

NAESB Bulletin

November 2020 - February 2021 Volume 13, Issue 3

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2021 Calendar

February

- 2/2 - Joint WEQ BPS and RMQ BPS Conf. Call
- 2/5 - NAESB Advisory Council Conf. Call
- 2/15 - Holiday - President's Day (NAESB Closed)
- 2/18 - WEQ BPS Conf. Call
- 2/22 - Board Strategy Committee Conf. Call
- 2/22 - Board Parliamentary Committee Conf. Call
- 2/22 - Board Revenue Committee Conf. Call
- 2/22 - Board Digital Committee Conf. Call
- 2/23 - Joint WEQ BPS and RMQ BPS Conf. Call
- 2/23 - WGQ Contracts Conf. Call
- 2/24 - NAESB Update Conf. Call
- 2/25 - WEQ BPS Conf. Call

March

- 3/3 - WEQ SRS Conf. Call
- 3/9 - WEQ Executive Committee Conf. Call
- 3/10 - RMQ Executive Committee Conf. Call
- 3/10-11 - WEQ OASIS Conf. Call
- 3/11 - WGQ Executive Committee Conf. Call
- 3/16 - Joint WEQ BPS and RMQ BPS Conf. Call
- 3/25 - WEQ BPS Conf. Call
- 3/30 - WGQ Contracts Conf. Call

April

- 4/2 - Holiday - Good Friday (NAESB Closed)
- 4/6 - Joint WEQ BPS and RMQ BPS Conf. Call
- 4/8 - WEQ BPS Conf. Call
- 4/13-14 - WEQ OASIS Conf. Call
- 4/20 - WEQ BPS Conf. Call
- 4/22 - NAESB Board of Directors Virtual Meeting Conf. Call
- 4/28 - NAESB Update Conf. Call

RMQ/WEQ Renewable Energy Certificates (REC) Update: On March 16, 2021 and April 6, 2021, the Wholesale Electric Quadrant (WEQ) Business Practice Standards (BPS) and the Retail Markets Quadrant (RMQ) BPS will continue their series of joint conference calls to draft the NAESB Master Agreement for Sale and Purchase of Renewable Energy Certificates (NAESB REC Master Agreement). RECs can be defined as instruments that indicate the generation of a particular quantity of energy, or product associated with the generation of a specified quantity of energy, from a renewable energy source by a renewable energy facility. Chaired by Dick Brooks of Reliability Energy Analytics and Mary Do of ZAnalytics, the subcommittees have focused on the facilitation of transactions involving RECs in the voluntary market, as opposed to the REC compliance markets using state Renewable Portfolio Standards, or RPS programs.

During its February meeting, the subcommittees wrapped up work on the General Terms and Conditions as well as Exhibits A and B to the Master Agreement. Next, the participants focused on items noted in the Parking Lot work paper, such as discussion on the development of technical implementation documents addressing data dictionaries, and data sets for invoicing and other aspects of the transactions. Moving forward, the subcommittees anticipate completing the Parking Lot items and any additional technical documents that may be necessary.

The momentum for the NAESB REC Master Agreement began in 2019 when the Tennessee Valley Authority (TVA) proposed that NAESB consider the development of a "smart contract" that could leverage distributed ledger technologies (DLT) to capitalize on the efficiency and cybersecurity benefits that the technology provides. Ultimately, rather than focusing on a specific technology, such as distributed ledger technologies, the subcommittees focused on identifying areas in the voluntary REC process and data sets that could benefit from standardization, such as the development of a master agreement.

As mentioned above, the REC process can be categorized into two major groups, compliance and voluntary. REC compliance instruments are used for state RPS programs. In contrast, voluntary RECs are frequently used to verify corporate renewable consumption claims. The NAESB REC Master Agreement will focus on manual tracking methods used in the voluntary market, such as Contract Path Tracking which tracks RECs from creation, through the passing off to different entities, and retirement.

For more information, please go to [Draft REC Master Agreement Work Paper as of February Call](#), and [Parking Lot as of February Call](#).

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WEQ Energy Storage and DER Activities: At the end of February, the WEQ BPS held a kick-off meeting to begin addressing 2021 WEQ Annual Plan Item 7.a-7.c. As part of this effort, the WEQ BPS has been charged with developing or modifying standards for information and reporting requirements to support energy storage and, more broadly, distributed energy resources in front of and behind the meter. The standards development effort is intended to support the wholesale electric industry as it works to integrate energy storage and distributed energy resources in response to the Federal Energy Regulatory Commission (FERC) Order No. 841 and FERC Order No. 2222.

Last year, the NAESB Advisory Council identified battery storage as a growing area of interest within the market and recommended that NAESB explore the potential for standards development. In support of this recommendation, battery storage was included as a possible area for future standards development projects in the 2020 NAESB Standards Development Survey, and the responses indicated strong industry support for NAESB to consider activities in this area. The findings of the survey were presented to the NAESB Board of Directors in September. Given the industry response, a task force was created to further explore the potential for standards development to support battery storage.

The Board Task Force on Battery Storage held a series of three meetings between October and December to first determine if NAESB should pursue standards development and, if so, to define a scope of work through the creation of a recommendation for the 2021 WEQ Annual Plan. Over these meetings, the task force developed a recommendation proposing the addition of a new annual plan item for the WEQ that includes the development of business practices to (1) define an index/registry for qualified energy storage resources and distributed energy resources participating in the wholesale markets; (2) create information and reporting requirements; and (3) establish performance metrics. The recommendation of the task force was adopted by the Board of Directors during its meeting on December 17, 2020, and the Board of Directors took action to add the proposed items to the 2021 WEQ Annual Plan as Items 7.a, 7.b, and 7.c.

For more information, please go to [February 25, 2021 WEQ BPS Agenda](#), [Chair's Presentation](#), [February 17, 2021 NAESB Press Release](#), [December 17, 2020 NAESB Board Draft Minutes](#), [December 11, 2020 Board Task Force Agenda](#), [November 13, 2020 Board Task Force Notes](#), [October 30, 2020 Board Task Force Notes](#), [September 3, 2020 Board Draft Minutes](#), and [2020 NAESB Standards Development Survey Results](#).

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

WEQ Open Access Same-time Information Systems (OASIS) Subcommittee: Since the completion of the standards development efforts for FERC Order No. 890, the WEQ OASIS Subcommittee has moved full steam ahead with its standards development efforts. On February 16, 2021, the WEQ OASIS Subcommittee voted out a no action recommendation in response to direction to the industry in FERC Order on Clarification re: *Standards for Business Practices and Communication Protocols for Public Utilities*. In Paragraph 9 of the order, the Commission clarifies that “as stated in the NAESB standard 001-9.5.4, the NAESB Standards apply only to redirects from an unconditional firm parent” and suggests that the industry work through NAESB to “develop separate uniform standards governing redirects from conditional parents.”

As explained in the no action recommendation, the modifications previously developed by the WEQ OASIS Subcommittee in response to FERC Order No. 676-I, as part Standards Request R20003, fulfill the Commission’s request in Paragraph 9 of the FERC Order on Clarification. Standards Request R20003 was submitted by OATI on February 19, 2020 and the R20003 standards were ratified on November 30, 2020 and will be included in Version 003.4 of the NAESB WEQ Business Practice Standards. Given the work on R20003, the WEQ OASIS Subcommittee unanimously approved the no action recommendation in response to the item addressing Paragraph 9 of the Commission. The thirty-day formal industry comment period for item will conclude on March 19, 2021.

On March 10-11, 2021, the WEQ OASIS Subcommittee will hold its next conference call to address the remaining two items it has been assigned on the 2021 WEQ Annual Plans. Currently, the subcommittee is hard at work on an item to develop a cross-reference table for the NAESB WEQ OASIS Business Practice Standards. The subcommittee began discussing this item in November, met twice in January, and once in February to review the draft recommendation which adds a cross-reference table in the Appendix of WEQ-000 to help users find related standards across WEQ-000, WEQ-001, WEQ-002, and WEQ-013.

In a separate effort, the subcommittee has continued its discussion on an annual plan item calling for the development of industry business standards to enable the identification of all modifications of service made to an original reservation in one location within OASIS. The original proposal would expand the current link in OASIS that refers to one generation of a modified link to multiple subsequent generations, allowing users a way to view where returned capacity has been received. Recently, discussion has focused on whether it would be beneficial to show the entire “family tree,” meaning the generations of reservations before and after the reservation in question. Subcommittee discussion on this item will continue during the March OASIS call.

For more information, please go to [November 25, 2020 FERC Order on Clarification re Standards for Business Practices and Communication Protocols for Public Utilities, February 4, 2020 FERC Order No. 676-I, 2021 WEQ Annual Plan Item 3.d Draft Recommendation, 2021 WEQ Annual Plan Item 3.b Work Paper, Presentation on 2021 WEQ Annual Plan Item 3.c, February 16-17, 2021 WEQ OASIS Agenda, January 19-20, 2021 WEQ OASIS Final Minutes, and January 7, 2021 WEQ OASIS Final Minutes.](#)

Wholesale Gas Quadrant (WGQ) Contracts Renewable Natural Gas Effort: On February 23, the NAESB WGQ Contracts Subcommittee held a kick-off meeting to evaluate the existing NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) to determine if modifications or a new standardized contract are needed to support renewable natural gas sale and purchase transactions. With over twenty member companies in attendance, the meeting included participants from every segment of the wholesale gas industry.

During the kickoff call, the participants reviewed the NAESB process, a proposed path for the standards development, and a work paper that provided a starting point for discussion within the subcommittee. Interested parties were asked to review the work paper and submit comments by March 26, 2021, prior to the next WGQ Contracts Subcommittee meeting on March 30, 2021.

To provide some background, during the September Strategic Session of the NAESB Board of Directors meeting, the participants reviewed the results of the 2020 NAESB Standards Development Survey and a recommendation from the Board Strategy Committee to consider standards development in the area. As a result of the discussion during that meeting, a Board task force was created to further explore the potential standards activity. Over the course of three meetings, the task force met to develop a scope of work and proposed an annual plan item for the 2021 WGQ Annual Plan. During the December Board of Directors Meeting, the resulting annual plan item was adopted and the WGQ Contracts Subcommittee has been tasked with the development of a standardized contract for the sale and purchase of renewable natural gas to support the wholesale gas market.

For more information, please go to [February 23, 2021 WGQ Contracts Subcommittee Agenda, February 23, 2021 Chair’s Work Paper, February 17, 2021 NAESB Press Release, December 17, 2020 NAESB Board Draft Minutes, December 11, 2020 Board Task Force Agenda, November 13, 2020 Board Task Force Notes, October 30, 2020 Board Task Force Notes, September 3, 2020 Board Draft Minutes, and 2020 NAESB Standards Development Survey Results.](#)

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: Guzman Energy LLC (WEQ, Marketer/Brokers)
Venture Global LNG, Inc. (WGQ, Pipelines)

Cybersecurity: Cybersecurity continues to be a significant focus of the NAESB Board committees and the standards development efforts within NAESB subcommittees. The WEQ and WGQ have standing items on their annual plans to ensure cybersecurity remains a priority. Each year, the WEQ Cybersecurity Subcommittee (WEQ CSS) conducts a review of all FERC and NERC cybersecurity-related activities to determine whether NAESB should develop or modify supporting WEQ standards. Additionally, the WEQ CSS evaluates the WEQ-012 Public Key Infrastructure Business Practice Standards and the NAESB Accreditation Requirements for Authorized Certification Authorities in light of current market conditions to determine whether the WEQ standards should be modified in any way. This year, the WEQ will continue to monitor the FERC efforts related to the *Notice of Inquiry re Potential Enhancements to the Critical Infrastructure Protection Reliability Standards* issued on June 18, 2020 as well as the *Notice of Inquiry re Equipment and Services Produced or Provided by Certain Entities Identified as Risks to National Security* issued on September 17, 2020. Additionally, the WEQ is monitoring several projects within NERC that could result in new or modified NERC Critical Infrastructure Protection (CIP) Reliability Standards.

As discussed in the Sandia section, the WGQ Version 3.2 standards have become the subject of a Notice of Proposed Rulemaking (NOPR) issued by the Commission on February 18, 2021. These standards include the cybersecurity-related modifications in response to the Sandia report. In July, FERC issued a NOPR that proposed to incorporate by reference Version 003.3 of the NAESB WEQ Business Practice Standards, which also include cybersecurity-related revisions in response to the Sandia report.

For more information, please go to [February 18, 2021 FERC WGO Version 3.2 NOPR](#), [August 17, 2020 NAESB Filing to FERC on Version 3.2 of WGO Standards](#), [March 30, 2020 NAESB Filing to FERC on Version 003.3 of WEQ Standards](#), [July 16, 2020 FERC WEQ Version 003.3 NOPR](#), [Assessment Report of the NAESB PKI Program](#), [Assessment Report of the NAESB Business Operations Practices and Standards](#), [Assessment Report of the NAESB OASIS Standards](#), [Addendum Report: Threat-based Examination of NAESB Standards and Business Operations](#), [Advisory Council Members](#), [February 5, 2021 Advisory Council Agenda](#), [December 17, 2020 Board of Directors Draft Minutes](#), [Board CIC Members Roster](#), [Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report](#), [September 3, 2020 Board of Directors Draft Minutes](#), [Final Action for the WEQ Standards in Response to Sandia Report](#), [Final Action for the WGO Standards in Response to Sandia Report](#), [Final Action for the RMO Standards in Response to Sandia Report](#), and [Accreditation Requirements for Authorized Certification Authorities](#).



WGQ Distributed Ledger Technology Standards Development: This year, in response to a 2021 WGQ Annual Plan item, the WGQ Contracts Subcommittee, the WGQ Electronic Delivery Mechanisms (EDM) Subcommittee, and the WGQ Business Practices Subcommittee (BPS) are planning to work through a joint effort to update the NAESB WGQ standards that support distributed ledger technologies resulting from the outcome of an industry test being performed by TVA. The industry test will run a system utilizing the distributed ledger technology standards in parallel with the current TVA systems in order to ascertain any efficiencies or other benefits during the natural gas events on each system.

This standards development effort began in 2018 with a focus on capitalizing on smart contracts and distributed ledger technologies, and the initial standards were first published in Version 3.2 of the NAESB WGQ Business Practice Standards. Fundamentally, these standards enable the creation of a digitalized version (e.g., distributed ledger technology) of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract).

As mentioned above, on February 18, FERC issued a NOPR proposing to incorporate Version 3.2 of the NAESB WGQ Business Practice Standards by reference into its regulations. In Paragraph 18 of the NOPR, the Commission acknowledged its past practice of not incorporating by reference into its regulations any optional model contracts, as it does not require the use of contracts. Therefore, as expected, the WGQ distributed ledger technology standards surrounding the NAESB Base Contract are not proposed for incorporation by reference into the Commission’s regulations.

For more information, please go to [February 18, 2021 FERC WGO Version 3.2 NOPR](#), [August 17, 2020 NAESB Filing to FERC on Version 3.2 of WGO Standards](#), [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](#).



FERC NOPR on Version 3.2 of the NAESB WGQ Business Practice Standards: On February 18, 2021 the FERC issued a NOPR proposing to incorporate by reference, with certain exceptions, Version 3.2 of the NAESB WGQ Business Practices Standards. As explained by the Commission in the first paragraph of the NOPR, “the implementation of these standards will promote additional efficiency and reliability of the natural gas industries’ operations...” and “the proposed revisions are necessary to enhance the natural gas industries’ computer security requirements.”

On August 15, 2020, NAESB published Version 3.2 of the WGQ standards and an informational filing was submitted to the Commission. 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 publication contains major standards development efforts, including the standards developed in response to the 2019 Sandia report, the standards that enable the creation of a digitalized version of the NAESB Base Contract, and the addition of the Mexican Addendum to the NAESB Base Contract.

For more information, please go to [February 18, 2021 FERC WGO Version 3.2 NOPR](#), [August 17, 2020 NAESB Filing to FERC on Version 3.2 of WGO Standards](#), [November 15, 2018 FERC Order No 587-Y](#), and [September 29, 2017 NAESB Filing to FERC on Version 3.1 of WGO Standards](#).

Sandia National Laboratories: On February 18, the FERC issued a NOPR proposing to incorporate Version 3.2 of the NAESB WGQ Business Practices Standards by reference into its regulations. The proposed action includes the WGQ standards that were prioritized in response to the U.S. Department of Energy (DoE)-sponsored 2019 Sandia National Laboratory (Sandia) surety assessment report. These standards strengthen the practices and cybersecurity protections established by mitigating potential vulnerabilities, including the deprecation of support for older versions of encryption protocols, such as the Secure Socket Layer (SSL) with the more secure Transport Layer Security (TLS).

As stated, the NOPR proposes to incorporate the prioritized standards, excluding the additional findings and considerations that were developed after the publication of Version 3.2. In mid-March, the RMQ Executive Committee and the WGQ Executive Committee will consider mirroring recommendations in response to the additional findings and considerations identified in the Sandia report. After three joint meetings, the WGQ EDM Subcommittee and the Retail Information Requirements and Technical Electronic Implementation Subcommittee (IR/TEIS) voted out the recommendations which revises the Appendix of the WGQ/RMQ Internet Electronic Transport (IET) Manual. The recommendations were posted for a thirty-day formal industry comment period that concluded on November 16, 2020. Per the NAESB process, if adopted by the WGQ and RMQ Executive Committees, the proposed standards will be posted for ratification by the WGQ and RMQ membership.

As previously announced, the FERC NOPR for Version 003.3 of the WEQ Business Practice Standards was issued in July of 2020 and proposes to incorporate by reference the WEQ modifications made in response to the Sandia reports. The WEQ standards revisions resulted in modifications to WEQ-000, WEQ-001, and WEQ-002, along with the NAESB Accreditation Requirements for Authorized Certification Providers document. Last year, at the end of March, NAESB provided an informational filing to the Commission regarding the Version 003.3 WEQ standards. At the time of this writing, a final order has not been issued for Version 3.2 of the WGQ or Version 003.3 of the WEQ Business Practice Standards.

During the development of the report, Sandia suggested that NAESB consider the length of time it takes for cybersecurity standards to go through the standards development effort, the federal rulemaking process, and onto implementation. It suggested that providing further flexibility and efficiencies to the current process could allow faster reactions to vulnerabilities. This topic was discussed during the February Advisory Council call and the February Board Strategy Committee call. NAESB leadership will continue to consider the suggestion during upcoming meetings.

For more information, please go to [2021 WGQ Annual Plan Item](#), [2021 WEQ Annual Plan Item](#), [2021 RMQ Annual Plan Item](#), [February 18, 2021 FERC WGQ Version 3.2 NOPR](#), [August 17, 2020 NAESB Filing to FERC on Version 3.2 of WGQ Standards](#), [March 30, 2020 NAESB Filing to FERC on Version 003.3 of WEQ Standards](#), [July 16, 2020 FERC WEQ Version 003.3 NOPR](#), [Assessment Report of the NAESB PKI Program](#), [Assessment Report of the NAESB Business Operations Practices and Standards](#), [Assessment Report of the NAESB OASIS Standards](#), [Addendum Report: Threat-based Examination of NAESB Standards and Business Operations](#), [Advisory Council Members](#), [February 5, 2021 Advisory Council Agenda](#), [December 17, 2020 Board of Directors Draft Minutes](#), [Board CIC Members Roster](#), [Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report](#), [September 3, 2020 Board of Directors Draft Minutes](#), [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 Board Committees Update: On April 22, 2021, the NAESB Board of Directors has scheduled a virtual meeting from 9:00 AM to 1:00 PM Central. During the meeting, the Board will consider any updates to the 2021 quadrant annual plans, review financial and membership reports, and address other standing items on its agenda. Several Board Committees have already held calls and are preparing reports and updates in anticipation of the April Board meeting.

On February 22, the Board Strategy Committee held its first conference call of the year. The discussion centered on the process for the development of the NAESB Strategic Plan 2021-2023. Utilizing the results of the 2020 Standards Development Survey and any feedback from the Advisory Committee, the Strategic Plan will focus on four goals in the following strategic areas: Standards; Certification; Tool Management; and Coordination and Collaboration. Additionally, the Board Strategy Committee reviewed the results of the February 5 Advisory Council Meeting. In response to a suggestion from Sandia that the industry shorten the process for the implementation of cybersecurity-related standards, the Committee held a conversation on the length of the NAESB standards development process and the FERC rulemaking process. The potential distribution of a cybersecurity survey within the second quarter of 2021 was also considered.

Also, on February 22, 2021, the Parliamentary Committee held a conference call to continue its efforts to develop modifications to the NAESB governance documents. Having completed its reviews of the NAESB Certificate of Incorporation and the NAESB Bylaws, the Committee is now wrapping up modifications to the NAESB Operating Procedures. Once complete, the Parliamentary Committee will present the modifications to the Board of Directors.

In late-February, the Board Revenue Committee held a conference call to receive an update on the recent communication activities within NAESB, discuss the publication cycle, and to review the year-end financials and membership reports. Following that call, the Board Digital Committee also met to discuss potential updates to the NAESB Digital Committee Report that was adopted by the Board of Directors in September. The Committee agreed to schedule an additional meeting to draft an addendum to its report, providing updates on the activities within the identified areas.

As noted in other sections, in response to 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 task forces scheduled separate calls at the end of October, mid-November, and completed their efforts in mid-December with recommendations for the initiation of standards development efforts in battery storage and renewable natural gas. In December, the Board approved two new annual plan items, one on the 2021 WGQ Annual Plan to develop a contract or addendum to support renewable natural gas, and another item on the 2021 WEQ Annual Plan to develop standards to support energy storage and DER activities in response to FERC Order No. 2222 and FERC Order No. 841. A provisional item was added to the WGQ Annual Plan to address sustainably produced natural gas. The WGQ Contracts Subcommittee and the WEQ BPS Subcommittee have already held their initial planning calls to begin addressing these annual plan items.

For more information, please go to [February Board Strategy Committee Agenda](#), [Board Strategy Committee Named Members](#), [NAESB Strategic Plan 2019-2021](#), [2020 Standards Development Survey Results](#), [February Advisory Council Announcement](#), [Advisory Council Members](#), [February Parliamentary Committee Agenda](#), [Parliamentary Committee Roster](#), [February Board Revenue Committee Agenda](#), [Board Revenue Committee Named Members](#), [February Board Digital Committee Agenda](#), [Board Digital Committee Named Members](#), and [Board Digital Report Approved by the Board in September](#).

NERC Coordination: NAESB and NERC continue to coordinate on a number of items to ensure that the organizations move in lock step to achieve wholesale electric industry goals. The ongoing harmonization takes many avenues including communication between the leadership of the organizations, day-to-day staff communication, and the diligent work of the NAESB subcommittees – specifically the WEQ Cybersecurity Subcommittee and the WEQ Standards Review Subcommittee (SRS) – to keep abreast of any changes in NERC and FERC that may necessitate modifications to the NAESB WEQ Business Practice Standards.

Throughout the year, the NAESB WEQ CSS reviews all FERC and NERC cybersecurity-related activities with an eye towards any possible revisions to the NAESB WEQ standards. This effort is a recurring annual plan item and, this year, the subcommittee has turned an eagle eye toward the FERC efforts related to the June 18, 2020 *Notice of Inquiry re Potential Enhancements to the Critical Infrastructure Protection Reliability Standards* as well as the September 17, 2020 *Notice of Inquiry re Equipment and Services Produced or Provided by Certain Entities Identified as Risks to National Security*. Further, the WEQ CSS is monitoring several NERC projects that may result in modifications to the NERC Critical Infrastructure Protection (CIP) Reliability Standards and prompt further NAESB review, including: NERC Project 2019-02 BES Cyber System Information Access Management, NERC Project 2016-02 Modifications to CIP Standards, NERC Project 2020-03 Supply Chain Low Impact Revisions, and NERC Project 2020-04 Modifications to CIP-012, and the NERC Project 2019-03 Cyber Security Supply Chain Risks which was recently approved by the NERC Board of Trustees.

While the WEQ CSS focuses on those NERC activities that may affect cybersecurity, the NAESB WEQ SRS actively monitors a broader range of NERC Projects for any potential overlap that may lead to a review of or modification to the WEQ standards. Any items of interest are flagged by the subcommittee and reported to the WEQ Executive Committee.

During its March 9, 2021 conference call, the WEQ Executive Committee will consider a recommendation developed by the WEQ BPS which proposes to revive and revise the WEQ-006 Manual Time Error Correction Business Practice Standards into the NAESB WEQ Business Practice Standards. To provide some background, in response to a 2016 NERC request, NAESB took steps to retire WEQ-006. FERC Order No. 676-I, issued on February 4, 2020, declined to adopt the Version 003.2 deletion of WEQ-006 and, instead, incorporated by reference Version 003.1 of the WEQ-006 standards. In Order No. 676-I, the Commission “advise[d] public utilities to work through the NAESB business practices development processes to revisit the rationale for removing the Time Error Correction standards to determine whether they should be retained or revised.”

The WEQ BPS held ten meetings to discuss current industry practices regarding manual time error correction in both the Eastern and Western Interconnections. Voted out of the subcommittee in January, the recommendation proposes to retain WEQ-006 and include additional standards that are intended to complement FERC Order No. 676-I and a related NERC Time Monitoring Reference Document. During a February call, the WEQ BPS reviewed three sets of formal industry comments that were submitted in response to the recommendation and proposed an additional standard. If approved by the WEQ Executive Committee, the recommendation will be posted for ratification by the NAESB WEQ membership.

NAESB staff has been coordinating with NERC staff and NERC subcommittee leadership concerning the WEQ-005 ACE Equation Special Cases Business Practice Standards. Given the potential overlap between recent revisions to the NERC Dynamic Transfer Reference Document and the standards within WEQ-005, participants within the WEQ BPS are currently tasked with conducting internal reviews to determine whether the standards still address commercial needs within the industry.

Another long-standing topic in coordination conversations is the WEQ-023 Modeling Business Practice Standards. In July of last year, the FERC issued a NOPR that proposed to incorporate by reference WEQ Version 003.3, including the WEQ-023 Modeling Business Practices. In 2021, the WEQ Annual Plan item calling for revisions to the WEQ-023 standards was moved from the provisional to the active annual plan in order to respond to any future regulatory actions, such as the retirement of the NERC MOD A Reliability Standards.

For more information, please go to [March 9, 2021 WEQ Executive Committee Agenda](#), [WEQ BPS Time Error Correction Recommendation](#), [Comments Submitted by R. Berdahl, BPA](#), [Formal Comments Submitted by JT Wood, Southern Company](#), [Late Comments Submitted by J. Phillips, Southwest Power Pool](#), and [Late Comments Submitted by the WEQ BPS Subcommittee](#).

NAESB Board of Directors Meeting: On December 17th the NAESB Board of Directors held its last meeting of 2020. Nearly 100 participants joined the call, including many of the industry leaders that serve on the NAESB Advisory Council. Robert Gee of Gee Strategies Group, Inc. provided remarks concerning his perspectives on the new administration’s energy policy and potential industry impacts, and Christine Tezak of ClearView Energy Partners, led a conversation concerning potential directions for the energy markets in the year ahead. In addition to reviewing financial and membership reports, adopting the organization’s 2021 budget, and approving the 2021 quadrant annual plans, the Board also heard updates from the Board Committees. In response to recommendations developed by the Board Task Forces on Battery Storage and Renewable and Sustainably Produced Natural Gas, two new items and one provisional item were approved and added to the 2021 Annual Plans. These new annual plan items are detailed in the Renewable Natural Gas Activities and the Energy Storage and Distributed Energy Resources (DER) sections of this newsletter. The first NAESB Board of Directors virtual meeting for 2021 has been set for April 22nd.

For more information, please go to [December 17, 2020 NAESB Board of Directors Draft Minutes](#).

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.*

Upcoming NAESB Courses: In 2021, NAESB will continue to hold its popular industry webinars for interested parties. These courses provide invaluable information to NAESB newcomers and experts alike. As the dates for the webinars are scheduled, they will be made available on the NAESB Primers and Training Courses Page.

Understanding the NAESB WGQ Contracts Course – Designed as an in-depth review of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) taught by subject matter experts. Along with a detailed explanation of the components of the contract, the attendees will also learn about the supporting addendums, including the Mexican and Canadian Addendums. Additionally, this webinar will cover the NAESB Trading Partner Agreement and deliver an overview of other NAESB WGQ contracts.

NAESB 101 Webinar – Led by NAESB attorneys who introduce attendees to the organization, its structure, and its American National Standards Institute (ANSI)-accredited standards development process. During this call, the participants will learn how to work within NAESB to support the goals of the wholesale and retail natural gas and electric industries.

NAESB Webinar for NARUC – Every year, NAESB coordinates with the National Association of Regulatory Utility Commissioners (NARUC) to schedule a closed webinar for interested State Commissioners, Commission staff, and members of the National Council on Electric Policy (NCEP). This course is similar to the NAESB 101 Webinar, but holds a specific focus on the activities within the retail industries.

Webinars in Response to Regulatory Actions- – From time-to-time and based upon interest from the industry, NAESB holds classes on specific topics that may be related to regulatory actions taken on the NAESB Business Practice Standards or Model Business Practices. These courses may assist those submitting comments in response to Notices of Proposed Rulemaking or considering the implementation of new standards. For example, past courses have included *WGQ Business Practice Standards: Updates and Changes Version 3.1 Course*, *WEQ Business Practice Standards: Updates and Changes Version 003.2 Course*, and the *NAESB Gas Electric Harmonization Web Cast Course*.

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



Filings: Last year, NAESB released three publications – WEQ, WGQ and RMQ – to support the wholesale and retail natural gas and electric markets. Each new NAESB publication for the WEQ and WGQ is detailed in an informational filing submitted to FERC. On the retail side, the standards are made available to the National Association of Regulatory Utility Commissioners (NARUC). FERC has recently taken action on the NAESB filings and final orders may be on the horizon. On March 30, 2020, NAESB filed Version 003.3 of the WEQ Business Practice Standards with the Commission. Subsequently, on July 16, 2020, the Commission issued a NOPR in Docket Nos. RM05-50-029 and RM05-5-030 proposing to incorporate the version, with certain exceptions, by reference into its regulations.

On February 18, 2021, FERC issued a NOPR in Docket No. RM96-1-042 that proposed to incorporate Version 3.2 of the WGQ Standards into the Commission regulations by reference. NAESB provided the Commission with an informational filing containing Version 3.2 on August 17, 2020 of last year.

For more information, please go to [February 18, 2021 FERC WGQ, Version 3.2 NOPR](#), [November 25, 2020 FERC Order on Clarification re Standards for Business Practices and Communication Protocols for Public Utilities](#), [August 17, 2020 - NAESB WGQ Version 3.2 Filing](#), [July 16, 2020 FERC WEQ, Version 003.3 NOPR](#), [March 30, 2020 NAESB WEQ Version 003.3 Filing](#), [February 28, 2020 Correspondence from Michael Desselle regarding FERC Order 676-I action on WEQ Version 003.2 Standards](#), and [February 4, 2020 FERC Order No. 676-I](#).



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