##### August 22, 2016

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: WEQ OASIS Subcommittee Update**

**Update on the WEQ OASIS Subcommittee Activities–**

The Federal Energy Regulatory Commission (FERC or the Commission) issued a Notice of Proposed Rulemaking (NOPR), *Standards for Business Practices and Communication Protocols for Public Utilities* on July 21, 2016 (Docket No. RM05-5-025). The NOPR proposes to incorporate by reference, with certain exceptions, Version 003.1 of the NAESB WEQ Business Practice Standards, filed with the Commission on October 26, 2015 (Docket No. RM05-5-000). While addressing the OASIS standards on the treatment of redirects from conditional parent reservations, the Commission invited comments on whether to apply its policy from *Dynegy Power Marketing, Inc.* to conditional and non-firm redirects. Further, the Commission requested that parties comment on the four redirect-related issues that did not gain a consensus within the NAESB process: (1) the treatment of a firm redirect for transmission service following the preemption of the conditional parent reservation; (2) the circumstances under which a firm redirect for transmission service may return to the conditional parent reservation; (3) the number of subsequent firm redirects for transmission service that can stem from the original firm redirect for transmission service; and (4) the proper treatment of requests to redirect requests for non-firm transmission service. In Paragraph 2 of the NOPR, the Commission explained that “[b]ased on these responses, the Commission will consider whether it will adopt regulations regarding redirects from conditional parent reservations and non-firm service.”

On August 18, 2016, the formal industry comment period on the recommendation for 2016 WEQ Annual Plan Item 5.b/R09015 concluded with four comments submitted from NCEMC, Bonneville Power Administration, Southern Company, and the ISO/RTO Council’s Standards Review Subcommittee. The annual plan item and the standards request call for the creation of a new OASIS mechanism, “Consolidations,” that allow for the merger of like reservations without the use of the resale mechanism. Due to the complexity of the draft recommendation, the subcommittee held a well-attended informational call on August 8, 2016 in order to facilitate the commenters during the informal comment period that was held from May 26, 2016 to July 8, 2016. The six informal comments submitted – Southern Company, Bonneville Power Administration, American Municipal Power, Inc., NCEMC, PJM, and MISO – were reviewed during the July face-to-face OASIS meeting. The subcommittee will review the formal comments and develop late comments, if needed, during its upcoming September 7, 2016 conference call. The recommendation and any comments received will be reviewed by the WEQ Executive Committee during its October 25, 2016 meeting.

In response to FERC Order No. 890 and the NAESB Standards Request R05019, the WEQ OASIS Subcommittee is continuing its work to formalize the process of short term firm preemption and competition on OASIS. The OASIS set of standards support the management of the electronic scheduling of wholesale electricity. The recommendation will update the following NAESB WEQ Business Practice Standards: WEQ-000 Abbreviations, Acronyms, and Definitions of Terms; WEQ-001 Open Access Same-Time Information Systems; WEQ-002 OASIS Standards and Communications Protocol; WEQ-003 OASIS Data Dictionary; and WEQ-013 OASIS Implementation Guide. During the October WEQ Executive Committee meeting, the OASIS Subcommittee anticipates delivering a presentation detailing the progress on the development of the preemption and competition standards.

As you may remember, in May, the recommendation to support long term rollover rights competition failed to gain the requisite super majority approval of the WEQ Executive Committee via a notational ballot. Back in February, the WEQ Executive Committee remanded a previous recommendation, Recommendation 1, to support the annual plan item back to the WEQ OASIS Subcommittee with direction to resolve the issues raised by the formal comments and discussion during the meeting. On April 26, 2016, the WEQ Executive Committee considered the revised recommendation, Recommendation 2, and, due to a lack of participation, the notational ballot was sent subsequent to the meeting. The failure of the long term rollover rights recommendation was a topic of discussion during the August WEQ Executive Committee meeting.