



## NORTH AMERICAN ENERGY STANDARDS BOARD

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November 25, 2024

### FERC ADOPTS VERSION 004 OF THE NAESB WHOLESALE ELECTRIC QUADRANT BUSINESS PRACTICES STANDARDS

On November 21, 2024, the Federal Energy Regulatory Commission (FERC or Commission) adopted the latest version of the NAESB WEQ Business Practices Standards (Version 004), with certain enumerated exceptions, through the issuance of FERC Order No. 676-K, *Standards for Business practices and Communication Protocols for Public Utilities*. As noted by the FERC, the revisions made by NAESB in the WEQ Version 004 Standards are designed to aid public utilities with consistent and uniform implementation of requirements promulgated by the Commission as part of the *pro forma* Open Access Tariff. Michael Desselle, Chairman of the NAESB Board of Directors and Vice President, Chief Compliance and Administrative Officer of Southwest Power Pool, said “Version 004 marks the twelfth publication of the NAESB WEQ Business Practice Standards since 2005 when Version 000 was published, and I am honored to have been a part of what NAESB, and specifically, the WEQ, has accomplished over the last 19 years. The Commission’s continued support of NAESB’s standards work, along with the commitment of our members and the industry volunteers that roll-up their sleeves and develop the standards, has had a profound impact on the industry and ultimately, this nation’s end use consumers.”

The WEQ Version 004 standards were developed between March 2020 and July 2024 and introduces a range of new and updated standards, reflecting the industry’s significant investment in NAESB’s mission. As highlighted in the Order, these revisions build upon the prior Version 003.3 and include key standards developed in response to FERC Order Nos. 676-I and 676-J. Notably, the new standards strengthen cybersecurity measures for the wholesale electric industry, align with the North American Electric Reliability Corporation (NERC) Reliability Standards, and introduce modifications to the Open Access Same-Time Information Systems (OASIS) Business Practices Standards and the Coordinate Interchange Business Practices Standards. Additionally, Version 004 updates the terminology related to Abbreviations, Acronyms, and Defined Terms.

While the FERC adopted the majority of the NAESB WEQ Business Practices Standards Version 004, it did not incorporate certain voluntary provisions. Specifically, the FERC did not adopt the NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates (NAESB REC Contract), and its related technical standards in WEQ-010 Contracts Related to Business Practice Standards, nor WEQ-025 Grid Services Supporting Wholesale Electric Market Transactions. This approach aligns with the FERC’s focus on essential regulatory requirements, while allowing industry participants the flexibility to voluntarily adopt these frameworks as needed.

NAESB published Version 004 of the WEQ Business Practices Standards on July 31, 2023, and submitted an informational report regarding the standards to the Commission on the same day. The FERC issued a NOPR proposing the adoption of the standards as part of its April 2024 open meeting. Order No. 676-K will become effective sixty days after publication in the Federal Register. With the exception of the WEQ cybersecurity-related standards, the Commission mandated compliance filings for all other WEQ Version 004 Standards adopted through the incorporation by reference process be made twelve months after implementation of the WEQ Version 004 Standards.

Although, the new NAESB REC Contract was not adopted by the Commission, it is currently available for industry use as a form contract to accelerate negotiations of RECs in the voluntary market. Instructions on how to access the contract can be provided by contacting the NAESB office.

For more information, please contact Jonathan Booe, NAESB Executive Vice President and Chief Operating Officer (713) 356-0060.

*The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of about three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to [www.naesb.org](http://www.naesb.org).*

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