**via posting**

**TO:** Interested Industry Parties

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

**RE:** Draft Minutes from July 23, 2020 WEQ BPS Meeting

**DATE:** July 24, 2020

**WHOLESALE ELECTRIC QUADRANT**

**Business Practices Subcommittee Meeting**

**Conference Call**

**July 23, 2020 – 1:00 PM to 4:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Mr. Brooks welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. The participants introduced themselves. Mr. Brooks reviewed the agenda. The agenda was adopted on a motion by Mr. Johnson, seconded by Mr. Phillips

The participants reviewed the June 25, 2020 draft meeting minutes. A modification was made to correct a typographical error. Mr. Johnson moved, seconded by Mr. Robinson, to adopt the draft 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_bps062520fm.docx>.

1. **Discuss 2020 WEQ Annual Plan Item 8.a – Consistent with FERC Order No. 676-I, reconsider the reservation of WEQ-006 Manual Time Error Correction and determine if the standards should be retained or revised (see ¶46 – 47)**

Mr. Brooks explained that during the previous meeting, the participants had reviewed Version 003.1 of WEQ-006 and identified standards to identify which requirements may need to be retained in new standards. He stated that Mr. Wood had taken an action item to develop potential language for the participants to consider based on these discussions. Mr. Wood reviewed the [draft recommendation](https://naesb.org/member_login_check.asp?doc=weq_bps072320w1.docx).

Mr. Wood stated that if standards were to be developed, WEQ-000 would likely need to define the terms Time Error and Time Error Correction and suggested that the definitions indicate that the term will have the same meaning as defined in the NERC Glossary of Terms. He noted that this is consistent with the definition used for other defined terms that are utilized by the WEQ Business Practice Standards and found in the NERC Glossary of Terms. There was general agreement to proceed in this manner.

Mr. Wood explained that in Version 003.1, the requirements found in WEQ-006-1, WEQ-006-1.1, WEQ-006-2, WEQ-006-4, WEQ-006-6, and WEQ-006-7 are all addressed in the NERC Time Monitoring Reference Document – Version 5. He suggested new standards language that would state these requirements be addressed in the manner outlined by the NERC reference document. Mr. Phillips stated that if the requirements are already addressed by NERC guidance, then it may be duplicative to have similar NAESB WEQ Business Practice Standards. He explained that identical language in the business practice standards and the reliability standards can create a double jeopardy issue for any entities that are required by FERC to follow both standards. Mr. Brooks agreed but noted that the NERC Time Monitoring Reference Document – Version 5 is not a reliability standard but rather a reference document. Ms. Berdahl stated multiple standards identifying the NERC reference document would be redundant but stated that there is a benefit to having a standard with language similar to Version 003.1 WEQ-006-1 that identifies the balancing authority as the entity that participates in time error correction. Mr. Phillips suggested that the requirements found in WEQ Version 003.1 of WEQ-006-1, WEQ-006-1.1, WEQ-006-2, WEQ-006-4, WEQ-006-6, and WEQ-006-7 could be consolidated into a single standard indicating that all balancing authorities are required to follow time error correction practices as identified in the NERC Time Monitoring Reference Document – Version 5. He explained that a singular standard pointing to the NERC guidance for all time error correction practices would be more efficient than having six standards that addressed individual elements. There was general agreement to proceed in this manner.

Mr. Phillips suggested that the participants consider a general reference to the NERC Time Monitoring Reference Document in lieu of a specified version. He indicated that references to specific versions of documents can create the possibility that the current version of the standards will not always reference the most current version of a document. Mr. Brooks stated that a reference to an identified version, as opposed to a reference to a general document, removes ambiguity and provides specificity to the standards. He explained that references to a specific version also provides the opportunity to review any modifications to future versions to ensure the document is still applicable, preventing the possibility that the standards could reference a document that has changed in such a material way that it is no longer applicable or no longer agreed upon as the correct reference. Mr. Wood stated that as communicated in past discussions on this topic by the WEQ Executive Committee, the standards should identify a specific version of a document being referenced.

Mr. Wood stated that the requirements found in Version 003.1 WEQ-006-3, WEQ-006-9, WEQ-006-10, WEQ-006-11, and WEQ-006-12 are not addressed in the NERC Time Monitoring Reference Document. He suggested that a recommendation incorporate similarly worded standards. Minor modifications were proposed for consistency between the standards language. There was general agreement with the proposed language.

Mr. Wood stated that Version 003.1 WEQ-006-9 and WEQ-006-10 are specifically applicable to the Western Interconnection. He suggested that the proposed language be reviewed by entities participating in the Western Interconnection. Ms. Berdahl stated that she would take an action item to reach out to entities participating in time error correction in the Western Interconnection. Ms. Trum stated that she would coordinate with WECC and CAISO, the identified time monitor for the Western Interconnection.

Mr. Wood stated that the requirements found in Version 003.1 WEQ-006-5 are not addressed in the NERC Time Monitoring Reference Document. He suggested that a recommendation incorporate the language and tables as identified in Version 003.1 but with additional modifications to ensure that the timing parameters for the initiation and termination of slow and fast corrective action between the Eastern and Western Interconnection are identical. There was general agreement to proceed in this manner.

Mr. Wood stated that he would develop a work paper for the next meeting to hard redline the proposed language agreed upon by the participants during the meeting.

Ms. Trum stated that she would coordinate with NERC staff regarding the proposed standards language.

The draft recommendation as revised during the meeting is available at the following link: <https://naesb.org//member_login_check.asp?doc=weq_bps072320a1.docx>.

1. **Discuss Standards Request R20008 – Request to update WEQ-005 Area Control Error (ACE) Equation Special Cases to account for modifications to the NERC Dynamic Transfer Reference Document Version 4**

Mr. Brooks stated that during the previous meeting, the participants had preliminarily discussed [Standards Request R20008](https://naesb.org/pdf4/weq_bps072320w2.doc). Mr. Phillips explained that the standards request proposes the review of the [NERC Dynamic Transfer Reference Document](https://www.nerc.com/comm/OC/ReferenceDocumentsDL/Dynamic_Transfer_Reference_Document_v4.pdf) to determine if any modifications are needed to the ACE equations identified in the business practice standards. Mr. Caven stated that the ACE equation provided in the NERC reference document is different than the similar equation in WEQ-005 ACE Equation Special Cases and asked if there was a specific commercial purpose or reason for the variation. Mr. Wood stated that the WEQ-005 ACE Equation Special Cases were created to specifically cover jointly owned units (JOUs) and how JOUs are to be accounted for in the ACE equation, which are not specifically addressed by the NERC requirements. He explained that the equations identified in the WEQ-005 ACE Equation Special Cases supplement the ACE equations identified in the NERC documentation and are only to be used when JOUs are a factor in the sum of the tie lines.

Mr. Caven stated that language in Chapter 2 – Dynamic Transfer Implementation Considerations of the NERC Dynamic Transfer Reference Document is inclusive of JOUs as it states that dynamic transfers can be used to transfer all or a portion of actual output of a specific generator to another balancing authority. Mr. Brooks noted that the NERC Dynamic Transfer Reference Document does not specifically identify JOUs as a consideration and asked if there is a need for the WEQ Business Practice Standards to address an area not identified by NERC requirements. Mr. Swan stated that there is a common understanding within the industry of how JOUs are to be addressed and that separate business practice standards may not be necessary. Mr. Wood stated that business practice standards regarding the treatment of JOUs are needed because the NERC requirements do not explicitly make the distinction for how dynamic transfers involving JOUs are addressed. He explained that even if there is a common understanding, standards specifically addressing JOUs remove any ambiguity and provide clarity. Ms. Trum stated that the WEQ Business Practice Standards are intended to be complementary to, not mirror, the NERC Reliability Standards and related requirements. She explained that often times the business practice standards address a topic not incorporated into NERC documentation as this area was determined to be commercial in nature.

Mr. Swan asked the history of the development of WEQ-005 ACE Equation Special Cases. Ms. Trum stated that the standards were part of WEQ Version 000 and developed in coordination with NERC. She indicated that she could provide additional detail during the next meeting. Ms. Berdahl suggested that the participants also review the NERC Reliability Standards the business practices are complementary to.

1. **Next Steps/Review Action Items**

The next meeting of the subcommittee is a conference call scheduled for August 20, 2020.

1. **Adjourn**

The meeting adjourned at 3:15 PM Central by consensus.

1. **Attendance**

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| **First Name** | **Last Name** | **Organization** |
| Seyi | Akinbode | MISO |
| Rebecca | Berdahl | BPA |
| Dick | Brooks | Reliable Energy Analytics  |
| Scott | Brown | SPP |
| Augustine | Caven | PJM |
| Joe | Ciabattoni | PJM |
| Patrick | Foley | NV Energy |
| Cory | Herbolsheimer | NV Energy |
| Alan | Johnson | NRG |
| Jo | Johnson | Portland General Electric |
| Cheryl | Mendrala | ISO-NE |
| Joshua | Phillips | SPP |
| Nick | Quinata | BPA |
| Robin | Rebillard | Manitoba Hydro |
| Ron | Robinson | TVA |
| David | Schweizer | PJM |
| Mike | Steigerwald | BPA |
| Steve | Swan | MISO |
| Tracy | Townley | Avista |
| Caroline | Trum | NAESB |
| JT | Wood | Southern Company |