmq_ec102424a7.doc) as discussed by the RMQ EC During the meeting, not enough votes were cast to make a determination on the motion, necessitating a notational ballot.

The recommendation, as revised by the RMQ/WEQ BPS late comments and with the additional revisions to Attachment 1, Attachment 2, and Attachment 3 as discussed by the RMQ EC during the meeting was subsequently adopted through notational ballot on October 30, 2024. There was one vote in abstention by Mr. Coffin.

**4. Review and Consider the NO ACTION Recommendation for 2024 RMQ Annual Plan Item 1 – Review RMQ Cybersecurity Model Business Practices including data fields and minimum technical characteristics, and revise as needed**

Mr. Watson reviewed the [no action recommendation](https://naesb.org/pdf4/rmq_2024_api_1_rec_091024.docx). He stated that in August, the RMQ Information Requirements/Technical Electronic Implementation Subcommittee held a joint meeting with the WGQ Electronic Delivery Mechanism (EDM) Subcommittee to perform the annual review of the RMQ Cybersecurity Related Model Business Practices and the WGQ Cybersecurity Related Standards, respectively. Mr. Watson explained that, based on discussion, the RMQ IR/TEIS determined that there are no revisions are needed at this time and voted out a no action recommendation. He noted that the WGQ EDM Subcommittee made one non-substantive change to correct a typographical error. The formal comment period ended on October 10, 2024, and no comments were submitted.

Mr. Watson asked if there were any questions or comments regarding the no action recommendation. None were offered. Mr. Watson moved, seconded by Mr. Coffin, to adopt the no action recommendation. The motion passed with simple majority support.

**5. Subcommittee/Development Updates**

Triage Subcommittee

Mr. Booe provided the update. He stated that since the last meeting of the WGQ EC, there have been triage dispositions for four requests for standards development. [Standards Request R24002](https://naesb.org/pdf4/tr032724disposition.docx), submitted by the North American Electric Reliability Corporation (NERC), proposes NAESB consider if revisions are needed to defined terms used in the WEQ Business Practice Standards to help ensure consistency in terminology between the business practices and NERC Reliability Standards. Mr. Booe stated that the request was assigned to the WEQ Standards Review Subcommittee, and the WEQ EC adopted a recommendation in support of the request during its October 23, 2024 meeting. [Standards Request R24003](https://naesb.org/pdf4/tr041624disposition.docx), submitted by OATI, proposes revisions to support increased transparency within the WEQ OASIS suite of Business Practice Standards. Mr. Booe stated that the request was assigned to the WEQ OASIS Subcommittee, and the subcommittee co-chairs anticipate voting out a recommendation early next year. [Standards Request R24004](https://naesb.org/pdf4/tr091924disposition.docx), submitted by TC Energy Corporation, proposes new data elements to accommodate distance-based rate charges for transportation services used by some interstate natural gas pipelines. Mr. Booe stated that the request was assigned to the WEQ BPS, and a recommendation should be available for WGQ EC consideration as part of its March 2025 meeting. [Standards Request R24005](https://naesb.org/pdf4/tr100324disposition.docx), submitted jointly by Southwest Power Pool and RCWest/CAISO, proposes the development of business practices to support Western Interconnection congestion management processes. Mr. Booe stated that the request was assigned to the WEQ BPS, and the subcommittee co-chairs plan to begin addressing the request at the start of next year

RMQ Business Practices Subcommittee

Mr. Watson provided the update. He stated that the RMQ BPS held meetings with the WEQ and WGQ BPS to address joint annual plan assignments related to gas-electric coordination and with the WEQ BPS to address Standards Request R24001. The next meeting of the RMQ BPS will be held on October 30, 2024 and is a joint meeting with the WEQ BPS and WEQ Cybersecurity Subcommittee to re-initiate efforts to consider the development of any needed cybersecurity protections to help secure DER-related electronic communications.

RMQ Information Requirements and Technical Implementation Subcommittee (IR/TEIS)

Mr. Watson provided the update. He stated that since the last RMQ EC meeting, the RMQ IR/TEIS held one meeting, jointly with the WGQ EDM Subcommittee, to develop the no action recommendation adopted by the RMQ EC today.

Green Button/Energy Services Provider Interface (ESPI) Task Force

Mr. Coffin provided the update. He stated that the ESPI Task Force has not met since the last RMQ EC meeting.

**6. Adoption of 2024 RMQ Annual Plan Adopted by the Board of Directors on September 5, 2024**

Mr. Watson reviewed the revisions to the 2024 RMQ Annual Plan [proposed](https://naesb.org/pdf4/weq_ec102324w2.docx) by Ms. McKeever. He asked if there were any questions or comments. None were offered.

Mr. Coffin moved, seconded by Ms. Hastey, to adopt the annual plan as revised by Ms. McKeever. The motion passed without opposition.

**7. Adoption of Proposed 2025 RMQ Annual Plan Adopted by the Annual Plan Subcommittee**

Mr. Watson reviewed the [proposed](https://naesb.org/pdf4/rmq_ec102424w2.docx) 2025 RMQ Annual Plan. One modification was made to change the completion date of proposed RMQ Annual Plan Item 2.a from 2024 to 2025. Mr. Agen noted that proposed RMQ Annual Plan Item 3.a relates to gas-electric coordination and was added to the RMQ, WEQ, and WGQ proposed 2025 Annual Plans based on comments submitted by American Gas Association (AGA). He explained that AGA proposed the annual plan item in recognition of ongoing gas-electric coordination initiatives that could lead to suggested actions for NAESB, such as efforts underway by various states, FERC, and the National Association of Regulatory Utility Commissioners (NARUC).

Mr. Watson asked if there were any additional questions or comments regarding the proposed annual plan. None were offered. Mr. Coffin moved, seconded by Ms. Hastey, to adopt the proposed 2025 RMQ Annual Plan as [revised](https://naesb.org/pdf4/rmq_ec102424a2.docx) during the meeting.

**8. Publication Schedule Review**

Mr. Booe provided the review of the [RMQ](https://www.naesb.org/misc/retail_publication_schedule_ver004_1.docx), [WEQ](https://www.naesb.org/misc/weq_publication_schedule_ver004_1.doc), and [WGQ](https://www.naesb.org/misc/wgq_publication_schedule_ver004_1.doc) publication schedules. He noted that WEQ published Version 004 on July 31, 2023, and FERC issued a Notice of Proposed Rulemaking (NOPR) proposing to incorporate by reference WEQ Version 004, with certain exceptions, on April 25, 2024.

Mr. Booe stated that on September 19, 2024, FERC issued a final order regarding its March 21, 2024 NOPR proposal to incorporate by reference, with certain exceptions, WGQ Version 4.0. The final order, issued in Docket No. RM96-1-043, is not yet published in the Federal Register.

Mr. Booe stated that following the December 23, 2023 publication of RMQ Version 4.0, the standards were provided to NARUC and are available to any state commission upon request. He noted that state commissions which are members of NAESB can access the standards through the website. Mr. Booe stated that the current NARUC Executive Director, Mr. Greg White, will be retiring later this year. NARUC has announced Former FERC Commissioner Tony Clark as his replacement.

**9. Board of Directors, Board Committee, and Regulatory Updates**

Mr. Booe provided the [membership update](https://www.naesb.org/misc/membership_report_031324.docx), stating that NAESB has a net gain of two members for the year. He noted that while the RMQ has lost one member with the resignation of Duke Energy, the WEQ and WGQ have net membership gains for the year. He stated that 2024 membership levels are more stable when compared to membership volatility in 2023, with a total gain of seven new members and five member resignations for the year.

Mr. Booe provided the NAESB Board of Directors and Board Committees updates. The NAESB Board of Directors last [met](https://www.naesb.org/pdf4/bd090524a.docx) on September 5, 2024. The invited guest speakers for the meeting included representatives of the National Petroleum Council who provided an overview of two recently published reports, Charting the Course: Reducing Green House Gas Emission for the U.S. Natural Gas Supply Chain and Harnessing Hydrogen: A Key Element of the U.S. Energy Future. Mr. Booe noted that, as has been done following past National Petroleum Council studies, the Board Strategy Committee plans to evaluate these reports to consider if there are related standard development activities that should be considered. He explained that this meeting of the Board also served as NAESB’s Annual Meeting of the Members and Strategic Session and featured a panel of Advisory Council members and other invited guest speakers who provided thoughts and recommendations regarding possible areas of standards development and NAESB’s strategic direction.

Mr. Booe stated that the Managing Committee [met](https://naesb.org/pdf4/managing082824notes.docx) on August 28, 2024. During the meeting, the committee discussed staff performance and reviewed the status of the distributed ledger technology project TVA has undertaken at the request of U.S. DoE which is being coordinated through NAESB.

Mr. Booe stated that the Board Revenue Committee met on [April 4, 2024](https://naesb.org/pdf4/bd_revenue040324notes.docx) and [August 29, 2024](https://naesb.org/pdf4/bd_revenue082924a.docx) to discuss NAESB revenue generation, the publication cycle, and communication activities with external entities. The Board Revenue Committee intends to hold an additional meeting prior to the December 12, 2024 meeting of the Board of Directors.

Mr. Booe stated that the Board Strategy Committee met on [April 3, 2024](https://naesb.org/pdf4/bd_strategy_040324mn.docx), [June 7, 2024](https://naesb.org/pdf4/bd_strategy_062724mn.docx), and [August 29, 2024](https://naesb.org/pdf4/bd_strategy_082924a.docx). The committee started the year by discussing potential standards development to support hydrogen and is now evaluating other standard development efforts the Board of Directors may want to consider to help ensure NAESB continues to remain active in areas that support energy industry objectives. The Board Strategy Committee is scheduling additional meetings to review the 2025 Annual Plans prior to consideration by the Board of Directors and to discuss the NPC reports.

Mr. Booe noted that meeting materials include hyperlinks to the FERC actions discussed during the meeting as well as to several of FERC’s announcements concerning changes to the eTariff system.

**10. Other Business**

Mr. Booe noted that the agenda includes the [2024 Meeting Schedule](https://www.naesb.org/pdf4/2024_schedule.pdf) and the [2025 Meeting Schedule](https://naesb.org/pdf4/2025_schedule.pdf) is posted. He stated that the Board of Directors plans to hold virtual meetings in April and December and hold an in-person meeting in September. He stated that the Managing Committee likely will discuss the 2025 EC meeting schedule to consider if the meetings should continue to be in-person or transition to virtual.

**11. Adjourn**

The meeting adjourned at 11:01 AM Central on a motion by Mr. Coffin.

**12**. **Attendance & Voting Record**

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| **RMQ Executive Committee**  | **Attendance** | **Vote** |
| **Retail Electric Utilities Segment** |
| Debbie McKeever | Market Advocate, Oncor Electric Delivery Company LLC |  | In Support (NB) |
| Michael Bret Giles | Project Manager, Planning and Regulatory Support Department, Southern Company Services, Inc. |  | In Support (NB) |
| **Retail Gas Market Interests Segment** |
| George M. Behr | Director, Sales/Solutions Engineering, Latitude Technologies, an ESG Company |  |  |
| **Retail Electric End Users/Public Agencies Segment** |
| Sam Watson | General Counsel – North Carolina Utilities Commission rep. National Association of Regulatory Utility Commissioners (NARUC) | By Phone | In Support |
| Catherine Meiners | Retail Data Analyst Sr., Electric Reliability Council of Texas (ERCOT) | By Phone | In Support |
| **Retail Electric Service Providers/Suppliers Segment** |
| Donald F. Coffin | Technical Manager, Green Button Alliance | By Phone | In Abstention |
| Dee Hastey | Lead Software Developer, Big Data Energy Services | By Phone | In Support |

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| **Other Attendees** | **Organization** | **Attendance** |
| Matthew Agen | AGA | In Person |
| Jonathan Booe | NAESB | In Person |
| Amrit Nagi  | NAESB | By Phone  |
| Lisa Sieg  | LG&E and KU Services Company | By Phone |
| Veronica Thomason | NAESB | In Person |
| Caroline Trum | NAESB | In Person |
| Jill Vaugh | Court Reporter | In Person |