**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from June 14, 2022 WEQ BPS Meeting

**DATE:** June 17, 2022

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**June 14, 2022 – 2:00 PM to 3:30 PM Central**

**DRAFT 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 Ms. Crockett.

1. **Review of NAESB Standards Development Process**

Mr. Phillips provided an overview of the [NAESB standards development process](https://naesb.org/pdf4/weq_bps061422w3.pdf). He explained that through the triage process, the WEQ BPS has been assigned an effort to consider the development of WEQ Business Practice Standards to address [Standards Request R22001](https://naesb.org/pdf4/r22001.doc), submitted jointly by the U.S. Department of Energy (DoE), Lawrence Berkeley National Laboratory (LBNL), and Pacific Northwest National Laboratory (PNNL).

Mr. Phillips explained that the WEQ BPS will hold a series of meetings to discuss and draft standards addressing the request and then vote out a recommendation. He indicated that that participation in the subcommittee meetings, including voting, is open to all interested parties, regardless of membership in NAESB and emphasized that NAESB utilizes a consensus-based standards development process. Mr. Phillips stated that following a vote by the subcommittee, the recommendation will then be distributed by the NAESB office for a formal comment period before being submitted to the WEQ Executive Committee for consideration. He stated that if adopted by the committee, the standards will be submitted to WEQ membership for ratification and that any ratified standards will become final actions and incorporated into the next version of the WEQ Business Practice Standards.

1. **Review of R22001 Presentation by Request Submitters**

Mr. Phillips asked Mr. Widergren to review the [presentation](https://naesb.org/pdf4/weq_bps061422w1.pptx) prepared by the request submitters. Mr. Widergren stated that the presentation provides background information and context behind the submittal of the request by PNNL, LBNL, and the U.S. DoE and identifies the goals of the request as well as potential benefits of standards in this area.

Mr. Widergren explained that Standards Request R22001 was submitted in furtherance of the U.S. DoE’s Grid Modernization Laboratory Consortium’s (GMLC) efforts and is based on identified trends regarding the growing complexity of the electric grid, including variable renewable resource growth, the electrification of more end-use appliances, and greater opportunities for the participation of flexible grid-edge resources, such as energy storage and distributed energy resources. He stated as identified by the U.S. Doe GMLC Grid Services and Energy Service Interface Project, the development of common grid services could provide for better coordination in the operation of flexible grid-edge resources as well as simplify integration and interoperability of these resource types. Mr. Widergren indicated that the decision was made to submit the request to NAESB as the organization has broad participation by subject matter experts and has a successful history as a forum to facilitate industry discussion and deliberations leading to standards development.

Mr. Wood noted that the wholesale electric industry has well-defined market services and asked if the effort would be better served through the development of retail electric standards that identify behind-the-meter services. Mr. Widergren agreed that the wholesale electric market has well-established market services and programs but noted that often times, there is wide variation in nomenclature of operationally similar services between the varying organized markets and jurisdictions. He explained that this can be confusing for market participants and that common terminology can provide clarity while also better enabling the development of future standardization and industry best practices. Mr. Widergren indicated that the intent is that any wholesale electric standards that are developed as a result of the request can then be used as a foundation for similar retail work within NAESB.

Mr. Rahimi commented that in FERC Order No. 2222, the Commission makes allowances for resources to be able to provide dual services, meaning a resource can simultaneously provide bulk power and distribution level services. He stated that it will be important to ensure continuity and coordination where possible for wholesale and distribution level grid services. Mr. McCaffrey asked if this effort will be supportive of the industry’s implementation of FERC Order No. 2222 directives. Mr. Widergren responded that the request does not directly relate to the FERC Order but rather addresses grid services that can be provided by flexible grid-edge resources, which include distributed energy resources.

Mr. Ipakchi stated that within the organized markets, the market services are defined by ISOs and RTOs and designed to meet the unique market needs of its footprint. He asked how common parameters could be developed that also accommodate the individual market needs. Mr. Wood noted that vertically integrated utilities also have varying market services. Mr. Widergren responded that market services are developed to meet specific operational objectives but that there is often commonality in the required performance characteristics of a market service. He explained that the purpose is to identify and leverage these commonalities to develop service-oriented names and definitions that describe the expected performance of a grid service, such as the ability to reach 100 megawatts of output within ten minutes and maintain that output for one hour. Mr. Widergren stated in identifying what market services a resource can provide, the resource owner needs to know the performance-based expectations of the service, not the operationally based description of why the service is performed, such as scheduling energy to meet peak load forecast or maintaining reserve energy for an outage contingency. He noted that the intent is to review existing market programs to identify commonalities regarding existing market services which can then be used to develop common parameters for service-based definitions. Mr. Widergren explained that building on established frameworks will provide a manner to map grid services to existing market programs.

Mr. Ipakhi noted that with the growth of new types of generation resources, there are a number of emerging grid services, such as flexible ramping and balancing energy, that may be necessary to ensure continued grid operations. He asked if this effort will include defining new types of grid services. Mr. Widergren responded that in submitting the standards request, the intent was to focus on existing and near-term needs. He acknowledged that new grid services will be needed in the future but explained that there likely needs to be greater penetration of these resource to understand the required functionality of these new grid services.

1. **Begin to Discuss Standards Request R22001 – Request to define a common list of grid services for electric market interactions that support distributed energy resources**

Due to time constraints, the subcommittee did not begin substantive discussion on the standards request.

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

Mr. Widergren indicated that LBNL and PNNL are finalizing two white papers to serve as a basis for subcommittee discussion and assist in mapping existing market services to common grid service definitions. He stated that these white papers will be submitted as subcommittee work papers and suggested the subcommittee meet again to continue discussion once the white papers are available. Mr. Phillips stated that he and Ms. Sieg as the subcommittee co-chairs would coordinate with the requesters regarding the submittal of the work papers.

1. **Discuss Future Meetings**

Mr. Phillips noted that an additional meeting of the subcommittee has been scheduled for June 30, 2022 and indicated that the subcommittee leadership will work with the NAESB staff to put together an agenda for this meeting or reschedule the meeting based on the expected availability of the white papers mentioned by Mr. Widergren.

1. **Adjourn**

The meeting adjourned at 3:35 PM Central on a motion by Mr. Brooks, seconded by Mr. Wood.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Saqlain | Ali | PCI |
| Jack | Armstrong | Duke Energy |
| Rebecca | Berdahl | BPA |
| Jonathan | Booe | NAESB |
| Bert | Bressers | SPP |
| Dick | Brooks | Reliable Energy Analytics  |
| Layne | Brown | WECC |
| Scott | Brown | SPP |
| Valerie | Crockett | TVA |
| Jay | Dibble | Calpine |
| Jim | Guidroz | SPP |
| Cory | Herbolsheimer | NV Energy |
| Rachel | Hogge | Eastern Gas Transmission & Storage, Inc. |
| Ali | Ipakchi | OATI |
| Brad | Johnston | SPP |
| David | Kathan | FERC Staff |
| Mike | Kraft | Basin Electric Power Cooperative |
| Elizabeth | Mallett | NAESB |
| John | McCaffrey | American Public Power Association |
| Joshua | Phillips | SPP |
| Ken | Quimby | SPP |
| Farrokh | Rahimi | OATI |
| Robin | Rebillard | Manitoba Hydro |
| Matthew | Reed | MEAN |
| Ron | Robinson | TVA |
| Jill | Rummel | Basin Electric Power Cooperative |
| Keith | Sappenfield | Corpus Christi Liquefaction |
| Lisa | Sieg | LG&E and KU Services |
| John | Stevenson | NYISO |
| Caroline | Trum | NAESB |
| Steve | Widergren | Pacific Northwest National Laboratory |
| JT | Wood | Southern Company |
| Leigh | Yeatts | Clean Energy Buyers Association |