

# NAESB Bulletin

August—October 2024 Volume 17, Issue 2

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## 2024 Calendar

### August

8/1 - WEQ CSS Call  
8/5 - WGQ Contracts Subcommittee Call  
8/7 - WEQ SRS Call  
8/8 - Joint WEQ, RMQ BPS Call  
8/13 - WEQ OASIS Call  
8/22 - Joint WEQ, WGQ, RMQ BPS Call  
8/22 - Joint WGQ EDM and RMQ IR/TEIS Call  
8/26 - WEQ CISS Call  
8/27 - WEQ BPS Call  
8/28 - NAESB Update Call  
8/29 - Board Revenue Committee Call  
8/29 - Board Strategy Committee Call

### September

9/1 - Holiday - Labor Day (NAESB Closed)  
9/4 - WEQ SRS Call  
9/4 - Joint WGQ EDM and IR/Technical Call  
9/4 - Joint WGQ IR/Technical  
9/5 - NAESB Board of Directors Meeting  
9/6 - Joint WEQ, WGQ, RMQ BPS Call  
9/6 - Joint WEQ, RMQ BPS Call  
9/12 - WGQ Contracts Subcommittee  
9/16 - Joint WEQ, WGQ, RMQ BPS Call  
9/16 - Joint WGQ EDM and RMQ IR/TEIS Call  
9/17 - WEQ OASIS Call  
9/19 - Understanding the NAESB WGQ Contracts Webinar Course  
9/19 - WEQ BPS Call

### October

10/3 - WEQ BPS Call  
10/8 - WEQ 2025 Annual Plan Subcommittee Call  
10/8 - WGQ 2025 Annual Plan Subcommittee Call  
10/8 - RMQ 2025 Annual Plan Subcommittee Call  
10/10 - Joint WEQ, RMQ BPS Call  
10/11 - WEQ SRS Call  
10/14 - Holiday - Indigenous People Day (NAESB Closed)  
10/15 - WGQ BPS  
10/16 - NAESB Update Call  
10/17 - WGQ Contracts Subcommittee Call  
10/21 - WEQ OASIS Call  
10/23 - WEQ Executive Committee Call  
10/24 - Joint WGQ IR/Technical Call  
10/24 - RMQ Executive Committee Call  
10/24 - WGQ Executive Committee Call  
10/30 - Joint WEQ BPS, WEQ, CSS, and RMQ BPS Call  
10/30 - WGQ Contracts Subcommittee Call

### *Distributed Energy Resources Activities:*

In support of the request for standards development, submitted to NAESB by the U.S. Department of Energy (DoE), the RMQ Executive Committee took action to adopt the NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from DER Aggregations (NAESB Distribution Grid Services Base Contract). As announced in the September 12, 2024 press release, this contract is designed to enhance efficiency and consistency in transactions between utilities and distributed energy resource (DER) aggregators for distribution grid services. The NAESB Distribution Grid Services Base Contract provides standard terms and conditions, helping reduce uncertainties and lower costs associated with counterparty negotiations. It is designed for use across various retail jurisdictions and can be applied to agreements between utilities and DER aggregators, streamlining the process of acquiring distribution grid services. The contract incorporates flexible, broadly applicable provisions, allowing for adaptation to different operational needs and regulatory requirements.

The RMQ Executive Committee also adopted two accompanying documents included as part of the recommendation, the NAESB Conditions Precedent (CP) Addendum and the NAESB Distribution Grid Services Base Contract Frequently Asked Questions (FAQs). The NAESB CP Addendum will help facilitate contract negotiations between the DER aggregator and distribution utility, before the aggregator has completed the registration process with the utility, and the FAQ provides information generally applicable to all NAESB contracts as well as specific details regarding the use of the NAESB Distribution Grid Services Base Contract and the CP Addendum. The ratification period for the documents ends on December 2, 2024, after which, if ratified, the NAESB Distribution Grid Services Base Contract and the CP Addendum will be considered final actions and available for use by industry.

In taking action to adopt the NAESB Distribution Services Base Contract, CP Addendum, and FAQ, the RMQ Executive Committee incorporated additional revisions to address issues raised as part of industry submitted formal comments on the recommendation. The majority of modifications correct ambiguous language that did not distinguish between transactions for distribution services that are under FERC's jurisdiction and those under state or local jurisdiction. The revisions clarify that use of the contract is limited to the sale and purchase of distribution grid services from a DER aggregator by a distribution utility and under the jurisdiction of an applicable retail regulatory authority. As confirmed by the U.S. DoE, these changes align the contract with the intent of the request submitted to NAESB.

Beginning in February 2024, the RMQ and WEQ Business Practices Subcommittee (BPS) held joint meetings to develop this standard contract with input from diverse industry stakeholders, including DER aggregators, electric utilities, independent system operators, and representatives from the National Association of Regulatory Utility Commissioners (NARUC). The WEQ Executive Committee considered a similar recommendation but determined that the contract would be more appropriate as an RMQ standard and a motion proposing adoption did not receive the necessary super majority support.

### *WGQ Hydrogen Contract:*

As announced in the August 22, 2024 press release, NAESB held an industry-wide informal comment period, concluding on September 6, 2024, regarding an initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen. This draft was created by leveraging terms and conditions from the NAESB Base Contract for the Sale and Purchase of Natural Gas, provisions from the NAESB Certified Gas Addendum related to the tracking of environmental attributes and elements from the NAESB Master Agreement for Liquid Hydrocarbons related to commodity transportation by truck, rail, and barge. Seven sets of comments were submitted by industry participants, and the WGQ Contracts Subcommittee met on September 12, 2024, to begin reviewing this feedback, with an additional meeting held on October 17, 2024. Subcommittee leadership anticipates a recommendation being completed during the 1<sup>st</sup> Quarter, 2025.

## *Gas-Electric Coordination:*

On October 24, 2024, the WGQ Executive Committee adopted new and revised WGQ Business Practice Standards in support of the joint WGQ, WEQ, and RMQ 2024 Annual Plan assignments regarding gas-electric market coordination during critical events. The changes will establish a new area on an interstate natural gas pipeline's informational posting web site called "Gas Electric Coordination" where applicable coordination information can be posted, including scheduled quantity data, for pipelines directly connected to natural gas-fired power plants. The revisions also support the inclusion of geographic information of impacted areas, locations, or pipeline facilities when an interstate natural gas pipeline issues a Critical Notice. The ratification period began on October 25, 2024, and will conclude on November 25, 2024. If ratified, the standards will become a final action and submitted to the FERC.

In total, the joint WGQ, WEQ, and RMQ Business Practices Subcommittees (BPS) held ten meetings between January and July 2024 to evaluate possible areas of standards development for consideration. A recommendation was voted out during the July 19, 2024 meeting. The formal industry comment period concluded on August 19, 2024, with supportive feedback from the Interstate Natural Gas Association of America (INGAA) and the ISO/RTO Council Electric Gas Coordination Task Force.

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## *e-Tariff Activities:*

On September 30, 2024, FERC implemented revisions to the eTariff program to enhance the system's capabilities. These changes allow filing pipelines and utilities to accurately identify the correct lead applicants for a proceeding and provide greater flexibility in creating file tariffs by permitting the submission of tariff records in Microsoft Word or Excel format. Preceding this implementation, NAESB hosted a webinar at the request of FERC, on July 23, 2024, to discuss enhancements to the Commission's e-Tariff Program set to be implemented on September 30, 2024. FERC staff led the session, reviewing the enhancements and addressing questions from industry participants. The meeting was open to all interested parties, regardless of membership. Participants were encouraged to ask questions and provide feedback on implementation considerations, including system testing and lead time.

### **Helpful links on the NAESB Home Page:**

- [NAESB Bulletin](#)
- [What's Hot](#)
- [NAESB Standards and Implementation](#)

## *Cybersecurity:*

The RMQ and WEQ are in the process of re-initiating its effort to review cybersecurity protections that may be necessary to secure electronic communications for distributed energy resources (DERs) and consider development of related business practices. A series of meetings were held between October and December 2023, during which the participants identified a gap in the availability of cybersecurity best practices for safeguarding communication channels between DER aggregators, utilities, and system operators and reached a consensus that NAESB Business Practice Standards in this area could be beneficial. The WEQ and RMQ shifted focus earlier this year in order to respond to the request from the U.S. DoE to develop a standardized contract for the sale and purchase of distribution services from DER aggregations have been completed. The kick-off meeting to re-start the discussions will be held on October 30, 2024.

In October, the WEQ, WGQ and RMQ Executive Committees approved recommendations related to cybersecurity business practices as part of their annual plan assignments. As noted elsewhere, On August 1, the WEQ voted out a no action recommendation based on its evaluation of any potential modifications in response to market changes or to support FERC and NERC cybersecurity initiatives and conclusion that modifications were not needed at this time. On August 22, 2024, the WGQ and RMQ met jointly to evaluate communication protocols and encryption methodologies included in within their respective standards to identify any legacy data fields or other functionalities that can be removed to limit potential cybersecurity vulnerabilities. Based on these discussions, the RMQ voted out a no action recommendation and the WGQ voted out a recommendation making one minor consistency change. The ratification period regarding the WGQ recommendation began on October 25, 2024 and will end on November 25, 2024.

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## *Distributed Ledger Technologies:*

NAESB is continuing to coordinate with the U.S. Department of Energy (DoE), the Tennessee Valley Authority (TVA), and their selected trading partners regarding a third phase of the implementation test of the NAESB Distributed Ledger Technology (DLT) Business Practice Standards. Testing has been underway since 2021, and with the guidance of the DoE, NAESB and TVA, working with Big Data Energy, replicated trades executed by TVA to determine the efficiency benefits that could be attained by moving to a digital format for TVA's transactions. After completing initial testing, the DoE requested that a second phase of testing be undertaken focused on TVA's purchases of certified natural gas, and how utilizing a digital version of the WGQ Certified Gas Addendum to the NAESB Base Contract with DLT could be accomplished. As part of a contemplated third phase of testing, the DoE has recommended that the cybersecurity benefits of using smart contracts be evaluated and reported back to the Department. If a third phase of testing is initiated, the results of the tests will be communicated back to the NAESB Board of Directors for its consideration.

## ***FERC Action on NAESB Business Practice Standards:***

On September 19, 2024, FERC issued a final order following its March 21, 2024 Notice of Proposed Rulemaking (NOPR) regarding the adoption, through the incorporation by reference process, of Version 4.0, of the NAESB WGQ Business Practice Standards. In the NOPR, FERC stated that implementation of Version 4.0 of the WGQ Business Practice Standards will promote greater efficiency and reliability of the natural gas industries' operations and strengthen cybersecurity protections. The Final Order, in Docket No. RM96-1-043, has not yet been published by the Federal Register.

## ***NERC Coordination:***

NAESB and NERC continue to actively engage on the wholesale electric industry's commercial and reliability standards efforts in order to support coordination between the two entities. NAESB and NERC leadership and the staffs of the two organization maintain regular communication, including monthly calls to address issues such as 2025 standards development, gas-electric coordination, cybersecurity, and the integration of distributed energy resources (DERs) and inverter-based resources (IBRs). On October 23, 2024, the WEQ Executive Committee approved a recommendation in support of Standards Request R24002, submitted by NERC to help ensure consistency in terminology between the business practices and reliability requirements. The recommendation proposed modifications to seven defined terms as well as conforming consistency changes. The ratification period ends on November 25, 2024, after which the standards will be considered a final action and incorporated into the next version of the WEQ Business Practice Standards.

In August, NERC released a draft, as a part of its annual effort, of its 2025-2027 Reliability Standards Development Plan for informal feedback. The WEQ Standards Review Subcommittee (SRS) convened on September 6, 2024, to assess this draft and identify areas for collaboration with NAESB. Fourteen NERC projects were highlighted for potential coordination, covering topics like DERs/IBRs, cybersecurity, and cold-weather resilience. Feedback was provided to the NAESB Managing Committee and subsequently to NERC Staff.

## ***Annual Planning***

On December 12, 2024, the Board of Directors will review the proposed WEQ, WGQ, and RMQ Annual Plans for 2025. The WEQ, WGQ, and RMQ Annual Plan Subcommittees met on October 8, 2024 to review industry submitted comments and suggests and develop the proposed plans for consideration. The plans were reviewed and revised by the Executive Committees during their October 2024 meetings and will be reviewed by the Board Strategy Committee prior to consideration by the Board of Directors.

## ***NAESB Board and Board Committees Update:***

The Board Revenue and Board Strategy Committees both met last on August 29, 2024 in preparation of the September 5, 2024 Board of Directors meeting, Meeting of the Members and Strategic Session. During the Revenue Committee meeting, the participants reviewed the staff and leadership's recent communication activities, the current NAESB membership statistics, the publication schedule, and the organization's status of the organization's revenue through July of 2024. Additional meetings are anticipated to be scheduled to review a proposed budget for 2025 prior to the December Board meeting.

As noted, the Board Strategy Committee also met on the 29<sup>th</sup> to continue their discussions concerning activities that can be undertaken to better serve NAESB's mission and to remain relevant and on active in areas of interest for the industry. During the meeting, the participants reviewed the results of a survey distributed to the Strategy Committee and Advisory Committee to determine if other areas that had previously been recommended for standards development should be considered by the Board of Directors. The Committee members also discussed the two National Petroleum Council studies that were released in the Spring.

The NAESB Board of Directors met on September 5, 2024, in Houston, Texas. The meeting also served as an opportunity for the annual Meeting of the Members and the organization's Strategic Session. In addition to its normal business, the Board received presentations from National Petroleum Council representatives concerning the *Chartering the Course: Reducing Greenhouse Gas Emissions for the U.S. Natural Gas Supply Chain* study and *Harnessing Hydrogen: A Key Element of the U.S. Energy Future* study.

The next Board of Directors meeting will be held virtually on December 12, 2024, with Camilo Sena, Senior Vice President of Strategy and External Engagement at the North American Energy Reliability Corporation (NERC), providing a presentation on various gas-electric coordination activities underway across the industry. Additionally, the Board will review the progress of standards development work undertaken this year, the status of activities from the Board committees, the proposed 2025 Annual Plans for each quadrant, and vote on the 2025 budget.

***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](mailto:naesb@naesb.org)) for additional information.

***WEQ Activities Supporting OASIS and e-Tag Transactions:***

Currently, the WEQ OASIS Subcommittee is evaluating an industry request proposing revisions to the WEQ OASIS suite of Business Practices Standards. This request is intended to increase consistency and transparency in the designation of an agent by transmission customers to act on its behalf in conducting transactions for point-to-point transmission service on OASIS nodes. In developing a recommendation, the subcommittee intends to leverage, where possible, existing language addressing the designation of agents for Network Integration Transmission Service (NITS) requests made by transmission customers. The next meeting of the WEQ OASIS Subcommittee is scheduled for January 14, 2025.

During the October 23, 2024 meeting, the WEQ Executive Committee approved a no action recommendation from the WEQ OASIS Subcommittee. This recommendation was developed in response to the subcommittee’s annual plan assignment to review of the WEQ OASIS Business Practices Standards to identify any needed modification based on the implementation of WEQ Version 003.3 on operations. The subcommittee proposed a no action recommendation and opted to address consistency changes discovered as part of the review through the minor correction process. The WEQ Executive Committee adopted the related request for minor correction during its October 2024 meeting, and the public comment period ends on November 7, 2024. If no comments are received, the corrections will be applied effective November 25, 2024.

Additionally, during the WEQ Executive Committee meeting, the Executive Committee approved two no action recommendations developed by the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) in support of NERC coordination-related efforts included as part of the 2024 WEQ Annual Plan. In August, the WEQ CISS voted out no action recommendations for both of its 2024 WEQ Annual Plan assignments. The first no action recommendation addressed the subcommittee’s review of changes made by the NERC to its Rules of Procedure to address directives in FERC Order No. 901 that required registration of some inverter-based resources (IBRs) within the NERC Compliance Registry. Over the course of several meetings, the WEQ CISS determined that the revisions to the NERC Rules of Procedure did not impact commercial transmission scheduling functions and noted that the NAESB Electric Industry Registry registration roles are broad enough to accommodate IBRs, should entities that own or operate such resources need to register in the NAESB tool. As part of the no action recommendation, the WEQ CISS noted that the WEQ should continue to monitor activities in this area as future standards efforts may need to be considered to support NERC development of IBR-related reliability requirements and to support consistency and interoperability in the integration and use of IBRs, including batteries and other distributed energy resources (DERs), by the electric industry.

***Copyright/NAESB Standards Access:***

NAESB copyrights its work products – a practice used by most standards organizations. As such, NAESB retains its rights to publication, reproduction, display, and distribution. As part of their benefits, NAESB members may obtain materials free of charge, but those 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 fines, injunctions, the impounding of materials, the seizure of property, and awards 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.

***NAESB Quadrant Membership Analysis:***

Wholesale Gas Quadrant (WGQ)	115
Retail Markets Quadrant (RMQ)	33
Wholesale Electric Quadrant (WEQ)	127
<b>Total Membership</b>	<b>275</b>

***Welcome to New NAESB Members:***

**TransCanyon Western Development, LLC (WEQ, Transmission)**

### ***Green Button/Energy Services Provider Interface (ESPI):***

Over the years, NAESB and the Green Button Alliance (GBA) have continued to harmonize their efforts regarding the Green Button Initiative, and NAESB remains dedicated to maintaining and enhancing the Energy Service Provider Interface (ESPI) standards to support the Initiative. NAESB and GBA have been collaborating since the formation of GBA to support the original mission of the Green Button Initiative, which is to provide consumers with an improved understanding of their energy usage and the ability to make more informed decisions regarding energy consumption. This mission focuses on enabling consumers to easily access and share their energy data in a standardized, secure format, allowing them to better manage their energy consumption, reduce costs, and participate in energy efficiency and sustainability programs.

The NAESB ESPI Model Business Practices were developed in 2011 at the request of the industry, with support from the U.S. Department of Energy (DoE), the National Institute of Standards and Technology, and the White House Office of Science and Technology Policy. The Chief Technology Officer of the United States challenged utilities nationwide to provide customers with easy and secure access to their energy usage data via a “Green Button” on their websites. Launched in 2012, the Green Button Initiative emerged in response to this call to action, leading over 150 utilities and service providers to commit to giving more than 60 million U.S. households access to their energy data. The NAESB ESPI Model Business Practices define the communication protocol and technical framework that enables the data exchange and facilitates the customer authorization process.

Most recently, on September 27, 2024, the Green Button Alliance announced the launch of the Green Button Directory Services<sup>SM</sup> (GBDS), a free resource for the market that serves as a central resource to connect various stakeholders. It includes searchable listings of utilities, community choice aggregators, municipalities, cooperatives, and third-party providers that utilize the Green Button solutions for energy and water data access and sharing. The GBDS is intended to help users easily find solutions and services that leverage Green Button data and promote awareness and adoption of new energy management and clean energy technologies. The directory will be regularly updated, and interested parties can request inclusion.

***Resources for Additional Information:*** The following hyperlinks provide more information on standards development efforts and other activities within NAESB. Please log into the NAESB website to access the members only links.

***Regulatory Orders and Reports:*** [September 30, 2024 - FERC Notice of Deployment of eTariff Test Sandbox \(Docket No. RM01-5-000\)](#); [September 20, 2024 - Notice of Posting of Revised Type of Filing and Validation Error Codes for Testing - Electronic Tariff Filings \(Docket No. RM01-5-000\)](#); [September 6, 2024 - Notice of Change to Implementation Date for Revisions to eTariff - Electronic Tariff Filings \(Docket No. RM01-5-000\)](#)

### ***NAESB Filings:***

***NAESB Press Releases, Notices, and Correspondence:*** [September 12, 2024 - NAESB Releases Standard Distribution Services Contract for Industry-Wide Comment Period](#); [August 22, 2024 - NAESB Releases Draft Strawman Hydrogen Contract for Industry-Wide Comment Period](#); [September 25, 2024 - NAESB Electric Industry Registry Update Announcement](#); [August 14, 2024 - NAESB Electric Industry Registry Update Announcement](#); [September 19, 2024 - Understanding the NAESB WGO Contracts Web Cast Course](#)

***NAESB Mail Subscriptions:*** Registration in the NAESB e-mail information distribution system (NAESB Mail) is a benefit of membership. By electing to participate in NAESB Mail, members will receive targeted e-mail messages from the NAESB Office about relevant NAESB events, including conference-calling information, as well as important documents. What you won't receive are duplicate messages – no matter how many groups you subscribe to, when the same message is sent to multiple groups, you'll receive only one copy.