

NAESB Bulletin

March--July 2025 Volume 18, Issue 1

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2025 Calendar

March

3/4 - WGQ Contracts Subcommittee Call
3/18 - WEQ BPS WICMWG Call
3/19 - WGQ Contracts Subcommittee Call
3/20 - WEQ SRS Call
3/25 - WGQ BPS Call
3/26 - WEQ Executive Committee
3/27 - RMQ Executive Committee
3/27 - Joint WGQ IR/Technical Meeting
3/27 - WGQ Executive Committee

April

4/2 - Understanding the NAESB WGQ
Contract Webinar Course
4/7 - Board Strategy Committee Call
4/10 - WGQ BPS Call
4/11 - WGQ BPS
4/16 - WEQ BPS WICMWG Call
4/18 - Holiday - Good Friday
4/21 - Joint WEQ BPS and RMQ BPS Call
4/22 - WEQ CISS Call
4/22 - Board Revenue Committee Call
4/23 - WGQ BPS Call
4/23 - NAESB Update Call
4/24 - NAESB Board of Directors Call

May

5/6 - WGQ BPS Call
5/7 - WEQ CSS Call
5/13 - WEQ SRS Call
5/26 - Holiday—Memorial Day
5/29 - Joint WEQ BPS and RMQ BPS Call

June

6/4 - WEQ CISS Call
6/5 - WEQ CSS Call
6/11 - NAESB Update Call
6/17 - WEQ BPS WICMWG Call
6/19 - Holiday - Juneteenth
6/25 - WEQ CISS Call
6/26 - WGQ Executive Committee
6/26 - Joint WEQ BPS and RMQ BPS
6/30 - WEQ CISS Call

July

7/4 - Holiday - Independence Day
7/9 - Joint WGQ IR/Technical Call
7/10 - WEQ SRS Call
7/10 - WGQ Contracts Subcommittee Call
7/14 - WEQ BPS WICMWG Call
7/15 - WEQ WGQ EDM and RMQ IR/TEIS
Call
7/17 - WEQ BPS WICMWG Call
7/24 - WGQ Contracts Subcommittee Call
7/24 - WEQ CSS Call
7/25 - Board Strategy Committee
7/28 - WEQ BPS WICMWG Call

Distributed Energy Resources Activities:

NAESB is continuing its coordinated efforts to consider the development of business practices intended to enhance consistency and interoperability of tools used to access DER and DER aggregation data, such as registries. With the ultimate goal of supporting reliable system operations and increased market participation by improving access to accurate, standardized DER data, the WEQ and RMQ Business Practices Subcommittees (BPS) have met jointly since April 21, 2025. During these meetings the participants have evaluated industry tools and identified potential areas for standardization that would improve coordination, data sharing, and regulatory compliance across wholesale and retail markets. Specifically, the subcommittees have reviewed existing industry registries hosted and utilized by CAISO, MISO, NYISO, Evergy and Collaborative Utility Solutions. Representatives from these companies provided presentations to help the participants gain insight into how DER data is currently being collected and used across regions. These presentations led to the identification of potential data-sharing gaps and coordination challenges and highlighted the need for improved interoperability and consistency, particularly as different aggregation models and enrollment processes continue to evolve.

To frame the scope of future standards development, subcommittee participants considered guidance from FERC Order No. 2222 and the NERC *Reducing DER Variability and Uncertainty Impacts on the Power System* White Paper. Both underscoring the importance of uniform data protocols and secure, centralized registries to support planning, compliance, and market operations. As the work progresses, the subcommittees are focusing on identifying key areas where standardization can enhance coordination across jurisdictions and organizations, such as ISOs/RTOs, distribution utilities, and DER aggregators.

In parallel, the RMQ BPS is also working to develop a standard that would support the use of the NAESB Distribution Grid Services Base Contract through distributed ledger technologies. The current version of the Base Contract enables bilateral transactions for DER-based grid services subject to state or local jurisdiction, and ideally, expanded use of the contract with new technologies will encourage its adoption and utilization by market participants. This follows NAESB's practice of making its contracts available for use in not only "paper" transactions, but also in electronic formats utilizing block chain, or distributed ledger technologies (DLT). NAESB first did this in 2020, after a two-year development effort, with the *NAESB Base Contract for Sale and Purchase of Natural Gas*. The effort, which started in October 2018, was undertaken by industry with the goal of adding efficiency to the existing accounting and reconciliation of natural gas trades by replacing manual processes with automated executions through the use of DLT.

Upcoming NAESB Courses:

NAESB continues to expand its education offerings to keep industry participants, regulators, and stakeholders well-informed about the ongoing development of industry standards. As part of this effort, NAESB recently hosted a webinar on Understanding the NAESB Wholesale Gas Quadrant (WGQ) Contracts on April 2, 2025. This course provided attendees with an in-depth review of the NAESB Base Contract for the Sale and Purchase of Natural Gas, covering essential components of the contract as well as supporting addendums related to Canadian, Mexican, Renewable Natural Gas, and Certified Gas transactions.

Later this fall, NAESB plans to hold its annual NAESB 101 Webinar. This free course introduces attendees to NAESB and explains how our work supports the markets' efforts. The webinar will provide basic information about the organization, our standards development process, and relationships with government agencies and other external bodies.

Looking ahead, NAESB will continue to offer a variety of educational opportunities throughout 2025. Upcoming training sessions will be announced on the NAESB meeting calendar and Primers and Training Courses page of the NAESB website as dates and course details are confirmed.

Western Interconnection Congestion Management Activities:

In response to Standards Request R24005, submitted jointly by Southwest Power Pool and RC West/CAISO, NAESB has initiated development of new WEQ Business Practice Standards to support an interconnection-wide congestion management process for the Western Interconnection. This effort seeks to improve coordination, transparency, and consistency in congestion management practices across the region.

To address the request, the WEQ Business Practices Subcommittee (BPS) established the Western Interconnection Congestion Management Working Group in January 2025. The working group is tasked with developing a suite of new standards, referred to as the Western Interconnection Loading Relief (WLR) Business Practice Standards, along with modifications to WEQ-000 to incorporate newly defined terms and terminology updates. The new standards will establish a pro-rata curtailment and relief obligation methodology applicable to transmission congestion scenarios outside the scope of existing Unscheduled Flow Mitigation Plan (UFMP), which currently applies only to designated qualified path.

The WLR framework is being developed using WEQ-008 (Transmission Loading Relief for the Eastern Interconnection) as a model, adapted to the operational characteristics and market structure of the Western Interconnection. The new WELR standards are intended to provide a consistent, pro-rata methodology for curtailments and relief obligations, offering a standardized approach that can be used by market participants, reliability coordinators, balancing authorities, and transmission providers. Today, congestion outside of qualified paths defined under the UFMP is largely managed through local procedures, resulting in inconsistent practices and limited visibility for customers.

Through monthly meetings, the working group is refining draft language focused on key components such as how transaction priority is determined, how jointly owned facilities are treated, and how generation-to-load relief obligations are issued. Participants are also evaluating how the new framework will interact with market operators, seams agreements, and Canada-U.S. interties.

WGQ Contracting Activities:

The NAESB WGQ Contracts Subcommittee has made steady progress this year on two key initiatives designed to support emerging energy markets and regulatory alignment: a standardized hydrogen contract and updates to the renewable natural gas (RNG) addendum.

Following ten meetings held between mid-2024 and early 2025, the subcommittee finalized a proposed standardized contract for the sale and purchase of hydrogen. The contract framework draws from existing NAESB agreements, such as Base Contract for Natural Gas, the Certified Gas Addendum, and the Master Agreement for Liquid Hydrocarbons, and includes new provisions related to carbon intensity tracking, certificate-based verification, and multiple transportations methods. A formal comment period held in March received six comments, included five submitted after (con't)

the close of the initial window. At the June 26, 2025, WGQ Executive Committee meeting, the recommendation was reviewed, with commenters highlighting the contract's potential to support low-carbon market growth through energy attribute certificates (EACs) modelled on renewable energy credits (RECs). Some comments noted the current absence of an active hydrogen market and highlighted potential challenges associated with formalizing standards at this stage. Suggestions included incorporating an opt-out option for carbon intensity values and highlighting the flexibility currently allowed in methodology selection to ensure awareness of the neutrality across protocols. The Executive Committee voted to remand the draft back to the subcommittee for further refinement, including the development of a FAQs document, a Canadian addendum, and other proposed changes to enhance clarity and market applicability.

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.

Helpful links on the NAESB Home Page:

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

NERC Coordination:

NAESB and NERC are working in close coordination to ensure that commercial business practices and reliability standards remain aligned, especially in areas such as DERs, IBRs, cybersecurity, and congestion management. NAESB and NERC staff meet regularly to discuss overlapping initiatives and opportunities for alignment.

One major area of focus is DER aggregation. As noted in the Distributed Energy Resources Activities section, the WEQ and RMQ BPS are reviewing technical insights from the NERC System Planning Impacts from DERs Working Group, including the *Reducing DER Variability and Uncertainty Impacts on the Bulk Power System* white paper. These materials are helping inform the development scope. NERC staff participated in the kickoff meeting and will continue to be involved as NAESB subcommittees progress.

In parallel, NAESB's Standards Review Subcommittee (SRS) is actively monitoring several NERC reliability standards projects, particularly those initiated in response to FERC Order No. 901, which addresses the growing impacts of IBRs on the bulk power system. The subcommittee reviewed NERC's initiatives focused on data sharing, model validation, and performance metrics for both utility-scale and behind-the-meter resources.

Cybersecurity and cold weather preparedness remains top priorities in this coordination. NAESB is keeping watch on updates to Critical Infrastructure Protection (CIP) Reliability Standards, as well as revisions to NERC standards like EOP-012 that aim to enhance operational resilience during extreme weather.

Separately, the WEQ continues work on a new interconnection-wide congestion management for the Western Interconnection. This effort, which complements the Western Interconnection's existing Unscheduled Flow Mitigation Plan (UFMP), is being developed in close communication with both WECC and NERC staff. While the forthcoming standards are not expected to impact current NERC requirements, stakeholders agreed they should be additive to existing reliability procedures. An informal comment period will follow the release of an initial draft.

Through these activities NAESB continues to foster a collaborative regulatory environment, ensuring that its business practices remain interoperable, practical, and supportive of a secure and reliable bulk power system.

Distributed Ledger Technologies:

NAESB continues to explore the potential of Distributed Ledger Technology (DLT) to modernize energy contracting through improved efficiency, transparency, and cybersecurity. Two key efforts are underway.

First, NAESB, working with the U.S. Department of Energy and Tennessee Valley Authority (TVA), is preparing for the third phase of its DLT standards implementation test. Earlier testing showed that using DLT to execute transactions under the NAESB Base Contract can streamline reconciliation and settlement and enhance cybersecurity. The upcoming phase will explore additional benefits, including how a registry of participant could improve the cybersecurity of the current contracting and settlement process.

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.

NAESB Filings: [May 8, 2025 - NAESB Status Report to the Commission Concerning Standards Request R24004 – Distance-Based Rate Charges on Transportation/Sales Invoices \(Docket No. RM96-1-000\)](#)

NAESB Press Releases, Notices, and Correspondence: [March 20, 2025 - NAESB Authorized Certification Authority Renewal Courtesy Notice – GMO GlobalSign Inc.](#), [March 21, 2025 - NAESB Authorized Certification Authority Renewal Courtesy Notice – OATI](#), [March 26, 2025 - NAESB Electric Industry Registry Update Announcement](#), [April 2, 2025 - Understanding the NAESB WGQ Contracts Web Cast Course Announcement](#)

NAESB Quadrant Membership Analysis:

Wholesale Gas Quadrant (WGQ)	117
Retail Markets Quadrant (RMQ)	33
Wholesale Electric Quadrant (WEQ)	129
Total Membership	279

NAESB New Members:

The Vessel Group (RMQ, Retail Gas Market Interest)
Manitoba Hydro (WEQ, Transmission)
Collaborative Utility Solutions (WEQ, Technology and Service)
The Narragansett Electric Company d/b/a Rhode Island Energy (WGQ, Local Distribution Company)
Englehart CTP Energy Marketing, LLC (WGQ, Services)
Eleox LLC (WEQ, Technology & Services)

NAESB Board and Board Committees Update:

NAESB's Board of Directors convened virtually on April 24, 2025, for its first meeting of the year, setting the course for a new cycle of standards development, strategic planning, and inter-industry collaboration. The meeting opened with remarks from the Honorable Mark. W. Menezes, President and CEO of the United States Energy Association and former Deputy Secretary of Energy, who offered his perspective on the evolving energy landscapes in both domestic and international markets.

In advance of the Board meeting, several standing committees held preparatory sessions. The Strategy Committee met on April 7 to review the draft NAESB Strategic Plan for 2025-2027 and to discuss the feedback from the February Advisory Council meeting. Additionally, discussions continued regarding the recommendations from the National Petroleum Council report, *Charting the Course: Reducing the GHG Emissions from the U.S. Natural Gas Supply Chain*, and how those insights might inform NAESB's forward-looking initiatives.

The Managing Committee met on April 17 to review the status of active standards development projects and tool maintenance activities, including consideration of a renewal contract with OATI to continue supporting the Electric Industry Registry (EIR). The committee also discussed the next phase of the NAESB's Distributed Ledger Technology (DLT) testing initiative, supported by the U.S. Department of Energy (DOE) and Tennessee Valley Authority (TVA). The third phase will focus on evaluating cybersecurity and efficiency benefits of using DLT to trade the NAESB Base Contract for the Sale and Purchase of Natural Gas. Additionally, the Committee also endorsed sending a report to the Federal Energy Regulatory Commission (FERC) concerning a segment block that occurred during a recent Executive Committee meeting. In accordance with NAESB practices, the organization notifies the Commission in cases when a segment block occurs. The Board of Directors reviewed this in their April 24, 2025 meeting.

On April 22, the Revenue Committee met to review year-end 2024 financials and membership data, discuss member outreach strategies, and prepare for the Board session. As part of its April 24 agenda, the Board received a report from the committee summarizing its findings.

During the April 24 Board of Directors meeting, members also reviewed the NAESB revised 2025 annual plans and received updates on standard development efforts underway across all quadrants, including work on cybersecurity, distributed energy resources, DLT, and updates to gas nomination and scheduling practices. The next Board meeting is scheduled for September 4, 2025 in Houston, Texas and will include a Strategic Session and will serve as the annual Meeting of the Members meeting. All interested parties are welcome to attend and participate in the meeting.

WGQ BPS Activities

The WGQ Business Practices Subcommittee (BPS) has been active this spring, addressing key industry request focused on nomination processes, capacity release transparency, and scheduling timelines. Through five meetings held from March through early June, the subcommittee considered four standards development requests, balancing the need for improved data clarity with technical feasibility and operational consistency.

One of the primary topics was a proposal to revise nomination and confirmation timelines. After reviewing new draft language and discussing potential impacts on transaction processing, the subcommittee voted to advance the proposed standards for technical review. The updates aim to encourage more consistent scheduling practices and timely communication between market participants.

The subcommittee also approved moving forward with technical standards that will add additional data elements, such as shipper contact information and replacement shipper contract numbers, to the bids, offers, and awards datasets. The instructions are intended to ensure alignment between business practices and support technical implementation, while providing flexibility in how disclosure options are supported across platforms.

In contrast, a proposal to add indicators for off-system contracts to nomination and scheduled quantity datasets did not move forward. The request sought to track contracts involving external systems for better transaction visibility. Discussed in April 2025, it faced concerns about limiting operational flexibility. In May 2025, the subcommittee voted for no action, citing a workable alternative already in place for the submitter. No comments were received during the formal comment period.

A separate request to include missing pool volume data in scheduled quantity datasets, aiming to improve scheduling accuracy by capturing aggregated volumes, was also considered but was withdrawn in May 2025. After industry discussions in April and May confirmed that existing practices met current needs, the submitter opted not to pursue standardization.

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.

WEQ Activities Supporting OASIS and e-Tag Transactions:

NAESB continues to refine its WEQ Business Practice Standards to meet the dynamic needs of the wholesale electricity market, particularly in the areas of e-Tag transactions and OASIS. These efforts aim to enhance the efficiency, transparency, and coordination of transmission service and interchange scheduling, critical elements for maintaining a reliable and responsive transmission network.

The WEQ Coordinate Interchange Scheduling Subcommittee (CISS) kicked off its 2025 Annual Review of the NAESB Electronic Tagging Functional Specification earlier this spring. This review, conducted annually to maintain alignment with NERC Reliability Standards, NAESB Business Practice Standards, and emerging cybersecurity best practices, continued at the June 25, 2025, meeting. Participants evaluated whether the current specification reflects today's cybersecurity expectations and operational complexities, particularly regarding the use of a single Transmission Service Provider (TSP) across both Eastern and Western Interconnections. No immediate changes were deemed necessary, and a no action recommendation was adopted unanimously on June 25, 2025, and distributed for formal comment.

In parallel, the WEQ CISS concluded a comprehensive review of how bidirectional resources, like batteries, are managed through e-Tags. These resources require separate e-Tags for charging and discharging due to the unidirectional structure of current e-Tag transactions. Feedback from system operators, including CAISO, ISO-NE, and Southern Company, confirmed that while dual-tag approaches function, they introduce complexities in internal scheduling and increase the risk of human error. Despite agreement that a standardized solution could improve efficiency, the subcommittee found no consensus or widespread issues warranting immediate standards development. A no action recommendation was formally adopted at the June 4, 2025, meeting, with participants noting that the topic should be revisited as industry experience with bidirectional resources matures.

Separately, the WEQ OASIS Subcommittee recently completed its review of a proposal to enable transmission customers to designate agents for point-to-point transactions within OASIS. After receiving no comments during the informal comment period, the subcommittee voted out a no action recommendation, which was approved by the WEQ Executive Committee in March 2025.

Cybersecurity:

NAESB remains focused on ensuring that its business practice standards reflect the highest level of cybersecurity reliance. Each year, the WEQ, WGQ, and RMQ undertake proactive reviews of their cybersecurity-related standards, evaluating whether updates are needed to address changing technologies, regulatory expectations, and security frameworks. This year's efforts are already well underway.

The WEQ Cybersecurity Subcommittee began its 2025 review of WEQ Business Practice Standards and Accreditation Requirements for Authorized Certification Authorities (ACAs) in May, ensuring secure digital certificates for systems like OASIS, e-Tags, and NAESB EIR. Discussions addressed FERC's Supply Chain Risk Management NOPR, NERC's updated CIP standards, and NIST's post-quantum cryptography guidance. In June and July 2025, the subcommittee refined ACA key size requirements, clarifying algorithms and removing outdated references, with further revisions planned for August and a potential vote by September 17, 2025.

In parallel, the WGQ EDM and RMQ IR/TEIS Subcommittees met jointly on July 15, 2025, to review the WGQ Cybersecurity Related Standards Manual and RMQ Cybersecurity Model Business Practices, focusing on encryption, browser security, and secure transaction platforms. Updates were proposed to enhance clarity and cross-referencing, with no immediate security concerns identified. A follow-up meeting is scheduled for August 6, 2025, aiming to vote out a recommendation by September 17, 2025.

Additional discussions are also planned around the possible development of business practices to support cybersecurity disclosure policies, such as those related to software supply chain risk. These efforts will be informed by any final actions issued in response to the FERC NOPR and coordinated with changes to NERC's standards.

Together, these activities reflect NAESB's ongoing commitment to helping the industry stay ahead of cybersecurity challenges, ensuring that the standards supporting critical infrastructure remain strong, secure, and responsive to future risks.

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.