**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:** Draft Minutes from Joint RMQ BPS and WEQ BPS Conference Call – March 12, 2024

**DATE:** March 28, 2024

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**Joint RMQ/WEQ Business Practices Subcommittee**

**Conference Call with Webcasting**

**March 12, 2024 – 1:00 PM to 4:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

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

Mr. Phillips reviewed the draft minutes from the February 7, 2024 meeting with the participants. No modifications were offered. Mr. Zermeno, seconded by Mr. Johnson, 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://naesb.org/pdf4/weq_rmq_bps031224fm.docx>.

1. **Review New York ISO Draft Manual**

Mr. Phillips asked Mr. Gill to review the operational coordination section of the Draft NYISO Aggregation Manual. Mr. Gill explained that the document is not finalized but identifies the operational coordination activities for scheduling and dispatch that NYISO anticipates will happen between NYISO, the DER aggregator, the applicable transmission owner, and the distribution utility when a DER aggregation is participating in its market. He noted that as part of operational coordination, it is important that all responsive parties work in concert timely communicate. Mr. Gill stated that areas of operating data exchange, listed as part of Section 6.1, include notifications by the DER to the distribution utility regarding planned distribution system maintenance and by the distribution utility to the DER or DER aggregator regarding any unforeseen conditions on its distribution system, actual or anticipated, that would impact the operation or deliverability of each DER. He explained that Section 6.2 defines the roles and responsibilities of DERs, DER aggregators, distribution utilities, and transmission owners. He noted that the distribution utility will be responsible for reporting emerging distribution system issues to the DER or DER aggregator as soon as practicable, direct curtailment or disconnection to preserve reliability and safety, and communicate curtailments to the aggregator as soon as practical. Mr. Gill reviewed Figure 8 which details the availability and communication of transmission system outage information. Mr. Chamberlain asked how transmission owners will provide notification to the DER aggregator, NYISO, and applicable distribution utility of emerging conditions on the transmission system, actual or anticipated, that would impact the operation or deliverability of a DER. Mr. Gill responded that transmission system outages are publicly posted to a website.

Mr. Gill reviewed Figure 9, the process for aggregator day-ahead and real-time bid submissions and Figure 14, the communication of individual DER schedules to the applicable distribution utility. He explained that NYISO does not see a schedule for individual DERs, only information about the DER aggregation as a whole. Mr. Gill overviewed Figure 15, unplanned distribution system conditions communications. He explained unplanned system conditions are not required to be reported to NYISO and that it is up to the DER aggregator to adjust bids or offers as appropriate.

Mr. Gill stated that Figure 16 provides a visual for the communication of unplanned transmission system conditions and Figure 17 illustrates outage reporting communication. He explained that for outages, an aggregator informs NYISO which in returns informs the transmission operator.

1. **Review of U.S. DoE Standard Distribution Services Contract White Paper**

Mr. Phillips stated that the co-chairs of the subcommittees created the Standard Distribution Aggregation Services Contract Framework Work Paper which outlines the contract format for the NAESB Base Contract for the Sale and Purchase of Natural Gas as well as the elements identified in the U.S. DoE Standard Distribution Services Contract White Paper (U.S. DoE White Paper). He asked Mr. Patel to overview the DoE White Paper. Mr. Patel explained that the white paper was created based on extensive feedback provided by utilities, regulators, and DER aggregators as well as a review of FERC Order No. 2222 implementation plans. He noted that the concepts captured in the Draft NYISO Aggregation Manual capture the communication that needs to happen regarding scheduling and dispatch but that one additional area of discussion may be how or if the DER aggregator can receive forecasting information from distribution utilities and ISOs/RTOs.

Mr. Patel stated that the concept captured in the U.S. DoE White Paper contemplates the creation of a standard contract for distribution utilities supplemented by additional documentation, such as the related processes, forms, and agreements that are related to the contract. He explained that the U.S. DoE White Paper includes a standard contracting framework that encompasses the potential essential contracting elements and provisions. Mr. Sorrells stated that the contract may need to address expectations for data exchanges. He noted that the DER aggregator will be responsible for meeting certain telemetry and metering requirements to facilitate data collection and auditing by the distribution utility. Mr. Patel suggested that it may be helpful if the data requirements of the distribution utility and the ISO/RTO are coordinated to be as consistent as possible. Mr. Sorrells stated that the contract may need to address expectations for data exchanges. He explained that DER aggregators will be responsible for meeting certain telemetry and metering requirements to facilitate data collection and auditing by the distribution utility. Mr. Patel suggested that it may be helpful if the data requirements of the distribution utility and the ISOs/RTOs for DER aggregations are coordinated to be as consistent as possible. Mr. Sorrells asked if the data from the DER aggregator should be provided to the ISO/RTO and then shared with the distribution utility or if the distribution utility that coordinates directly with the DER aggregator. Mr. Patel stated that under the contract for distribution services, the distribution utility would be the party to specify the data categories needed and communicate directly with the DER aggregator. The participants discussed how planned and unplanned outages would be addressed. Mr. Phillips suggested that this concept may be captured by standard terms and conditions clauses related to performance obligations, financial responsibility, or force majeure. Mr. Patel explained that the U.S. DoE White Paper contemplates that a standard contract will include provisions for how curtailment and derates will be addressed but that each distribution utility will likely have separate documentation on the specific processes. Mr. Sorrells suggested that the contract provisions regarding curtailments and derates and outages may also need to identify the party responsible for reporting and timing considerations. Mr. Phillips noted that it may also be helpful if the standard contract identifies any state regulatory requirements that the DER aggregator will be obligated to follow or meet.

Mr. Brooks asked when the registration for DER aggregations with distribution utilities occurs within the contracting process. Mr. Patel stated that registration is likely a separate, pre-contract process but that there may be a need to reference pre-requisite agreements and studies as part of the contract. Ms. Sperry stated that this is similar to the process used by MISO as interconnection will happen prior to the DER aggregation becoming a market participant. She noted that MISO anticipates that the DER aggregator would work with the distribution utility regarding the interconnection process and once completed, then register with the MISO. Mr. Brooks asked if there is a need to develop a standard to ensure that needed data provided by a DER aggregator to a distribution utility flows up to the ISO/RTO. Mr. Patel responded that this could be beneficial but is outside the scope of contract development. Mr. Phillips noted that ISOs/RTOs likely have their own market rules and processes. He emphasized that the terms and conditions in the standard contract strictly relate to the transaction between the DER aggregation and distribution utility.

Mr. Brooks asked how specific performance expectations for distribution services are identified. Mr. Patel responded that these requirements may be part of separate documentation created by the distribution utility and catered to its specific needs. He noted that the performance expectations documentation should be referenced as part of the contract. Mr. Brooks stated that NAESB recently developed REQ.30 Distribution Services Supporting Retail Electric Interactions. He asked if there is a need to update these standards to include additional distribution services. Ms. Trum stated that that would need to be addressed as part of a separate standards development effort.

The participants discussed the need for the contract to identify the DER Aggregation Plan. Mr. Phillips stated that aggregation rules may be state or utility specific. He suggested that the contract may need to reference these requirements as part of documents that a party must adhere to. The participants discussed compensation and performance evaluation. Mr. Patel explained that distribution utilities will likely have its own specified requirements. He suggested that the am important area to address within the terms and conditions is how nonperformance and liability are addressed. Mr. Phillips noted that this can likely be addressed through provisions regarding force majeure and financial responsibility. Mr. Patel stated that another area that should be addressed in the contract is requirements that a DER aggregator must meet related to customer engagement.

The Standard Distribution Aggregation Services Contract Framework Work Paper as revised during the meeting is available at the following link: <https://naesb.org/pdf4/weq_rmq_bps031224a1.docx>.

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

Mr. Phillips stated that during the next meeting, the participants will start reviewing example contracts and discussing draft language for standard terms and conditions. He suggested it may be helpful to create a work paper that will allow easy comparison between the example contracts. Ms. Trum stated that NAESB could work with the joint subcommittee co-chairs.

1. **Discuss Future Meetings**
2. Mr. Phillips stated that the next meetings of the WEQ/RMQ BPS will be held on April 2, 2024 from 1:00 – 4:00 PM Central, April 17, 2024 from 1:00 to 4:000 PM Central, and April 30, 2024 from 1:00 – 4:00 PM Central. Ms. Trum stated that she would work with the WEQ/RMQ BPS co-chairs to draft the agenda. **Adjourn**

The meeting adjourned at 3:27 PM Central on a motion by Mr. Sorrels.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Briana | Ashiotes | Budderfly, Inc. |
| Ethan | Avallone | NYISO |
| Tanner | Brier | Bonneville Power Administration |
| Dick  John | Brooks  Baudanza | Reliable Energy Analytics  National Grid |
| Thomas | Chamberlain | Entergy |
| Jerry | Chiang | FERC |
| Mark | Esguerra | Southern California Edison |
| Pedrom | Farsi | APS |
| Shawn | Grant | CAISO |
| Chloe | Holden | Advanced Energy United |
| Alan | Johnson | NRG |
| Katrina  Amrit | McEvoy  Nagi | APS  NAESB |
| Chris | Norton | American Municipal Power |
| Saumil | Patel | ICF Consulting |
| John  Joshua | Pearson  Phillips | ISO-New England  SPP |
| Farrokh | Rahimi | OATI |
| Cory | Samm | Hoosier Energy |
| James | Sorrels | AEP |
| Kim | Sperry | MISO |
| Karen | Stampfli | TVA |
| Scott | Stewart | BPA |
| Lisa | Sieg | LG&E and KU Services Company |
| Caroline | Trum | NAESB |
| Sandy | Walker | TVA |
| Charles | Yeung | SPP |
| Thomas | Zermeno | SSL.com |