NAESB Bulletin

2020 Retail Annual Plan
2020 WEQ Annual Plan
2020 WGQ Annual Plan

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2020 Calendar

November

11/4 - WEQ CISS Conf. Call
11/12 - Understanding the NAESB WGQ Contracts Web Cast Course
11/12 - WEQ BPS Conf. Call
11/13 - Board Task Force on Battery Storage Conf. Call
11/13 - Board Task Force on Renewable and Sustainably Produced Natural Gas Conf. Call
11/17 - WEQ OASIS Conf. Call
11/19 - Joint WEQ BPS and RMQ BPS Conf. Call
11/25 - Board Revenue Committee Conf. Call
11/26 - Holiday - Thanksgiving Day (NAESB Closed)
11/27 - Holiday - Day after Thanksgiving Day (NAESB Closed)

December

12/3 - NAESB Update Conf. Call
12/8 - WEQ SRS Conf. Call
12/10 - WEQ BPS Conf. Call
12/11 - Board Task Force on Battery Storage Conf. Call
12/11 - Board Task Force on Renewable and Sustainably Produced Natural Gas Conf. Call
12/16 - NAESB Leadership Conf. Call
12/17 - NAESB Board of Directors Virtual Meeting Conf. Call
12/24 - Holiday - Day before Christmas (NAESB Closed)
12/25 - Holiday - Christmas Day (NAESB Closed)

Sandia National Laboratories: On September 3, 2020, the NAESB Board of Directors adopted the response to the 2019 Sandia National Laboratories (Sandia) surety assessment reports and forwarded the response to the Department of Energy (DoE) and Sandia. The NAESB report was drafted and approved by the NAESB Board Critical Infrastructure Committee (Board CIC) and reviewed during the Board of Directors Status Update call at the end of July.

As detailed in the NAESB report, the ratified standards include a joint effort to modify the Wholesale Gas Quadrant (WGQ) and Retail Markets Quadrant (RMQ) Electronic Delivery Mechanism (EDM) and Internet Electronic Transport (IET) Business Practice Standards and Model Business Practices, as well as Wholesale Electric Quadrant (WEQ) modifications to the NAESB Accreditation Requirements for Authorized Certification Authorities and the WEQ OASIS suite of Business Practice Standards. In January, the NAESB RMQ membership ratified the revised RMQ Model Business Practices and the revisions to the WGQ Business Practice Standards were ratified by the NAESB WGQ membership in March. On the WEQ side, in February, the new version of the NAESB Accreditation Requirements for Authorized Certification Authorities became effective and the NAESB WEQ membership ratified the modified WEQ standards in March. Within seven months of receiving the Sandia reports, NAESB completed and ratified the standards development efforts to mitigate the identified potential security issues. The modifications included new and revised standards to support the use of industry cybersecurity best practices, including deprecating support for older versions of encryption protocols, such as the Secure Socket Layer (SSL) with the more secure Transport Layer Security (TLS).

As the DoE requested that NAESB expedite the efforts to respond to the potential security issues, the subcommittees held several meetings on a truncated schedule, prioritizing the potential security issues over the additional findings that were also included in the reports. The resulting standards for the expedited security issues were included in the 2020 WGQ, WEQ, and RMQ publications.

For more information, please go to 2020 WEQ Annual Plan, Proposed 2021 WEQ Annual Plan, 2020 WGQ Annual Plan, Proposed 2021 WGQ Annual Plan, 2020 RMQ Annual Plan, Proposed 2021 RMQ Annual Plan, July 30, 2020 Board Status Update Call Agenda, Board Status Update Call Presentation, Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report, September 3, 2020 Board of Directors Draft Minutes, Board CIC Members Roster, Board Digital Committee Members Roster, Addendum Report: Threat-based Examination of NAESB Standards and Business Operations,

Assessment Report of the NAESB Business Operations Practices and Standards, Assessment Report of the NAESB OASIS Standards, Assessment Report of the NAESB PKI Program, Final Action for the WEQ Standards in Response to Sandia Report, Final Action for the WGQ Standards in Response to Sandia Report, Final Action for the RMQ Standards in Response to Sandia Report, and Accreditation Requirements for Authorized Certification Authorities.

WEQ/WGQ FERC Forms Order: NAESB continues to remain engaged regarding the Commission's eForms Refresh effort as the industry moves forward with implementation of FERC Order No. 859. This Order established the eXtensible Business Reporting Language (XBRL) as the new filing format for certain Commission forms. Per the subsequent FERC Order on Technical Conference, *Revisions to the Filing Process for Commission Forms*, in Docket No. RM19-12-000, the industry will begin utilizing the XBRL filing format beginning with the third quarter of 2021 filings for FERC Form Nos. 3-Q (electric), 3-Q (natural gas), and 6-Q. This Order also adopted the Commission's final XBRL taxonomy, protocols, implementation guide, and supporting documents.

To assist the industry as it begins to make preparations for implementation, the NAESB website now includes a list of software vendors that indicated to NAESB their intention to offer assistance to the industry in complying with FERC Order No. 859. During the technical conference held earlier this year by FERC to discuss the eForms Refresh effort, NAESB was identified as a potential resource to connect regulated entities required to use the XBRL filing format with software providers. The list of potential software vendors came about as a result of these discussions, and NAESB remains in contact with the industry, software vendors, and FERC staff to identify any further support or assistance the organization can provide.

In response to the Commission's April 16, 2015 *Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms* in Docket No. AD15-11-000, NAESB established the WEQ/WGQ FERC Forms Subcommittee. The subcommittee held approximately nineteen meetings and served as an industry forum that gauged consensus in areas which served as the building blocks for the development of the Commission's XBRL taxonomy and new filing protocols. These areas included foundational items such as feedback on the new filing format and form submittal process as well as more minute details relevant to the user experience like schema versioning and data validations.

For more information, please go to July 17, 2020 FERC Order on Technical Conference and June 20, 2019 FERC Order No. 859.

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

NERC Coordination: Since NAESB expanded to support the wholesale electric industry over eighteen years ago, NAESB and NERC staff and leadership have maintained strong lines of communication to ensure the organizations remain coordinated in support of wholesale electric industry priorities.

NAESB engages in several recurring, yearly activities to ensure that the WEQ Business Practice Standards remain supportive to and complementary of NERC Reliability Standards. As done in the past, the WEQ Standards Review Subcommittee (SRS) met in September to review the draft NERC 2021-2023 Reliability Standards Development Plan. The WEQ SRS noted five ongoing NERC projects that are or will be coordinated with NAESB WEQ annual plan items and two NAESB items that may coordinate with NERC Reference Documents. The feedback from the subcommittee was forwarded to the NAESB Managing Committee for consideration, and comments were subsequently submitted to NERC.

Another annual activity NAESB undertakes is the review of the NERC Critical Infrastructure Protection (CIP) Reliability Standards and other cybersecurity activities of NERC and the FERC, performed by the WEQ Cybersecurity Subcommittee (CSS), to identify any needed complementary business practices. This year, the WEQ CSS review determined that no action is needed at this time and the subcommittee agreed to monitor several ongoing NERC projects that could result in changes to the NERC CIP Reliability Standards, including efforts by NERC to support cloud computing and to address directives from FERC Order No. 850 *Supply Chain Risk Management Reliability Standards* and FERC Order No. 866 *Critical Infrastructure Protection Reliability Standard CIP-012-1 – Cyber Security – Communications between Control Centers*. The WEQ Executive Committee approved the no action recommendation during its October 27 meeting.

Retirements or modifications made to the NERC Reliability Standards or other documentation that affect complementary NAESB standards also generate ongoing discussion between NAESB and NERC staff. Currently, the WEQ Business Practices Subcommittee (BPS) is engaged in standards development that impacts two suites of WEQ Business Practice Standards that support NERC Reliability Standards and reference documents. First, the subcommittee is working to develop a recommendation that proposes new standards to the WEQ-006 Manual Time Error Correction Business Practice Standards. This effort is in response to a directive in FERC Order No. 676-I that advised public utilities to work through the NAESB standards development process to revisit the rationale for reserving these standards and determine if they should be retained or revised. NAESB had previously taken action to reserve the business practices as part of WEQ Version 003.2 in response to a request for standards development submitted by NERC. The WEQ BPS has developed a draft recommendation proposing standards to support and complement the NERC Time Monitoring Reference Document – Version 5 and expects to vote on the recommendation during its next meeting scheduled for November 12, 2020.

Additionally, the WEQ BPS is working to address Standards Request R20008 which proposes NAESB review the WEQ-005 Area Control Error (ACE) Equation Special Cases Business Practice Standards to identify any needed modifications, including deletions, to support recent revisions made by NERC to the reference document that provides guidance on the ACE calculation. NAESB developed these business practice standards in coordination with NERC to support NERC Reliability Standard BAL-005 Balancing Authority Control. NAESB and NERC have engaged in staff-level coordination regarding this standards development effort, including efforts to assist in industry engagement with the NERC Resources Subcommittee regarding this topic.

During the recent WEQ Executive Committee meeting, held on October 27, the committee took two actions in support of coordination with NERC. First, the WEQ Executive Committee approved a recommendation proposing new standards intended to complement NERC Reliability Standard INT-009-2.1 Implementation of Interchange. Under this reliability standard, required entities must communicate certain interchange information on a periodic basis with adjacent entities. The business practice standards adopted by the WEQ Executive Committee provide high-level guidance to entities automating this information exchange, which can improve efficiencies and reduce the potential for error. If ratified by membership, the standards will be incorporated into WEQ-004 Coordinate Interchange Business Practice Standards and included in the next version of the WEQ publication.

As part of this meeting, the WEQ Executive Committee also adopted the Proposed 2021 WEQ Annual Plan which includes an item addressing the WEQ-023 Modeling Business Practice Standards, an area of long-term coordination between NAESB and NERC. The item was moved from the provisional annual plan in anticipation of forthcoming FERC action regarding the WEQ-023 Modeling Business Practice Standards and NERC MOD A Reliability Standards.

For more information, please go to [*2020 WEQ Annual Plan*](), [*Proposed 2021 WEQ Annual Plan*](), [*WEQ SRS Comments on NERC RSDP*](), [*Recommendation 2020 WEQ Annual Plan Item 4.a and 4.b*](), [*Recommendation 2020 WEQ Annual Plan Item 3.f*](), *and* [*Standards Request R20008*]().

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Upcoming NAESB Courses: Every year, NAESB hosts courses and webinars that both provide an overview of certain NAESB Business Practice Standards and deliver information to the industry regarding the organization as a whole. On November 12, NAESB looks forward to hosting an *Understanding the NAESB WGQ Contracts Course*. This course will provide participants the opportunity to hear from subject matter experts on the NAESB Base Contract for the Sale and Purchase of Natural Gas and other WGQ contracts.

Earlier this year, NAESB offered two well-attended NAESB 101 webinars. In late-August, NAESB hosted its annual *NAESB 101 Webinar*, led by NAESB Deputy Director, Caroline Trum. The webinar introduced attendees to NAESB, its structure, and its ANSI-accredited standards development process. Further, the participants learned how the work within NAESB supports the goals of the wholesale and retail natural gas and electric industries.

Additionally, NAESB coordinated with the National Association of Regulatory Utility Commissioners (NARUC) to schedule a webinar for interested State Commissioners, Commission staff, and members of the National Council on Electric Policy (NCEP). This course, led by NAESB Deputy Director Elizabeth Mallett, was similar to the NAESB 101 Webinar but held a specific focus on the activities within the retail industries. As we close out this year, NAESB looks forward to providing additional opportunities to learn about the NAESB standards and process in 2021 and will announce any upcoming webinars as they are scheduled.

For more information, please go to [*NAESB Primers and Training Courses Page*]() *and* [*NAESB 101 Announcement*]().

*NAESB Board of Directors Meeting***:** On September 3, 2020, NAESB held its annual Strategic Session and Board of Directors meeting via conference call. As in the past, NAESB was fortunate to have several industry experts participate in the discussion concerning the strategic direction of the organization, including Rick Smead, Bob Gee, Dr. Michelle Foss, and Timothy Simon. During the strategic session, the board was presented with the 2020 NAESB Standards Development Survey developed by the Board Strategy Committee.

Following a review of the results, the Board Strategy Committee recommended that the Board of Directors consider the following: (1) Continue the development of standards and other activities that support distributed ledger technologies (DLT) in the wholesale natural gas market; (2) Continue and accelerate standards development and other activities that support cybersecurity in the wholesale and retail natural gas and electric markets; (3) Explore, identify standards development and other activities to support the integration of battery storage in the wholesale and, where appropriate, retail electric markets; and (4) Explore, identify standards development and other activities to support transparency reporting concerning the sustainability of North American natural gas production processes.

In response to these recommendations, the Chair of the Board, Michael Desselle, created a Board Task Force on Battery Storage and a Board Task Force on Renewable and Sustainably Produced Natural Gas, both of which held their first meetings at the end of October and are further discussed in the Board Committees section of this newsletter.

The support for battery storage from the respondents on the 2020 NAESB Standards Development Survey demonstrates the industry's interest in standards to support battery storage integration.

Also adopted during the Board meeting, the Board Digital Committee Inaugural Report considers the digital transformation taking place in the energy industry and how digital technologies may impact NAESB standards and activities. Developed over seven meetings held between May 2019 and June 2020, the report details the results of an investigation and evaluation of areas and technologies that are enabling, are enabled by, or are impacting the digitalization of the energy industry. With the input from surveys sent to Board and Advisory Council members and extensive discussion on eleven areas and technologies (including DLT, 5G, internet of things (IOT), and cloud computing), the report offers recommendations to continue standards development efforts in support of cybersecurity and DLT, and to monitor several other areas that have been identified as strongly relevant to the processes/transactions that NAESB standards currently address or may address in the future.

Also during its September call, the Board of Directors adopted revisions to the Board Certification Committee Authorized Certification Authority (ACA) Process. Approved by the Board Certification Committee with the support of the current ACA's, the revisions provide clarity and correct minor formatting and typographical errors.

As discussed in the Sandia section, the NAESB Board of Directors approved the response to the Sandia surety assessment reports, which describes the standards and model business practices that were ratified by the NAESB membership to mitigate potential security issues.

The next Board of Directors meeting via conference call has been scheduled for December 17, 2020 from 9:00 to 1:00 PM

Central and, on December 16, 2020, NAESB will host a leadership meeting via conference call from 4:00 PM to 5:30 PM Central.

For more information, please go to [2020 WEQ Annual Plan](), [Proposed 2021 WEQ Annual Plan](), [2020 WGQ Annual Plan](), [Proposed 2021 WGQ Annual Plan](), [2020 RMQ Annual Plan](), [Proposed 2021 RMQ Annual Plan](), [July 30, 2020 Board Status Update Call Agenda](), [Board Status Update Call Presentation](), [Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report](), [September 3, 2020 Board of Directors Draft Minutes](), [Board CIC Members Roster](), [Board Digital Committee Members Roster](), [Addendum Report - Threat-based Examination of NAESB Standards and Business Operations](), [Assessment Report of the NAESB Business Operations Practices and Standards](), [Assessment Report of the NAESB OASIS Standards](), [Assessment Report of the NAESB PKI Program](), [Final Action for the WEQ Standards in Response to Sandia Report](), [Final Action for the WGQ Standards in Response to Sandia Report](), [Final Action for the RMQ Standards in Response to Sandia Report](), and [Accreditation Requirements for Authorized Certification Authorities]().

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*Wholesale Gas Quadrant (WGQ) Distributed Ledger Technology Standards Development***:** After nearly two years of multi-day conference calls and face-to-face meetings, NAESB has published standards that enable the creation of a digitalized version of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) to be used on DLT, or blockchains. NAESB submitted the standards to FERC as part of the informational filing of Version 3.2 of the NAESB WGQ Business Practice Standards in mid-August.

As the DoE has expressed support for the NAESB standards development efforts related to DLT and any of the efforts related to the NAESB Base Contract, NAESB staff continues to update the DoE staff regarding this topic. Outside of the NAESB process, a pilot test of the newly developed WGQ Business Practice Standards has been discussed. Tennessee Valley Authority (TVA), as the largest government-owned power provider and a party requesting the development of the NAESB DLT standards, has been working together with its trading partners to initiate an implementation test of the newly developed standards by replicating their natural gas trades utilizing a private, permissioned distributed ledger in a test environment.

Focusing specifically on transactions utilizing the NAESB Base Contract, the implementation plan seeks to supply natural gas to specific combined cycle plants served through existing transportation service contracts. Under the test, a third-party service provider will develop and maintain a distributed ledger that will be operated in a test environment under a cybersecurity framework to replicate and simulate trades utilizing the NAESB DLT Standards. The timing, processes and security of the transactions taking place in the test environment will be evaluated against those concurrently taking place in the operating environment. Currently, TVA is in the process of gathering the requested transaction data that will be required to model the relevant trades in the testing environment, consistent with the NAESB standard, while working with its trading partners to establish a process for providing the required data on an appropriately frequent basis.

For more information, please go to [Standards Request R18007](), [Final Action for R18007-A](), [Final Action for R18007-B](), [July 13, 2020 Press Release](), and [September 20, 2018 Blockchain Press Release]().

Version 3.2 of the NAESB WGQ Business Practice Standards: In mid-August, NAESB submitted an informational report to FERC regarding the publication of Version 3.2 of the WGQ Business Practice Standards. Published on August 15, Version 3.2 is the fifteenth publication of the NAESB WGQ Business Practice Standards and provides many new standards and modifications to existing standards developed in response to industry requests and directives from the NAESB Board of Directors.

As explained in the informational report, Version 3.2 contains 23 final actions, 31 minor corrections, 35 revised or new datasets, 21 revised ASC X12 Mapping Guidelines, 9 modified introductions to standards, and 6 modified appendices. The major standards development efforts in the new version include the ratified standards developed within the WGQ to support a digitalized version of the NAESB Base Contract for the Sale and Purchase of Natural Gas (NAESB Base Contract), revisions to the Mexican Addendum to the NAESB Base Contract, as well as the cybersecurity-related standards developed in response to the 2019 Sandia surety assessment reports.

For more information, please go to [NAESB Material Orders Form](#) *and* [WGQ Final Actions Page](#).

WEQ Open Access Same-time Information Systems (OASIS) Subcommittee: As a result of a full-court press this year, the WEQ OASIS Subcommittee completed all of its assigned items on the 2020 WEQ Annual Plan. During the October WEQ Executive Committee conference call, three no action recommendations that were developed by the WEQ OASIS Subcommittee were approved, along with four recommendations that modified the NAESB WEQ Business Practice Standards. Those adopted revisions define the eligibility and treatment of rollover rights, add new variables on certain query responses, modify the Redirect standards in response to FERC Order No. 676-I, and resolve conflicting language between two standards contained within WEQ-001. The four recommendations to revise the standards are currently posted for a thirty-day ratification period that will conclude on November 30.

In October, the WEQ Annual Plan Subcommittee initiated the process for the development of the Proposed 2021 WEQ Annual Plan, proposing two annual plan items that were subsequently approved by the WEQ Executive Committee. First, in order to provide specificity in determining which standards are linked together, the WEQ OASIS Subcommittee has been assigned the task of creating a cross reference table for the NAESB WEQ OASIS Business Practice Standards – WEQ-000, -001, -002, -003, and -013. Second, the Proposed 2021 WEQ Annual Plan tasks the WEQ OASIS Subcommittee with the development of standards for the identification of all modifications of service made to an original reservation in one location within OASIS. The completion dates for both efforts are scheduled for 2021. The Proposed 2021 WEQ Annual Plan was reviewed and adopted by the WEQ Executive Committee during it last meeting in October and will be considered by the NAESB Board of Directors in December. The next WEQ OASIS Subcommittee conference call will be held on November 17. During that call, the participants will discuss the 2021 WEQ OASIS meeting schedule. All interested parties are welcome to dial in.

For more information, please go to [2020 WEQ Annual Plan](#), [Proposed 2021 WEQ Annual Plan](#), [October 20, 2020 WEQ Annual Plan Subcommittee Agenda](#), [October 27, 2020 WEQ Executive Committee Conference Call Agenda](#), [Recommendation 2020 WEQ Annual Plan Item 3.a](#), [Recommendation 2020 WEQ Annual Plan Item 3.e](#), [Standards Request R20003](#), [Recommendation R20003](#), [Standards Request R20010](#), [Recommendation R20010](#), [Ratification Ballot due November 30, 2020](#), [No Action Recommendation for 2020 WEQ Annual Plan Item 3.d](#), [No Action Recommendation for 2020 WEQ Annual Plan Item 3.b](#), *and* [No Action Recommendation for 2020 WEQ Annual Plan Item 3.c](#).

RMQ/WEQ Renewable Energy Certificates (REC) Update: In October, the WEQ Business Practices Subcommittee (BPS) and the RMQ BPS continued a series of joint conference calls to draft a NAESB Master Agreement for Sale and Purchase of Renewable Energy Certificates (NAESB REC Master Agreement). Chaired by Dick Brooks of Reliability Energy Analytics and Mary Do of Znalytics, the subcommittees have held eleven meetings to develop the NAESB REC Master Agreement in order to facilitate transactions involving RECs in the voluntary market. A REC represents the right to claim one thousand kilowatt hours of renewable energy that has been delivered to the grid. The provisions of the NAESB REC Master Agreement will focus on the manual tracking methods used in the voluntary market and are not intended to apply to REC compliance markets using state renewable portfolio standards programs. As the subcommittees work through the creation of the NAESB REC Master Agreement, the familiar NAESB Base Contract is being leveraged as a drafting template.

This standards development effort was spurred by a 2019 Tennessee Valley Authority proposal that NAESB consider the development of a "smart contract" that could leverage DLT to capitalize on the efficiency and cybersecurity benefits that the technology provides. After several discussions occurring in ad hoc task forces before the standards development began, the WEQ and RMQ agreed that, rather than focusing on a specific technology, such as DLT, the subcommittees should identify areas in the voluntary REC process and the data sets that could benefit from standardization. Ultimately, in order to leverage technologies within the voluntary REC process, consensus formed to develop the NAESB REC Master Agreement.

For more information, please go to [REC Data Element Spreadsheet](#), [REC Data Elements Definitions Work Paper](#), [TVA RECs Primer](#), [Big Data Energy DLT Presentation](#), [TVA RECs Fact Sheet](#), *and* [RECs Process Work Paper](#).

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. *For more information, please go to* [NAESB Current Committee Activities](#) *or contact NAESB Staff (*naesb@naesb.org*) for additional information.*

NAESB Electric Industry Registry (EIR): NAESB engages with the NAESB EIR system administrator on a continuous basis to ensure that the tool is meeting industry needs. In recent months, a series of updates have been released with the goal of improving system efficiencies and enhancing the user experience.

In September, two updates served to improve upon cybersecurity as well as tool efficiencies. First, an update released on September 8 enhanced system cybersecurity safeguards related to SQL Injection and Cross-Site Scripting vulnerabilities. This release marked the second improvement this year that strengthened overall cybersecurity protections of the NAESB EIR. Additionally, this release included updates to system logic to improve the email notification functionality. On September 22, the NAESB EIR implemented an additional update improving upon the programmatic review of tool data prior to the issuance of a new publication.

As part of a release on July 14, several additional changes were made to the NAESB EIR. These included improvements to tool functionality aimed at enhancing efficiencies, namely new data validations that will improve the processes for data object modifica

tion and subscription payment. Also included as part of the update were modifications that enhanced the overall user experience by implementing tool performance optimizations, new tool navigation menus, and expanded data display screens.

Ever vigilant, the NAESB staff will continue to work with the system administrator to identify needed updates or modifications to the NAESB EIR that may arise.

For more information, please go to September 22, 2020 - NAESB Electric Industry Registry Update Announcement, September 4, 2020 - NAESB Electric Industry Registry Update Announcement, and July 10, 2020 - NAESB Electric Industry Registry Update Announcement.

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Cybersecurity: The WEQ Cybersecurity Subcommittee (CSS) is monitoring several efforts within NERC and the FERC that relate to cybersecurity to evaluate the potential need to develop complementary or supporting WEQ Business Practice Standards. Specifically, the WEQ CSS has identified five projects that could lead to revisions to the NERC Critical Infrastructure Protection (CIP) Reliability Standards: NERC Project 2016-02 Modifications to CIP Standards, NERC Project 2019-02 BES Cyber System Information Access Management, NERC Project 2019-03 Cyber Security Supply Chain Risks, NERC Project 2020-03 Supply Chain Low Impact Revisions, and NERC Project 2020-04 Modifications to CIP-012. Additionally, the subcommittee is tracking FERC action regarding the FERC Notice of Inquiry Potential Enhancements to the CIP Reliability Standards in Docket No. RM20-12-000 and FERC Notice of Inquiry Equipment and Services Produced or Provided by Certain Entities Identified as Risks to National Security in Docket No. RM20-19-000. While a recent review of these items resulted in a no action recommendation, the WEQ CSS will reconvene next year to discuss any further developments that should be evaluated.

Additionally, the WEQ CSS also recently developed a no action recommendation to address the remaining additional findings identified by Sandia in its surety assessment. The subcommittee held four meetings, including one joint meeting with the WEQ OASIS Subcommittee, to thoroughly discuss the additional findings. Through these discussions, a determination was made that the issues presented by the additional findings were either already addressed through existing requirements found in the WEQ Business Practice Standards, the NAESB Accreditation Requirements for Authorized Certification Authorities (ACA), and the ACA Process

or were not applicable to the processes and communication protocols utilized within the WEQ Business Practice Standards. Moving forward the subcommittee members will continue to monitor the FERC and NERC projects.

For more information, please go to 2020 WEQ Annual Plan, Proposed 2021 WEQ Annual Plan, Recommendation 2020 WEQ Annual Plan Item 4.a and 4.b, and Recommendation 2020 WEQ Annual Plan Item 6.a.

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Filings: In 2020, NAESB released publications from the WGQ, the WEQ, and the RMQ. As with every group of publications, the WEQ and WGQ publications were filed as informational with FERC and the RMQ publication was made available to NARUC. As discussed above, in mid-August, NAESB published Version 3.2 of the WGQ Business Practice Standards and filed an informational filing to FERC regarding the publication. The informational filing outlined the standard development efforts contained in the new version, including the DoE sponsored surety assessment performed by Sandia, several items related to the NAESB Base Contract, and revisions to the technical implementation and Electronic Data Interface (EDI) business communication standards.

As you may remember, NAESB published Version 003.3 of the WEQ Business Practice Standards on March 30, 2020 and filed an informational report with the Commission the same day. The new version of the WEQ standards represents a significant multi-year industry effort, including cybersecurity modifications resulting from the Sandia Report, standards developed in coordination with the North American Electric Reliability Corporation (NERC), and the completion of standards development to address FERC Order No. 890 directives. On July 16, FERC issued a Notice of Proposed Rulemaking, proposing to incorporate Version 003.3 of the WEQ Business Practice Standards by reference into the FERC regulations with certain exceptions. Prior to the issuance of the NOPR on WEQ Version 003.3, the FERC issued Order No. 676-I *Standards for Business Practices and Communication Protocols for Public Utilities* on February 4, 2020. In 676-I, the Commission revised its regulations to incorporate by reference, with certain exceptions, Version 003.2 of the WEQ Business Practice Standards. This version built upon Version 003.1 of the standards, which was the subject of a NOPR issued in 2016 but did not, by itself, become the subject of a final order.

In the RMQ, NAESB published, Version 3.3 in late-January. The new version represented a significant amount of work and includes important updates to the Energy Services Provider Interface and the Open Field Message Bus Model Business Practices. Additionally, Version 3.3 incorporates modifications adopted by the quadrant to the Quadrant-Specific Electronic Delivery Mechanism and Internet Electronic Transport Model Business Practices that were adopted in response to the cybersecurity recommendations contained in the 2019 Sandia surety assessment reports.

For more information, please go to 2020 WEQ Annual Plan, Proposed 2021 WEQ Annual Plan, 2020 WGQ Annual Plan, Proposed 2021 WGQ Annual Plan, 2020 RMQ Annual Plan, Proposed 2021 RMQ Annual Plan, July 30, 2020 Board Status Update Call Agenda, Board Status Update Call Presentation, August 17, 2020 - NAESB WGQ Version 3.2 Report, March 30, 2020 NAESB Filing to FERC on WEQ 003.3, July 16, 2020 FERC NOPR Version 003.3, and RMQ Standards Page.

NAESB Board Committees Update: In preparation for the September Board of Directors meeting, several of the Board Committees held conference calls to approve reports and review standing items on their agendas. At the end of August, the Board Strategy Committee met to review the results of the 2020 Standards Development Survey and develop recommendations that were presented to the Board of Directors during its September conference call. As noted in the last bulletin, the NAESB Board Strategy Committee distributed the fourth NAESB Standards Development Survey to over two-thousand member and non-member contacts that work in the energy industry for public and private corporations, government agencies, national laboratories, trade press, trade organizations, and consulting firms. The NAESB Standards Development Survey is developed by the committee on a biennial basis to solicit feedback from the industry-at-large concerning specific areas for potential standards development or other activities that NAESB may pursue in eighteen to twenty-four months. Unlike previous surveys, open ended questions were included to solicit specific use cases in support of the areas chosen.

As a result of the recommendations from the Board Strategy Committee, the Chair of the Board, Michael Desselle, created a Board Task Force on Battery Storage and a Board Task Force on Renewable and Sustainably Produced Natural Gas, both of which held their kick off meetings at the end of October. During the task force calls, the participants discussed some initial concepts regarding potential standards development and requested that work papers or presentations be sent to the NAESB office before the next conference calls, scheduled for November 13, 2020.

During the Board Revenue Committee call in late-August, the committee discussed the status of revenue generation for the year, the external communication activities of the organization and the current membership report The committee also discussed the status of DLT activities.

In August, the Managing Committee held a virtual meeting to discuss personnel matters, staff performance, and also received a status update on the organization's DLT activities and the TVA implementation test underway with the support of the DoE.

Since the last Board of Directors meeting, the Parliamentary Committee has held two calls in February and June to continue their efforts to develop modifications to the NAESB governance documents. The committee completed its review of the NAESB Certificate of Incorporation and the NAESB Bylaws and has moved onto a review of the NAESB Operating Procedures. Once complete, the Parliamentary Committee will present the modifications to the Board of Directors.

In June, the Board Digital Committee finalized the Digital Committee Inaugural Report that was presented and adopted during the September Board of Directors meeting. Also, as discussed in the Sandia section, the Board Critical Infrastructure Committee developed a response to Sandia surety assessment reports that was approved by the Board of Directors during its September meeting. The report describes the efforts of the WEQ, WGQ and RMQ to respond to the recommendations within the surety assessment and will be forwarded on to the Department of Energy and Sandia.

In June, the Board Certification Program Committee met to develop modifications to the NAESB Authorized Certification Authority Process document that enhance and clarify parts of the process. These revisions were approved during the September Board of Directors conference call.

For more information, please go to 2020 WEQ Annual Plan, Proposed 2021 WEQ Annual Plan, 2020 WGQ Annual Plan, Proposed 2021 WGQ Annual Plan, 2020 RMQ Annual Plan, Proposed 2021 RMQ Annual Plan, July 30, 2020 Board Status Update Call Agenda, Board Status Update Call Presentation, October 30, 2020 Board Task Force on Battery Storage Agenda, October 30, 2020 Board Task Force on Renewable and Sustainably Produced Natural Gas, Work Paper Submitted by Skipping Stone, Work Paper Submitted by Reliable Energy Analytics, Work Paper Submitted by Mustang Prairie Energy, Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report, September 3, 2020 Board of Directors Draft Minutes, NAESB Digital Committee Inaugural Report Adopted by the Board of Directors, Board CIC Members Roster, Board Digital Committee Members Roster, Addendum Report - Threat-based Examination of NAESB Standards and Business Operations, Assessment Report of the NAESB Business Operations Practices and Standards, Assessment Report of the NAESB OASIS Standards, Assessment Report of the NAESB PKI Program, Final Action for the WEQ Standards in Response to Sandia Report, Final Action for the WGQ Standards in Response to Sandia Report, Final Action for the RMQ Standards in Response to Sandia Report, and Accreditation Requirements for Authorized Certification Authorities.

NAESB Quadrant Membership Analysis:

Wholesale Gas Quadrant (WGQ)	114
Retail Markets Quadrant (RMQ)	37
Wholesale Electric Quadrant (WEQ)	132
Total Membership	**283**

NAESB New Members: GS Transmission, LLC (WEQ, Transmission), Illinois Commerce Commission (WEQ, End Users), Southern California Edison (WEQ, Generation), IBM Integration Services (WGQ, Services), and Eastern Shore Natural Gas Company (WGQ, Pipeline)

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- What's Hot

- NAESB Standards and Implementation