

NAESB Bulletin

August - October 2017 Volume 10, Issue 2

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2017 Calendar:

December

- 12/1 - NAESB Board Retail Structure Review Committee Conf. Call
- 12/4 - NAESB Board Critical Infrastructure Committee Conf. Call
- 12/7 - NAESB Monthly Update Conf. Call
- 12/12-13 - WGQ IR/Technical Meeting (Houston, TX)
- 12/13 - Retail Leadership Meeting (Houston, TX)
- 12/13 - WEQ Leadership Meeting (Houston, TX)
- 12/13 - WGQ Leadership Meeting (Houston, TX)
- 12/13 - NAESB Board Reception & Dinner with Guest Speaker
- 12/14 - NAESB Board of Directors Meeting (Houston, TX)
- 12/25 - Holiday - Christmas (NAESB Closed)
- 12/26 - Holiday - Day after Christmas (NAESB Closed)

2018 Annual Planning Process: On October 18, 2017, NAESB initiated the process for the development of the 2018 Wholesale Electric Quadrant (WEQ), Wholesale Gas Quadrant (WGQ) and Retail Markets Quadrant (RMQ) annual plans. As you may know, the annual plans define the standards development activities that NAESB will undertake in 2018 and the input provided assists the NAESB Board of Directors in setting the strategies and the focus of the organization. The deadline for submitting the comments was October 13, 2017 and commenters were asked to keep in mind the 2017-2019 NAESB Strategic Plan and the notes from the September 7, 2017 Board of Directors Strategic Session.

Comments and suggestions for items to be considered by the WEQ Annual Plan Subcommittee for inclusion on the 2018 plans were submitted from OATI, MISO, Duke Energy, and NCEMC. Five new annual plan items, all addressing electronic scheduling on the OASIS system, were added to the 2018 WEQ Annual Plan. Also, one provisional item was added to develop NAESB standards, if needed, to address any recommendations resulting from the surety assessment of the NAESB standards and model business practices currently being performed by Sandia National Laboratories. During the RMQ Annual Plan Subcommittee call, three provisional items were added to address the Sandia National Laboratories surety assessment, to support the activities of the Retail Structure Review Committee related to standards development, and to develop NAESB Model Business Practices to address any requests regarding community solar or aggregated net metering. No comments were received on the RMQ annual plan. Several comments were submitted for consideration by the WGQ Annual Plan Subcommittee, including comments from ERM, New York Power Authority, and American Gas Association. Mirroring the annual plans of the other two quadrants, the WGQ also added a provisional item to address any recommendations resulting from the surety assessment performed by Sandia National Laboratories.

In late October, the quadrant specific annual plans were approved by each of the Executive Committees. Following those meetings, the NAESB Board of Directors will finalize each of the annual plans during its December 14, 2017 meeting.

For more information, please go to [October 18, 2017 Annual Plan Conference Call Agenda and Request for Comments](#), [2017-2019 NAESB Strategic Annual Plan](#), [September 7, 2017 Board Strategic Session Notes](#), [Proposed 2018 WEQ Annual Plan Redline](#), [Comments on 2018 WEQ Annual Plan Submitted by P. Sorenson, OATI](#), [Comments on 2018 WEQ Annual Plan Submitted by E. Skiba, MISO](#), [Comments on 2018 WEQ Annual Plan Submitted by A. Pritchard, Duke Energy](#), [Comments on 2018 WEQ Annual Plan Submitted by J. Manning, NCEMC](#) and [A. Pritchard, Duke Energy](#), [2018 WEQ Annual Plan Combined Comments](#), [Proposed 2018 RMQ Annual Plan Redline](#), [Proposed 2018 WGQ Annual Plan Redline](#), [Comments on 2018 WGQ Annual Plan Submitted by K. Sappenfield, ERM](#), [Email Comments on 2018 WGQ Annual Plan Submitted by R. Desai, New York Power Authority](#), [Comments on 2018 WGQ Annual Plan Submitted by R. Desai, New York Power Authority](#), [Comments on 2018 WGQ Annual Plan Submitted by S. Bergles, AGA](#), and [2018 WGQ Annual Plan Combined Comments](#).

Sandia National Laboratories: At the request of the Chairman of the Board of Directors, the NAESB Board Critical Infrastructure Committee (Board CIC), chaired by Cade Burks and Dave Darnell, was reconvened in May to address cybersecurity and critical infrastructure activities; specifically, the surety assessment on the NAESB Standards. While monitoring the activities of the surety assessment, the Board CIC will also present any related recommendations to the board.

The Board CIC has scheduled its next meeting for December 4, 2017. During the meeting, the committee will review the scope of work document for the surety assessment provided by Sandia National Laboratories. Per the documentation, the scope will include the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Business Practice Standards as well as the WEQ Public Key Infrastructure Business Practice Standards and other documentation comprising the NAESB Certification Program for Accredited Certification Authorities.

In late 2016, NAESB was contacted by Sandia National Laboratories regarding the potential for a surety assessment on the NAESB Business Practice Standards sponsored by the Department of Energy. As you may remember, Sandia National Laboratories has given GISB/NAESB standards a clean bill of health in the past, with assessments focusing on the WGQ and RMQ Business Practice Standards addressing electronic communications as well as draft versions on the PKI Business Practice Standards. The date of the next Board CIC meeting will be announced upon the receipt of an official communication regarding the surety assessment from the Sandia National Laboratories.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [2017 RMQ Annual Plan](#), [Proposed 2018 RMQ Annual Plan](#), [2017 WGQ Annual Plan](#), and [Proposed 2018 WGQ Annual Plan](#).

Click on any underlined text and you can access more detailed reports.

STANDARDS DEVELOPMENT

WEQ and WGQ Publication: With the approval of the WEQ OASIS Subcommittee recommendation addressing Short-Term Firm Preemption and Competition, NAESB is now on track to meet the December 8, 2017 publication date for the NAESB WEQ Version 003.2 Business Practice Standards. Version 003.2 will also contain modifications to the WEQ-004 Coordinate Interchange Business Practice Standards, the retirement of the WEQ-006 Manual Time Error Correction, and the new OASIS mechanism – Consolidations, among other new and revised standards. This version builds upon and supplements the NAESB WEQ Version 003.1 Business Practice Standards that were published on September 30, 2015, submitted to the Commission on October 26, 2015, and became the subject of a July 21, 2016, FERC Notice of Proposed Rulemaking (NOPR) in Docket RM05-5-025. In that NOPR, FERC proposed to adopt Version 003.1; however, a final order on the NOPR has not been issued. Following the publication of Version 003.2, NAESB will submit an informational report to the Commission.

On September 29, 2017, NAESB submitted a report informing

the Commission of the NAESB Version 3.1 WGQ Business Practice Standards publication on the same day. The changes reflect 63 separate action items (requests, minor corrections or annual plan items) – 13 of which are final actions and 50 that are minor corrections, many of which are code value changes. Of the changes in the new version, there are: New items: 2 standards, 55 code values, 11 data elements; and Revised items: 6 standards, 130 data set modifications, 24 technical implementations. Version 3.1 incorporates all of the changes made as part of Version 3.0, published on November 14, 2014.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [2017 WGQ Annual Plan](#), [Proposed 2018 WGQ Annual Plan](#), [Version 3.1 Publication Schedule](#), [NAESB WEQ Version 003.1 Business Practice Standards](#), [July 21, 2016 FERC NOPR](#), [NAESB WGQ Version 3.1 Business Practice Standards](#), [NAESB WGQ Version 3.0 Business Practice Standards](#), and [September 29, 2017 NAESB Report to FERC](#).

Non-member Access/Participation: For our participants who are non-members, from the NAESB Home Page you can access one of the four quadrant squares – wholesale electric, retail electric, wholesale gas and retail gas, you are directed to the “NAESB Non-member Access: NAESB Committees, Subcommittees and Task Forces” web page, (https://www.naesb.org/nonmember_page.asp). *For more information, please go to [NAESB Current Committee Activities](#) or contact Denise Rager (drager@naesb.org) for additional information.*

Support of the Mexican Markets: On October 26, 2017, the WGQ Executive Committee approved the recommendation for 2017 WGQ Annual Plan Item 5, an annual plan item requesting that the WGQ Contracts Subcommittee consider a Mexican Addendum for the NAESB Base Contract for Sale and Purchase of Natural Gas. Following a twenty-five-day informal comment period, the recommendation was voted out of the subcommittee in late August and posted for a thirty-day formal industry comment period which concluded on September 20, 2017. The WGQ Contracts Subcommittee held a conference call to review the one formal comment submitted from Santa Fe Natural Gas and to develop late comments for the consideration of the WGQ Executive Committee. The recommendation is currently out for ratification by the NAESB membership. The ratification ballot period will conclude on November 27, 2017. As you may remember, the WGQ Contracts Subcommittee began addressing this annual plan item in December of last year and subsequently developed and approved the Mexican Addendum during its August 2017 meeting.

Driven by requests from several entities interested in the Mexican markets, NAESB has attained a verbatim Spanish translation of three of its WGQ Contracts. The NAESB WGQ 6.3.1 - NAESB Base Contract for Sale and Purchase of Natural Gas; the NAESB WGQ 6.3.1.CA - Canadian Addendum; and the NAESB WGQ 6.5.3 - NAESB WGQ Model Credit Support Addendum are now available to NAESB members and for nonmember purchase. The contracts may be accessed on the NAESB website.

Related to the reformation occurring in the Mexican electric market, on September 29, 2017, Jonathan Booe, NAESB Executive Vice President and Chief Administrative Officer, delivered a presentation titled *Outlook – Industry Standards development for the Smart Grid* during the Smart Grid Congress Latin America 2017. The presentation described NAESB’s efforts to support Smart Grid development in the United States. As always, NAESB looks forward to supporting future standardization efforts within the Mexican market.

For more information, please go to [2017 WGQ Annual Plan](#), [Proposed 2018 WGQ Annual Plan](#), [October 26, 2017 WGQ Executive Committee Announcement](#), [October 26, 2017 WGQ Executive Committee Agenda](#), [Recommendation as Approved by the WGQ Executive Committee on October 26, 2017](#), [Exhibit A, Ratification Ballot](#), [Request for Formal Comments](#), [Comments Submitted from Santa Fe Natural Gas](#), [Late Comments Submitted by the WGQ Contracts Subcommittee Redlined](#), [Request for Informal Comments](#), [Redlined Comments Submitted by Munich Re Trading LLC](#), [Clean Comments Submitted by Munich Re Trading LLC](#), [August 22, 2017 WGQ Contracts Subcommittee Chair’s Work paper](#), [WGQ Contracts Recommendation for No Action](#), [Comments Submitted by V. Crockett as WGQ Chair](#), [Comments Submitted by Group 8760](#), [Comments Submitted by the M. de la Peza, CRE](#), [NAESB Order Form](#), [Spanish Translation of the WGQ 6.3.1 - NAESB Base Contract for Sale and Purchase of Natural Gas](#), [Spanish Translation of the WGQ 6.3.1.CA - Canadian Addendum](#), and [Spanish Translation of the WGQ 6.5.3 - NAESB WGQ Model Credit Support Addendum](#).

STANDARDS DEVELOPMENT (*continued*)

Demand-Side Management and Energy Efficiency (DSM-EE) Update: During its October meeting, the WEQ Executive Committee approved the recommendation recently developed by the DSM-EE Subcommittee. The annual plan item, 2017 WEQ Annual Plan Item 1.e.v, called for the subcommittee to review and modify as necessary WEQ 015, WEQ 018, and WEQ 020 to address Line Items 19 through 22 from a WEQ SRS Assignment Document and Standards Request R16010. In a related effort, during its October meeting, the RMQ Executive Committee approved a recommendation under Standards Request R17004 making corresponding modifications as necessary to REQ.13, REQ.17 and REQ.20 to complement the aforementioned modifications made to the WEQ standards.

As a background, Standards Request R16010, proposed to assess the impact of changes in tool ownership, NERC Committee Structure, and changes to the NERC Rules of Procedure on the NAESB Business Practice Standards and Specifications and make any needed consistency changes. In October 2016, the Triage Subcommittee assigned R16010 to the WEQ SRS for a determination on final assignments, as it may affect multiple sets of WEQ standards managed by several different WEQ subcommittees. The WEQ SRS met seven times and voted out an assignments list, assigning several of the items, Line Items 19 through 22, to the DSM-EE Subcommittee. In a corresponding effort, Standards Request R17004 was submitted to develop any parallel modifications to the RMQ Model Business Practices in response to the WEQ modifications.

The DSM-EE Subcommittee met in August to consider and vote out a recommendation that modified WEQ 015, WEQ 018, and WEQ 020 to conform to modifications made to the NERC Reliability Standards. The subcommittee also voted out a recommendation that included changes to RMQ.20 to align with the modifications to WEQ-020. No comments were received on either recommendation during the thirty-day formal industry comment period that concluded on October 2, 2017. The recommendations were approved during the October Executive Committee meetings and are currently posted for ratification by the NAESB Membership. The ratification ballot for the RMQ modifications is due by November 27, 2017 and the ratification ballot for the WEQ modifications is due on November 24, 2017.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [October 24, 2017 WEQ Executive Committee Agenda](#), [Recommendation for 2017 WEQ Annual Plan Item 1.e.v as Approved by the WEQ Executive Committee on October 24, 2017](#), [R16010, Ratification Ballot for WEQ Recommendation](#), [2017 RMQ Annual Plan](#), [Proposed 2018 RMQ Annual Plan](#), [October 25, 2017 RMQ Executive Committee Agenda](#), [Recommendation for R17004 as Approved by the RMQ Executive Committee on October 25, 2017](#),

[R17004, Ratification Ballot for RMQ Recommendation](#), [October 21, 2016 NAESB Triage Subcommittee Disposition](#), [May 18, 2017 WEQ SRS Final Minutes](#), and [WEQ SRS Assignment Document](#).

Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR): September 28, 2017 marks the beginning of the Parallel Flow Visualization (PFV) field trial. Although there was a one-month delay in the anticipated start date, the original project timeline should not be significantly changed. NAESB has coordinated with NERC and the Eastern Interconnection Data Sharing Network (EIDSN) on a status report submitted to FERC on October 2, 2017. The status report, filed in Docket No. EL14-82-000, includes information on the PFV field trial being conducted by the EIDSN, provides an updated project timeline, and details the continued coordination efforts of NAESB, NERC and EIDSN.

Following the conclusion of the eighteen-month PFV field trial, the Interchange Distribution Calculator Working Group (IDCWG) will provide a report on the results of the commercial metrics of the project, and the NAESB WEQ Business Practice Subcommittee (BPS) will utilize that report to investigate whether any changes should be made to the NAESB standards. The WEQ BPS recommendation will then be presented to the WEQ Executive Committee for its consideration. As you may remember, the recommendation for the PFV Business Practice Standards was voted out of the WEQ Executive Committee in February of 2015 and is being held in abeyance until the conclusion of the PFV field trial.

As an industry initiated effort, the PFV effort seeks to improve the congestion management process of the Eastern Interconnection by increasing the real-time visibility of the source and magnitude of parallel flows in the bulk electric system. The proposed modifications to the business practice standards support the submittal of near real-time data to the IDC, furthering the goal of ensuring that non-firm intrabalancing authority transmission service is curtailed before firm service.

As discussed in the recent filing, NAESB, NERC, and the EIDSN will continue to coordinate on the PFV effort.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [October 2, 2017 PFV Status Report to FERC](#), [October 17, 2016 PFV Status Report to FERC](#), [January 29, 2016 PFV Status Report to FERC](#), [March 25, 2015 NAESB PFV Report to FERC](#), [January 28, 2015 PFV Status Report to FERC](#), [July 11, 2014 PFV Status Report to FERC](#), [Recommendation approved by the NAESB WEQ Executive Committee on February 24, 2015 to initiate the full staffing process \(Redline\)](#), and [February 24, 2015 WEQ Executive Committee Meeting Notes](#).

STANDARDS DEVELOPMENT *(continued)*

WEQ Open Access Same-time Information Systems (OASIS) Subcommittee: Serving as a lynchpin for the upcoming WEQ publication, the recommendation for Short-Term Firm Preemption and Competition was approved by the WEQ Executive Committee on October 24, 2017. After the WEQ OASIS Subcommittee voted out the recommendation in June, the WEQ Executive Committee requested that the recommendation be posted for an extended 45-day formal comment period from June 21, 2017 through August 4, 2017. Two well-attended review sessions were hosted by the co-chairs of the subcommittee in order to facilitate comments on the recommendation. Eight entities submitted comments that totaled to about 400 individual comments on the recommendation. Over several meetings, the subcommittee reviewed the comments by dividing them into a concept discussion document, grammatical edits, and miscellaneous items that were missed during the review period. The subcommittee voted out a revised version of the recommendation as a set of subcommittee late comments during its face-to-face meeting held on September 26-28, 2017.

During the review of the formal comments and through subcommittee discussion, an additional proposal, the Best Offer Proposal, was presented by Bonneville Power Administration to correct an inequity identified in the standards. On October 6, 2017, the subcommittee took a balanced vote that resulted in an additional set of late comments from the subcommittee incorporating the Best Offer Proposal into the Short-Term Preemption and Competition recommendation. Subsequent to the October WEQ OASIS meeting and in preparation for the October WEQ Executive Committee meeting, the participants from BPA and Southern Company drafted a Compromise Proposal, an alternative to the BPA Best Offer Proposal, which resulted in an additional set of late comments submitted to the WEQ Executive Committee. After hearing presentations and discussion on both proposals – the Best Offer Proposal developed by BPA and the Compromise Proposal developed by BPA and Southern Company – the WEQ Executive Committee adopted the late subcommittee comments with the inclusion of the BPA Best Offer Proposal.

The efforts on the WEQ OASIS recommendation for preemption and competition began in January of 2012 and have spanned 98 meetings for a total of over 176 days. In addition to these meetings, the participants have spent countless hours on individual assignments and preparation for each meeting. The recommendation modifies a substantial bulk of the NAESB WEQ Business Practice Standards to support two NAESB Standards Requests and the series of FERC Order No. 890 issuances from the Commission.

Also on October 24, 2017, the WEQ Executive Committee approved a second recommendation from the OASIS Subcommittee under 2017 WEQ Annual Plan Item 1.e.iii/R16010 – Review and modify as necessary WEQ 001, WEQ 002, WEQ 003, and WEQ 013 to address Line Items 2 through 17 from the WEQ Standards Review Subcommittee (SRS) Assignment Document. As mentioned in an earlier section of this bulletin, Standards Request R16010 was submitted by MISO and lists action items that culminate in a detailed review of the NAESB Business Practice Standards and specifications in response to previous changes to the ownership of the EIR, revisions to the NERC Committee structure, and changes to the NERC Rules of Procedure. R16010 was assigned to the WEQ SRS with direction from the WEQ Executive Committee that the WEQ SRS suggest which subcommittees should develop the recommendations on the list. The subject of the OASIS recommendation, 2017 WEQ Annual Plan Item 1.e.iii, was one of several annual plan items created in response to R16010. One comment from the ISO/RTO Council was received during the thirty-day formal industry comment period that concluded on August 21, 2017. The recommendation is currently out for ratification by the NAESB membership.

Looking ahead, the November and December WEQ OASIS meetings will focus on annual plan items that were jointly assigned to the WEQ OASIS Subcommittee and the WEQ BPS, including the development of business practice standards in support of the FERC RM05-25-000 and RM05-17-000 (OATT Reform) and communication standards for OASIS and electronic scheduling.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [FERC Order No. 890](#), [FERC Order No. 890-A](#), [FERC Order No. 890-B](#), [R05019](#), [R09003](#), [Recommendation for 2016 WEQ Annual Plan Item Nos. 2.a.i.1/R05019 and 5.a/R09003 as Approved by the October 24, 2017 WEQ Executive Committee](#), [Request for Informal Comments, June 20-22, 2017 WEQ OASIS Final Minutes](#), [Request for Comments Due August 4, 2017](#), [Comments Submitted by R. Kelley, Bonneville Power Administration](#), [Addendum to Comments Submitted by R. Kelley, Bonneville Power Administration](#), [Comments Submitted by J. Lemire, NCEMC](#), [Comments Submitted by C. Bigelow, Arizona Public Service Company](#), [Comments Submitted by P. Sorenson, OATI](#), [Comments Submitted by A. Pritchard, Duke Energy](#), [Redline Recommendation Comments Submitted by A. Pritchard, Duke Energy](#), [Comments Submitted by JT Wood, Southern Company](#), [Comments Submitted by R. Brown, PJM](#), [Comments Submitted by the ISO/RTO Council's Standards Review Committee](#), [Ratification Ballot for 2016 Annual Plan Item Nos. 2.a.1/R05019 and 5.a/R09003, R16010](#), [Request for Comments on 2017 WEQ Annual Plan Item 1.e.iii/R16010](#), [Comments Submitted by the ISO/RTO Council's Standards Review Committee](#), [Late Comments Submitted by the WEQ OASIS](#), [Late Comments Submitted by the WEQ OASIS in Response to the ISO/RTO Council's Standards Review Committee Comments](#), [Recommendation on 2017 WEQ Annual Plan Item 1.e.iii/R16010 as Approved by the WEQ Executive Committee on October 24, 2017](#), [WEQ SRS Assignment Document](#), and [Ratification Ballot for 2017 WEQ Annual Plan Item 1.e.iii/R16010](#).

STANDARDS DEVELOPMENT *(continued)*

Electronic Filing Protocols for Commission Forms (eForms): In April 2015, FERC issued *Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms* in Docket No. AD15-11-000. In the order, FERC proposed a transition from Microsoft Visual FoxPro to the XML file format for the submission of several FERC Forms. After remarking on the industry’s previous success on the development of the electronic tariff (eTariff) filings through NAESB, the Commission proposed that the industry once again work through NAESB to develop the documentation for the new format of FERC Forms.

On the heels of the order, NAESB created the WEQ/WGQ FERC Forms Subcommittee, chaired by Leigh Spangler of Latitude Technology and Dick Brooks of ISO New England. To date, FERC staff is currently working to complete Form 1 XML and XSD documents. Once completed, the WEQ/WGQ FERC Forms Subcommittee spring into action to develop a data dictionary and begin the drafting of any related business practice standards. After the completion of the Form 1 XML and XSD documents, the subcommittee anticipates that much of that initial work can be duplicated to expedite the development of the remaining forms. The next WEQ/WGQ FERC Forms Subcommittee Meeting will be announced by the NAESB office in the near future.

For more information, please go to [2017 WEQ Annual Plan](#), [2017 WGO Annual Plan](#), [April 16, 2015 FERC Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms](#), [May 1, 2015 Notice of Conference with NAESB](#), [May 29, 2015 Supplemental Notice of Conference with NAESB](#), [June 10, 2015 Technical Conference Transcript](#), and [July 16, 2015 FERC Notice of NAESB Meeting](#).



NAESB and NERC Continuing Coordination: During monthly coordination calls and the day-to-day communications between staff, NAESB and NERC harmonize their efforts to support industry goals. Recently, discussion has centered on Parallel Flow Visualization, the NAESB WEQ 023 Modeling Business Practice Standards, cybersecurity, and the recommendation modifying WEQ 004 under Standards Request R16008.

In mid-September, the NAESB membership ratified the WEQ Business Practices Subcommittee (BPS) and the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) recommendation in support of Standards Request R16008/2017 WEQ Annual Plan Item 1.d.i. The recommendation incorporates two NERC Reliability Standard requirements related to dynamic tagging and pseudo-ties applicable to the Purchase Selling Entity (PSE) into the WEQ 004 Coordinate Interchange Business Practice Standards. Back in 2015, NERC removed the PSE from the NERC Compliance Registry following FERC’s approval of NERC’s petition to do so; however, the standards requirements referencing PSEs remained in the NERC Reliability Standards. NAESB staff coordinated with NERC staff, and NERC recently provided correspondence indicating that the NERC requirements referenced in the NAESB Standards Request R16008 were effectively retired when NERC removed the PSE functional entity registration category.

In the cybersecurity space, NAESB staff coordinated with NERC staff regarding the NERC CIP Reliability Standards being developed as part of NERC Project 2016-03. The WEQ Cybersecurity Subcommittee (CSS) was evaluating these standards as part of their efforts to address 2017 WEQ Annual Plan Item 4.b. After receiving a statement from NERC that the CIP Reliability Standards would only be applicable to systems and tools entities have previously designated as having a high or medium impact on bulk electric reliability, the WEQ CSS voted out a no action recommendation which was adopted during the October WEQ Executive Committee meeting.

On October 2, 2017, NAESB filed a status report with the Commission in Docket No. EL14-82-000. The report, drafted in coordination with NERC and Eastern Interconnect Data Sharing Network (EIDSN), provides the Commission with an update on the PFV field trial, which began on September 28, 2017. After detailing the updated project timeline, the report provides more information on the goals moving forward between NAESB, NERC, and EIDSN.

NAESB and NERC continue to monitor FERC activities regarding the MOD efforts. In a July 21, 2016 NOPR, the Commission explained that the WEQ 023 Modeling Business Practices were not being proposed for incorporation by reference, but will be considered as part of an overall inquiry into Available Transfer Capability (ATC). The Commission is currently considering NERC’s proposed retirement of its ATC-related reliability standards filed in Docket No. RM14-7-000. In the meantime, the Commission announced the creation of Docket No. AD15-5-000 to consider proposed changes to the calculation of ATC.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [ER16001](#), [ER16001 Announcement](#), [R16008](#), [Ratification Ballot for R16008](#), [Ratification Tally for R16008](#), [Recommendation to Support 2017 WEQ Annual Plan Item 1.d.i/R16008 as Approved by the WEQ Executive Committee on August 15, 2017](#), [Communication from NERC, October 2, 2017 NAESB PFV Report to FERC](#), and [July 21, 2016 FERC NOPR \(WEQ Version 003.1\)](#).

STANDARDS DEVELOPMENT *(continued)*

Cybersecurity: During its October meeting, the WEQ Executive Committee unanimously approved the no action recommendation developed in response to 2017 WEQ Annual Plan Item 4.b. The annual plan item asked the WEQ Cybersecurity Subcommittee (CSS) to evaluate and modify the NAESB WEQ standards, if necessary, to support and/or complement the current version of the NERC Critical Infrastructure Protection (CIP) Standards and any other activities of NERC and the FERC related to cybersecurity. The WEQ CSS voted out the recommendation on September 7, 2017 after reviewing several industry activities, including NERC Project 2016-02 Modification to CIP Standards and NERC Project 2016-03 Cyber Security Supply Chain Risk Management. During the meeting discussions, there was concern expressed on whether the NERC CIP standards under development at NERC as part of NERC Project 2016-03 would impact the NAESB WEQ standards. NERC indicated to NAESB staff that the NERC CIP Reliability Standards would only be applicable to systems and tools entities have previously designated as having a high or medium impact on bulk electric reliability. Following this communication, the WEQ CSS voted out a no action recommendation. No comments were posted during the thirty-day formal industry comment period from September 11, 2017 through October 11, 2017. The recommendation is currently posted for ratification by the NAESB membership.

On October 12, 2017, the WEQ CSS voted out a recommendation proposing modifications to the NAESB Accreditation Requirements for Authorized Certification Authorities. The modifications in the recommendation provide new mappings for the identity proofing process methods and remove a requirement that the subcommittee determined was duplicative. The recommendation was posted for a thirty-day formal comment period from October 12, 2017 to November 10, 2017 and will be reviewed during the February WEQ Executive Committee meeting. Additionally, the subcommittee discussion on this annual plan item spurred a minor correction that was submitted by MISO on October 12, 2017 and approved during the October WEQ Executive Committee meeting. The minor correction, MC17020, expands the definition of “Applicant” in WEQ 000-2. The requester noted that references to “End Entity” in the original definition limited those who could apply to certificates to individuals within a “registered business entity or other organization” that an Authorized Certification Authority had already issued a certificate. As this was not the intent of the term, the definition was modified to convey that any individual may apply for a digital certificate that can be used to access the NAESB EIR.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [No Action Recommendation for 2017 WEQ Annual Plan Item 4.b as Approved by the WEQ Executive Committee on October 24, 2017](#), [September 7, 2017 WEQ CSS Final Minutes](#), [Request for Comments, Recommendation for 2017 WEQ Annual Plan Item 4.a](#), [Attachment, Request for Comments](#), and [MC17020](#).

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Smart Grid Update: One highlight of the NAESB Smart Grid activities in 2018 will be the upcoming modifications to RMQ.21 Energy Services Provider Interface (ESPI) Standard. As you may already know, the ESPI Standard is the essential foundation for the Green Button. Beginning as a White House call to action in 2011, the Green Button Initiative challenged utilities to provide customers with easy and secure access to their energy usage data via a “green button” on their websites. To date, more than 150 service providers and utilities provide more than 60 million U.S. households with their Green Button energy data.

In 2012, the Green Button was introduced to Ontario with the support of the Ministry of Energy. The Green Button initiative was promoted in Ontario’s 2013 *Long-Term Energy Plan* as a way to give consumers access to their electricity consumption data. Most recently, *Ontario’s Five Year Climate Change Action Plan 2016-2020* committed to expanding Green Button province-wide to “let Ontarians access and share their data on electricity, natural gas and water consumption in a secure, standardized electronic format.” NAESB continues to strengthen ties with entities in the Ontarian markets and the standard is now available to more than 60 percent of Ontarian electricity customers with smart meters.

For more information, please go to [2017 RMO Annual Plan](#), [Proposed 2018 RMO Annual Plan](#), [REQ.21 ESPI Model Business Practices](#), [Green Button Alliance Page](#), [Achieving Balance Ontario’s 2013 Long-Term Energy Plan](#), [Ontario’s Five Year Climate Change Action Plan 2016-2020](#), and [Green Button Page](#).

Update on the Electric Industry Registry (EIR) and e-Tagging Specification: On October 10, 2017, the implementation of the Electronic Tagging (e-Tag) Functional Specification began with Versions 1.8.2 and 1.8.3 running in parallel until November 7, 2017. On November 7, 2017, the e-Tag Specification Version 1.8.2 will be retired. Version 1.8.3 makes modifications to support the full use of the market operator role in the EIR. In early May, the EIR functionality to support the full registration of market operators was made available.

With a focus on increasing registry performance and enhancing user experience several updates were made to the EIR on August 3, 2017. One such change was implemented in response to EIR Enhancement Request ER17001. The request, submitted by Duke Energy, proposed to expand the length of a field used within the EIR to record contract reservation numbers. The modification will allow all necessary contract and transmission reservation numbers associated with a pseudo-tie to be included as part of pseudo-tie registration, eliminating the need to communicate this information externally.

In other EIR-related news, the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) is in the process of evaluating EIR Enhancement Request ER16001. The request, submitted by Gridforce Energy Management, proposes modifications to the registration of pseudo-ties in the EIR and is currently on hold pending potential NERC action on guidelines that may provide additional clarity regarding the use of pseudo-ties. Initial review of the request was put on hold pending the outcome of a similar request for standards development submitted by the requester to NERC. NAESB staff engaged in frequent discussions with

NERC staff regarding the pending NERC Standards Authorization Request (SAR), and in July 2017, the NERC Standards Committee voted not to move forward with the SAR submitted. The WEQ CISS met on August 22, 2017 to resume discussion on ER16001 and was subsequently informed that the EIR Enhancement Request may no longer be needed pending additional NERC reliability guidelines regarding the ACE Diversity Interchange (ADI) Process. NAESB staff reached out to NERC staff regarding the status of these guidelines. Per NERC staff, the revised ADI Process Reliability Guidelines were posted for a forty-five-day comment period in July and should be presented to the NERC Operating Committee for approval in December 2017.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [October 19, 2017 EIR Market Operator Legacy Functionality Retirement Announcement](#), [September 22, 2017 EIR Updates Announcement](#), [August 1, 2017 EIR Updates Announcement](#), [NAESB WEQ Electronic Tagging Functional Specification, Version 1.8.3 \(as approved by the WEQ Executive Committee\)](#), and [ER16001](#).



NAESB Board Committees Update: In preparation for the upcoming December 14, 2017 NAESB Board of Directors meeting, several board committees will meet in November to discuss a wide variety of topics. At the request of Michael Desselle, NAESB Chairman of the Board of Directors, the Retail Structure Review Committee has been reactivated and a conference call has been scheduled to take place on November 3, 2017. As membership within the RMQ has continued to hover just above the forty-member requirement defined in the NAESB Bylaws, the Retail Structure Review Committee will initiate discussions concerning the membership levels in the RMQ and the future direction of the quadrant’s activities.

Three board committee conference calls have been scheduled to take place on November 17. During the NAESB Board Strategic Plan Ad Hoc Task Force call, participants will review the proposed 2018 annual plan for each of the quadrants for consistency with the NAESB 2017-2019 Strategic Plan. Next, the Board Parliamentary Committee will discuss the approved modifications to the NAESB Certificate of Incorporation and the NAESB Bylaws. Adopted by the board through a notational ballot on September 12, 2017, the modifications detail a process for weighted simple majority voting by the Board of Directors. Also scheduled for November 17, the Board Revenue Committee conference call will be held to discuss the revenue projections within the 2018 budget, among other items. These conference calls, as all NAESB meetings and conference calls, are open to any interested participants.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [2017 RMO Annual Plan](#), [Proposed 2018 RMO Annual Plan](#), [2017 WGQ Annual Plan](#), [Proposed 2018 WGQ Annual Plan](#), [November 3, 2017 Board Retail Structure Review Committee Agenda](#), [Revised Board Strategy Metrics White Paper-April 2017](#), [Parliamentary Committee Resolution](#), [Modifications to the NAESB Certificate of Incorporation](#), [Modifications to the NAESB Bylaws](#), [Notational Ballot](#), [Notational Ballot Results](#), [NAESB Operating Practices](#), [NAESB Bylaws](#), and [NAESB Certificate of Incorporation](#).

NAESB Quadrant/Segment Membership Analysis:

Wholesale Gas Quadrant	129 Members
End Users Segment	15
Distributors/LDC Segment	23
Pipelines Segment	42
Producers Segment	13
Services Segment	36
Retail Markets Quadrant	40 Members
Retail Electric End Users/Public Agencies Segment	16
Retail Gas Market Interests Segment	10
Retail Electric Utilities Segment	7
Retail Electric Service Providers/Suppliers Segment	7
Wholesale Electric Quadrant	136 Members
End Users Segment	11
Distributors Segment	19
Transmission Segment	44
Generation Segment	21
Marketers/Brokers Segment	22
Non Specified	1
Independent Grid Operators/Planners Segment	8
Technology & Services Segment	10
Total Membership	305 Members

Filings: On October 2, 2017, NAESB submitted a Parallel Flow Visualization Status Report to the Commission in Docket No. EL14-82-000. The report included informational updates on the PFV field trial which began on September 28, 2017 and details the coordinated efforts between NAESB, the Eastern Interconnection Data Sharing Network (EIDSN), and NERC. Following the completion of the PFV field trial and ratification of the PFV-related standards by the NAESB membership, NAESB will file a report with the Commission containing the final version of the relevant NAESB WEQ Business Practice Standards.

On September 29, 2017, NAESB filed a report in FERC Docket No. RM96-1 et al to inform the Commission of the publication of Version 3.1 of the NAESB WGQ Business Practice Standards on the same day. NAESB WGQ Version 3.1 includes 13 final actions and 50 minor corrections, two standards requests, 50 minor corrections, and 55 new code values, among other important industry-driven items.

On August 24, 2017, Rae McQuade addressed separate correspondence to both K. John Holmes of the National Academy of Sciences and Dr. M. Granger Morgan of Carnegie Mellon University in response to the National Academy of Sciences Report, *Enhancing the Resilience of the Nation's Electricity System*. The report contains a specific recommendation that NAESB work with the FERC and industry stakeholders to improve awareness, communication, coordination, and planning between the natural gas and electric industries in an effort to mitigate potential impacts resulting from one markets infrastructure failure on the other market. In the correspondence, Ms. McQuade explained that NAESB is appreciative of the recognition in the report and the Board of Directors looks forward to considering the recommendation and any direction provided by the FERC in the coming months.

For more information, please go to [2017 WEQ Annual Plan](#), [Proposed 2018 WEQ Annual Plan](#), [2017 RMO Annual Plan](#), [Proposed 2018 RMO Annual Plan](#), [2017 WGO Annual Plan](#), [Proposed 2018 WGO Annual Plan](#), and [Enhancing the Resilience of the Nation's Electricity System](#).

NAESB Webcast Courses: In 2018, NAESB will continue to offer interactive webcast courses to the industry. Last year's webinars were well attended and the NAESB office received positive feedback from course attendees. In the coming year, NAESB will offer a number of courses including the Understanding the NAESB WGQ Contracts Webcast Course and the NAESB 101 Webinar. Additionally, dependent upon events within the industry, the NAESB WEQ Business Practices Standards Webcast Course and the NAESB WGQ Business Practice Standards Webcast Course may also be offered along with other courses, as they become necessary. The dates of the 2018 webcast courses will soon be announced by the NAESB office.

For more information, please go to [NAESB Primers and Training Courses Page](#).

NAESB New Members

Wholesale Gas Quadrant (Segment):

Haynes and Boone, LLP (Services)

UGI Central Gas Control, LLC (Pipeline)

Wholesale Electric Quadrant (Segment):

Adapt2 Solutions, Inc. (Technology & Services)

SaskPower Corporation (Transmission)

Copyright/NAESB Standards Access: As everyone should be aware, NAESB copyrights its work products – a practice used by most standards organizations. The copyrights are considered a subset of intellectual property law, and NAESB retains the rights to publication, reproduction, display and distribution. NAESB members may obtain materials free of charge as part of their benefits, but these benefits do not extend to their agents, affiliates or subsidiaries without prior approval and waivers from the NAESB office. Damages for copyright infringement can be significant, including penalties of \$100,000+, injunction, impounding of materials, seizure of property, and award of punitive damages. At the same time, NAESB is very liberal in its policies towards sharing information, and has granted waivers to regulators and educational institutions depending on the intended use. There is also a process by which anyone can request a three-day waiver to review the work products, as they consider whether they should purchase them. Waivers for longer periods can also be granted depending on use. NAESB's control of copyrighted material provides a small revenue stream which offsets some of its standards development expenses and thus those of its members in the creation of the work products. More importantly, as entities must come to NAESB for its standards material, it assures that they will have access to the most current version.

For more information, please go to [Copyright](#), [NAESB Materials Order Form](#) or contact Denise Rager (drager@naesb.org) for additional information.