February - May 2013

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2013 Retail Annual Plan 2013 WEQ Annual Plan 2013 WGQ Annual Plan NAESB Board of Directors NAESB Executive Committee Members NAESB Members Membership Information Copyright Report

#### 2013 Calendar:

#### May 2013

05/01 - Joint WGQ IR/Tech Meeting (Carmel, IN) 05/01 - Retail Executive Committee Meeting (Carmel, IN) 05/01-02 - WEQ OASIS Meeting (Carmel, IN) 05/02 - WGO BPS Meeting (Carmel, IN) 05/07 - WEQ PKI Conf. Call 05/07-08 - WEQ JESS Meeting (Carmel, IN) 05/09 - WEO OASIS Conf. Call 05/14 - WEQ SRS Conf. Call 05/15 - Parliamentary Committee of the Board Conf. Call 05/15 - NAESB Monthly Update Conf. Call 05/21 - WEO EIR Information Session 05/21-22 - WGQ IR/Tech Meeting (Shelton, CT) 05/22 - NAESB Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons Course (Houston, TX) 05/22-23 - WEO BPS Meeting (Valley Forge, PA) 05/23 - WEQ EIR Information S 05-27 - Holiday - Memorial Day (NAESB Closed) 05/29-30 - WEQ OASIS Meeting (Little Rock, AR) June 2013 06/03 - Retail IR/TEIS Conf. Call 06/04 - WEQ EIR Information Session 06/06 - WEQ OASIS Conf. Call 06/06 - WEQ EIR Information Session 06/11-12 - WEQ JESS Meeting (Folsom, CA) 06/12 - Retail BPS Conf. Call 06/13 - Parliamentary Committee of the Board Conf. Call 06/17 - WEO SRS Conf. Call 06/18-20 - WGQ IR/Tech Meeting (Omaha, NE) 06/19-20 - WEQ BPS Meeting (Minneapolis, MN) 06/25-27 - WEQ OASIS Meeting (Portland, OR) 06/27 - NAESB Monthly Update Conf. Call 06/28 - Parliamentary Committee of the Board Conf. Call July 2013 07/02 - WEO OASIS Conf. Call 07/04-05 - Holiday - 4th of July (NAESB Closed) 07/09-10 - WEQ JESS Meeting (Redwood City, CA) 07/10-11 - WGQ Business Practice Standards: Updates and Changes, Version 2.1 Course (Houston, TX)

#### 07/15 - Retail IR/TEIS Conf. Call

07/17 - Retail BPS Conf. Call 07/17-18 - WGO IR/Tech Meeting (Salt Lake City, UT) 07/17-18 - WEQ BPS Meeting (Location TBD) 07/22 - WEQ SRS Conf. Call 07/30-08/01 - WEQ OASIS Meeting (Carmel, IN)

#### August 2013

08/01 - WEQ OASIS Meeting (Carmel, IN) 08/06-07 - WEO JESS Meeting (Holvoke, MA) 08/08 - WEQ OASIS Conf. Call 08/12 - Retail IR/TEIS Conf. Call 08/14-15 - WEQ BPS Meeting (Location TBD) 08/19-20 - Retail BPS Meeting (Houston, TX) 08/20 - WEQ Executive Committee Meeting (Houston, TX) 08/21 - WGQ IR/Tech Meeting (Houston, TX) 08/21 - Retail Executive Committee Meeting (Houston, TX) 08/21-22 - WEQ OASIS Meeting (Houston, TX) 08/22 - WGO Executive Committee Meeting

(Houston, TX) 08/27 - WEQ SRS Meeting (Location TBD) 08/28 - NAESB Monthly Update Conf. Call 08/29 - WEQ OASIS Conf. Call

> NAESB **Certification Program** For information Click Here

# STANDARDS DEVELOPMENT

FERC Order No. 587-V: The FERC Notice of Proposed Rulemaking, issued February 16, 2012, adopted the NAESB WGQ Business Practice Standards Version 2.0, excluding NAESB WGQ Standards 0.3.19 and 0.3.21. The WGQ BPS and IR/Technical Subcommittees have modified Standard Nos. 0.3.19 and 0.3.21, regarding location level and timing of operationally available reports by pipelines and the standards were subsequently adopted by the Commission in FERC Order No. 587-V, issued on July 19, 2012 (Docket No. RM96-1-037). During its August 23, 2012 meeting, the WGO Executive Committee revised the 2012 WGQ Annual Plan to include 2012 WGQ Annual Plan Item 14a and 14b. 2012 WGO Annual Plan Item 14a addresses Order No. 587-V issues other than design capacity and called for the modification of the WGQ standards, as needed. The WGQ BPS recommendation for this annual plan item was considered by the WGO EC during their February 21, 2013 meeting and remanded back to the subcommittee for further review. The purpose of 2012 Annual Plan Item 14b was to respond to the design capacity issues present in paragraph 30 of FERC Order No. 587-V and remove the disconnect between the NAESB standards and the Commission's posting requirements. The recommendation was approved by the WGQ EC and ratified by NAESB membership on March 29, 2013. The NAESB WGO Interpretations, the formal written responses to questions submitted to NAESB, are not true standards and are not considered determinative by the Commission. For this reason, the WGQ BPS is continuing work on 2013 WGQ Annual Plan Item 5, calling for a determination of whether each interpretation should be implemented as a standard or receive an alternative treatment. The WGQ BPS subcommittee will continue to address this issue in upcoming conference calls.

For more information, please go to FERC Order No. 587-V, February 16, 2013 FERC NOPR, August 23, 2012 WGQ EC Meeting Notes, 2012 WGO Annual Plan, 2013 WGO Annual Plan and 2012 Annual Plan Item 14b Final Action.

*Smart Grid:* During the Retail Gas and Electric Executive Committee meeting on February 20, 2013 the REQ Executive Committee reviewed, revised and approved the recommendation for 2012 Retail Annual Plan Item 7.b.i. This annual plan item was ratified on March 26, 2013. The WEQ Executive Committee met on February 19, 2013 to revise and adopt the recommendation for 2012 WEQ Annual Plan Item 6.a, which was subsequently ratified on March 21, 2013. These recommendations revise the Energy Usage Information Model in an effort to harmonize the NAESB WEQ-019.3 standard and the relevant Retail Model Business Practices with other smart grid standards including the IEC Common Information Model (61968), Smart Energy Profile 2.0, the NAESB Energy Services Provider Interface (ESPI) standard and the ASHRAE standards under development in response to PAP 17.

Throughout 2012 NAESB continued involvement in the activities of the Smart Grid Interoperability Panel (SGIP) and both the ESPI and Data Privacy Standard have been included in the SGIP Catalog of Standards as of February 1, 2013. The SGIP has previously adopted WEQ-019 Customer Energy Usage Information Communication and REQ.18 Retail Customer Energy Usage Information Communication Model Business Practices and the group has utilized other standards as the basis for Priority Action Plans 3, 4, and 9. The SGIP is in the process of making a formal request to NAESB to consider two requirements proposed by the PAP 20 participants- 1.) NAESB could offer the schema contained in the ESPI standard freely available without restriction and, 2.) NAESB could agree to internationalize the ESPI standard by publication through an international standards body. As NAESB receives the formal request, it will carefully evaluate the language and assess the terms, as the requirements directly impact the revenue model and policies utilized by NAESB for all standards.

For more information, please go to PAP 10 Subcommittee Web Page, PAP 10 REQ Final Action, PAP 10 WEO Final Action, 2012 Retail Annual Plan, 2013 Retail Annual Plan and NARUC Resolution on Smart Grid Principles.

## **STANDARDS DEVELOPMENT (continued)**

**Public Key Infrastructure (PKI) and Authorized Certification Authorities Update:** On February 28, 2013 and March 4, 2013, NAESB held two two-hour sessions, led by Dick Brooks, to review the NAESB WEQ Public Key Infrastructure (WEQ-012) and related standards (e-Tagging, Coordinate Interchange, and OASIS) filed with the Commission on January 29, 2013 (Docket Nos. RM05-5-000 and RM05-5-022). The PKI standards development effort has resulted in modifications to NAESB WEQ-000 Abbreviations, Acronyms, and Definition of Terms, NAESB WEQ-001 Open Access Same-Time Information Systems (OASIS) standards, NAESB WEQ-002 OASIS Standards and Communication Protocols, NAESB WEQ-003 OASIS Data Dictionary, NAESB WEQ-004 Coordinate Interchange standards, NAESB WEQ-012 PKI standards, NAESB WEQ-013 OASIS Implementation Guide, Version 2.0 and NAESB Electronic Tagging Functional Specification. To support the PKI standards development effort, the NAESB Accreditation Requirements for Certification Authorities Specification (Accreditation Specification) and the NAESB Authorized Certification Authority Process were created.

On September 18, 2012, NAESB filed the WEQ Version 003 standards report with the Commission (Docket Nos. RM05-5-000, RM05-17-000 and RM07-1-000). At that time, a recommendation proposing modifications to the PKI standards had been approved by the WEQ Executive Committee but had not been ratified by the NAESB membership. Also at that time, the OASIS Subcommittee and Joint Electric Scheduling Subcommittee (JESS) were in the development phases of recommendations addressing conforming changes to the OASIS standards and the Coordinate Interchange standards to support the proposed WEQ-012 PKI modifications.

NAESB filed a status report on November 30, 2012 to inform the Commission of actions taken by NAESB related to the PKI standards development effort to date and to prepare the Commission for the anticipated January 29, 2013 filing. While the WEQ EC approved both the PKI Subcommittee WEQ-012 recommendation, stemming from 2012 WEQ Annual Plan Item 4.c.i-ii, and the Accreditation Specification during its August 21, 2012 meeting, the committee requested that the PKI standards undergo the full staffing process. The WEQ-012 PKI recommendation was subsequently ratified by NAESB membership on October 4, 2012.

The OASIS Subcommittee recommendation was ratified by NAESB membership on November 28, 2012. The membership ratification of Part 1 of the JESS recommendations, proposing changes to WEQ-004 Coordinate Interchange standards, occurred on December 28, 2012 and completed the full staffing process. The PKI standards address the security structure for commercial transactions in the electronic industry, such as e-Tagging, the Electric Industry Registry, and electronic scheduling on OASIS. The standards are supported by the Accreditation Specification which, although not a business practice standard, identifies the requirements to become certified as a NAESB Authorized Certification Authority (ACA). This document goes hand-in-hand with the WEQ-012 standards themselves – as they reference ACAs, and the NAESB Authorized Certification Authority Process, a procedure approved by the Board of Directors for certifying certification authorities.

On April 8, 2013, NAESB submitted Cybersecurity Fact Sheets as general comments in response to the February 26, 2013 request for information from the Department of Commerce through the National Institute of Standards and Technology (NIST). The *"NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet"* describes, in simplified terms, the NAESB PKI standards and accompanying documents, how the standards are used, and how they affect the wholesale electric market.

NAESB has received communications from the certification authorities that initially expressed interest in becoming NAESB ACAs and their status and required documentation can be found on the NAEB website. To date, four entities have submitted affidavits and achieved the status of NAESB ACA- Open Access Technology International, Inc.; Systrends; Shift Systems, LLC and GMO GlobalSign Inc. The NAESB office has worked with ANSI to obtain the necessary Object Identifiers (OID) included in the Accreditation Specification. The NAESB ACAs have been closely involved in the process and have incorporated the OID into their certification processes.

On March 7, 2013 and April 4, 2013, the PKI Subcommittee met to address 2013 WEQ Annual Plan Item 4.a.ii which calls for review of the August 27, 2012 FERC report, "*Report on Use of North American Energy Standards Board Public Key Infrastructure Standards*" (Docket No. EL12-86-000). The subcommittee will continue to review the Accreditation Specification and discuss the recommendation from the Commission concerning the twenty-year maximum lifespan for root keys at their next meeting. As part of 2013 WEQ Annual Plan Item 4.a.i., the PKI Subcommittee will also undertake a review of standards to support adequate session encryption (SSL/TLS issues). Future PKI meetings will also address the 2013 WEQ Annual Plan Item 4.a.ii which requires the subcommittee to review the accreditation requirements for ACAs to determine if any changes are needed to meet market conditions at least once a year. The next PKI Subcommittee meeting will be announced by the NAESB office and all interested parties are welcome to attend.

For more information, please go to WEQ PKI Subcommittee Web Page, WEQ JESS Web Page, WEQ OASIS Web Page, Board Certification Program Committee Web Page, FERC Report on Use of North American Energy Standards Board Public Key Infrastructure Standards, NAESB WEQ Version 003 FERC Filing, NAESB Status Report to FERC, 2012 WEQ Annual Plan, 2013 WEQ Annual Plan, August 21, 2012 WEQ EC Final Meeting Minutes, PKI Subcommittee Final Action, NAESB Accreditation Requirements for Authorized Certification Authorities, Independent Authorized Certification Authorities, JESS Subcommittee e-Tagging Final Action, Part 1, JESS Subcommittee e-Tagging PKI Recommendation, Part 2, NAESB Authorized Certification Authority Process, OASIS PKI Final Action, NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet, NIST Request for Information and NAESB Response to NIST Request for Information.

## **STANDARDS DEVELOPMENT** (continued)

*Wholesale Gas Quadrant Contracts Subcommittee:* After a nine month effort by the WGQ Contracts Subcommittee to conclude recommendations for 2012 WGQ Annual Plan Items 7a and 7b, the NAESB WGQ Standard No. 6.3.5 - NAESB WGQ Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons (NGL Master Agreement) - was ratified on December 6, 2012 by NAESB membership. The NGL Master Agreement, similar in form to the NAESB Base Contract for Sale and Purchase of Natural Gas, will increase the efficiency and decrease the costs of trading NGL commodities by reducing the amount of time and resources required to negotiate contracts between companies.

From March 7, 2012 to September 13, 2012 the WGQ Contracts Subcommittee held twelve meetings with sixty representatives from thirty separate entities participating. Participation averaged twenty attendees at each meeting. The subcommittee unanimously voted out the recommendation to the WGQ Executive Committee to adopt the Master Agreement on September 13, 2012. On October 25, 2012, the WGQ Executive Committee adopted the NGL Master Agreement as a NAESB WGQ Standard. The NGL Master Agreement is now available for industry purchase and use. NAESB members have access to NAESB work products as part of the benefits of membership. Non-members may purchase the NGL Master Agreement by visiting the NAESB web page, www.naesb.org, or completing the <u>NAESB Material Order Form</u>.

Understanding the NAESB WGQ Contracts Course is scheduled to be held in Houston, TX at the NAESB office on April 17-18, 2013. The purpose of the class is to provide a handson discussion of the NAESB WGQ contracts, including the recent changes to each. The course focuses on understanding and administering the provisions of each of the contracts and crafting provisions that satisfy individual corporate needs. The NGL Master Agreement will not be covered in the Understanding the NAESB WGQ Contracts Course. However, a new contracts class, NAESB Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons Course, will specifically address the language and structure of the NGL Master Agreement and will be held on May 22, 2013 at the NAESB office.

For more information, please go to <u>WGQ</u> Contracts Subcommittee Web Page, 2012 WGQ Annual Plan, 2013 WGQ Annual Plan, <u>NAESB</u> Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons Final Action, <u>NAESB</u> <u>Primers and Training Courses</u> and <u>NAESB Material Order</u> Form.

#### NAESB Primers and Training Courses:

Please monitor the <u>NAESB Primers and Training Courses</u> web page for additional information and scheduling of upcoming courses

LDC Gas Forums



Data Privacy: On August 16, 2012, NAESB received Request No. R12008, from the Smart Grid Interoperability Panel (SGIP) Cyber Security Working Group (CSWG). The request proposed enhancements to the NAESB Retail Data Privacy Standard REQ.22 in four areas: adding cyber security requirements, improving utility privacy requests, improving customer education, and enhancing the identity verification process. The CSWG recognized that in some cases there may be guidance in these areas from other sources, including state legislative or regulatory bodies. In response, the Smart Grid Data Privacy Task Force, chaired by Christine Wright of the Public Utility Commission of Texas, has been reactivated and held their first meeting on November 30, 2013. On February 25, 2013, the task force held a faceto-face meeting hosted by ERCOT in Austin, Texas. During the meeting the task force determined that a majority of proposed enhancements were deemed out of scope from the initial standards development effort. A follow up meeting to determine next steps will be announced by the NAESB office and posted to the Smart Grid Data Privacy Task Force web page.

The Department of Energy through the Federal Smart Grid Task Force has initiated efforts to develop a voluntary code of conduct focusing on data privacy for utilities and third parties providing consumer energy use services. As the NAESB data privacy model business practices are applicable to both distribution companies and third parties that maintain and distribute smart meter based information, there is opportunity for significant overlap between the NAESB standard and the code of conduct. During the April 3, 2013 NAESB WEQ Leadership meeting, the completion date for WEQ Annual Plan Item 8.a was moved to the 4Q in order to accommodate coordination between NAESB and the Federal Smart Grid Task Force. The Task Force held its first stakeholder meeting at the Federal Energy Regulatory Commission offices on February 26, 2013 to introduce the effort and discussed a proposed outline, modeled after the NAESB standard. NAESB staff will continue to monitor and participate in the activities of the Task Force moving forward.

The Retail Business Practices Subcommittee (BPS) and the REQ Data Privacy Task Force have been working jointly with the Demand-Side Management and Energy Efficiency (DSM-EE) Subcommittee since March 2012 to review a recommendation for 2012 Retail Annual Plan Item 10.b which calls for the development of a new standardized form to obtain retail customer's authorization for the release of their information to a third party. This recommendation was approved by the Retail Executive Committee during their February 20, 2013 meeting and ratified by NAESB membership on March 27, 2013.

For more information, please go to <u>R12008</u>, <u>Smart Grid</u> <u>Data Privacy Task Force Web Page</u>, <u>Retail BPS Web Page</u>, <u>DSM-EE Subcommittee Web Page</u>, <u>Federal Smart Grid Task</u> <u>Force Web Page</u>, <u>Retail Customer Authorization Form Final</u> <u>Action</u>, <u>2012 Retail Annual Plan</u> and <u>2013 Retail Annual</u> <u>Plan</u>.

## **STANDARDS DEVELOPMENT** (continued)

**Dodd-Frank Wall Street Reform and Consumer Protection Act:** The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) was passed on July 21, 2010. The Commodity Futures Trading Commission (CFTC), the CFTC staff and its Technical Advisory Committee have been developing rules to implement Dodd-Frank provisions. The rules require the filing of real-time notification of all trades and the provision of certain information to the CFTC, including how financial obligations associated with entering into non-cleared swaps have been met (e.g., credit support, pledged assets, third-party guarantee, credit and cash flow from operations).

In response to 2012 WGQ Annual Plan Item 13, the WGQ Contracts Subcommittee has begun to review the Dodd-Frank implications to contracting parties utilizing NAESB gas contracts. Over one hundred participants joined the October 5, 2012 WGQ Contracts Subcommittee conference call to discuss and develop the subcommittee's scope of work. During the November 9, 2012 conference call, the Matrix of CFTC Final Rule Issues (matrix) was developed to frame and document the subcommittee's work. The matrix includes issues identified by the participants, citations to the proposed rules or regulations, detailed descriptions of the issues, and the implications to the contracts to be reviewed. The subcommittee requests that suggestions for additional matrix topics, comments, or documents for proposed review be sent to <u>naesb@naesb.org</u>.

The matrix will be developed into a white paper that identifies the implications, if any, of the new CFTC rules on the NAESB Base Contract for Sale and Purchase of Natural Gas, the Canadian Addendum to the Base Contract for Sale and Purchase of Natural Gas, the Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons, the NAESB Base Contract for Retail Sale and Purchase of Natural Gas or Electricity and interstate pipeline transport and storage contracts.

The next WGQ Contracts Subcommittee meeting will be called after the CFTC takes material action on final rules that will help address the issues and concerns within the matrix. This will likely take place in 2Q 2013. Subsequent meetings will be announced by the NAESB office and posted to the WGQ Contracts Subcommittee web page.

For more information, please go to <u>WGQ Contracts Subcommittee Web Page</u>, <u>Dodd-Frank Act (HR 4173)</u>, <u>End-User Guide to</u> <u>CFTC Implementation Presentation</u>, <u>October 5</u>, 2012 WGQ Contracts Subcommittee Final Minutes</u>, <u>2012 WGQ Annual Plan</u>, <u>2013</u> <u>WGQ Annual Plan</u> and <u>Matrix of CFTC Final Rule Issues</u>.

**Demand-Side Management and Energy Efficiency (DSM-EE):** FERC Order No. 676-G was issued by the Commission on February 21, 2013 (Docket No. RM05-5-020) and incorporated by reference the Phase II Demand Response M&V standards, the Wholesale Energy Efficiency M&V standards, and associated terms. Ratified by NAESB membership on October 26, 2012, the standards stemmed from NAESB 2012 Retail Annual Plan Item 3(b) and 2012 Retail Annual Plan Item 10(a) and called for the development of business practice standards used to measure and verify reductions in energy and demand from energy efficiency in wholesale and retail markets. The standards are complementary to the WEQ standards that were the subject of the April 19, 2012 FERC Notice of Proposed Rulemaking in the same docket. The rule became effective 60 days after publication in the Federal Register. In FERC Order No. 676-G, the Commission encouraged stakeholders to pursue several issues as they considered potential updates to the NAESB standards including: the development of baselines that are more accurate for highly-variable load, the modification of standards to reflect the distinct functions provided by capacity and energy products, and the development of rules for demand response supported by behind-the-meter generation. Future DSM-EE Subcommittee meetings will be announced by the NAESB office and posted to the DSM-EE Subcommittee web page.

The Federal Smart Grid Task Force, led by the DoE, is convening a series of meetings to develop a voluntary code of conduct for utilities and third parties providing consumer energy use services. As there is significant subject matter overlap between the proposed code and the NAESB Data Privacy standards addressed in WEQ Annual Plan Item 8.a, NAESB will continue to monitor the progress of the task force. In April 2013, the U.S. Department of Energy published *The Uniform Methods Project: Methods for Determining Energy Efficiency Savings for Specific Measures*. The publication is phase one of an effort by the DOE to develop measurement and verification protocols for the residential and commercial energy efficiency programs that result in the bulk of the energy efficiency savings. NAESB Vice President, Jonathan Booe, and long term NAESB standard development participant, Eric Winkler are representing NAESB in its collaboration with the ANSI Energy Efficiency Standardization Coordination Collaborative (EESCC). The EESCC is a cross-sector, neutral forum and focal point for broad-based coordination among energy efficiency activities involving or impacted by standardization (i.e., standards, codes, conformance activities) and regulations. The objective of the collaborative is to assess the energy efficiency standardization landscape, and carry out the development of an EESCC standardization roadmap and compendium. The EESCC will not develop standards, nor will it assign responsibility for their development. Mr. Booe and Mr. Winkler are participating in Work Group 4: Evaluation, Measurement, and Verification, which encompasses EM&V, energy performance metrics and standardized and portable data collection and reporting.

For more information, please go to <u>DSM-EE Subcommittee Web Page</u>, <u>Retail Energy Efficiency Final Action</u>, <u>FERC Order No. 676-</u> <u>G</u>, <u>April 19</u>, 2012 FERC NOPR in Docket No. RM05-5-020, <u>ANSI EESCC Web Page</u>, <u>The Uniform Methods Project</u> and <u>Retail Cus-</u> <u>tomer Enrollment Final Action</u>.

#### **STANDARDS DEVELOPMENT** (continued)

**Preemption and Competition:** The WEQ OASIS Subcommittee is currently preparing revisions to existing business practice standards in response to FERC Order No. 890 and a standards request that was submitted prior to the order which will formalize the process of preemption and competition on the Open Access Same-Time Information Systems (OASIS). The subcommittee delivered a presentation on February 19, 2013 to the WEQ Executive Committee meeting detailing the progress on the development of the preemption and competition standards (2013 WEQ Annual Plan Items 2(a)(i)1-2 and 5(c)).

To date, the subcommittee has identified 125 transaction processing issues and requirements that must be addressed to formalize the preemption and competition processes, including the identification of a valid defender and challenger, the determination of the duration of competition, and the analysis of which entities possess the right of first refusal. The subcommittee has worked through 84 issues and requirements and adopted 45 motions on the topic.

The preemption process is the act of displacing all or a portion of an existing reservation or pending request for transmission capacity to accommodate a higher priority transmission request for service. The competition process addresses the right of first refusal, which allows for, in certain instances, the holder of an existing reservation, known as a defender, to modify its transmission reservation to match the characteristics of the challenger's higher priority request in order to avoid preemption.

After the preemption and competition processes have been formalized for short term firm service, the subcommittee will focus on the preemption and competition processes for non-firm service and the competition processes for long-term transmission service. The OASIS Subcommittee has announced the following face-to-face meetings in the coming months: May 1-2, 2013, May 29-30, 2013, June 25-27, 2013, July 30-August 1, 2013 and August 21-22, 2013. All interested parties are welcome to attend.

For more information, please go to the <u>WEQ OASIS Subcom-</u> mittee Web Page, <u>2013 WEQ Annual Plan</u> and <u>WEQ OASIS</u> <u>Update Presentation</u>.

#### NAESB Home Page Access:

Employees of a NAESB member company can request NAESB Home Page Access (user id and pass code) to be used on the member protected areas of our website. This is a benefit of membership and is issued on an individual basis. To request NAESB Home Page Access, complete the <u>request form</u> posted on the NAESB Home Page and return it to the NAESB office by fax 713-356-0067 or email to <u>drager@naesb.org</u> for processing.

If you have any questions, please call the NAESB office at 713-356-0060 or email <u>drager@naesb.org.</u>

#### **NAESB What's Hot!**

<u>About NAESB</u> NAESB Membership Information

Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR): The WEQ Business Practices Subcommittee (BPS) continues to work on the PFV project. An informal comment period was held from February 18, 2013 - March 18, 2013 on the draft recommendation, which includes modifications to WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-008, and WEO-013, and the other documents which have been developed or modified in coordination with members of NERC, the IDC Working Group, and the Association as part of the PFV effort: the NERC Support Document, the IDC User's Manual, and the SDX User's Manual. During the February 19, 2013 WEQ Executive Committee meeting, the subcommittee chairs gave a presentation that highlighted the key objectives achieved by the draft PFV recommendation: the reporting of generation to load impacts to the Interchange Distribution Calculator on a real-time basis and a more accurate assignment of relief obligations to entities causing congestion. On February 27, 2013 the WEQ BPS held a conference call to provide an overview of the WEO BPS PFV draft recommendation and other documents.

The subcommittee met on March 20 - 21, 2013 to review the numerous comments submitted during the informal comment period. During the meeting, the informal comments were categorized by subject matter. Beginning during the April 24 - 25, 2013 meeting, the subcommittee participants will work to resolve all issues raised by the informal comments in an effort to move forward with a formal recommendation for PFV. The subcommittee anticipates a formal recommendation to be voted on during the 4<sup>th</sup> Quarter 2013. The WEQ BPS will recommend to the WEQ Executive Committee that these standards utilize the full staffing approach. The subcommittee has announced the following face-to-face meetings: May 22-23, 2013, June 19-20, 2013, July 17-18, 2013, and August 14 - 15, 2013.

For more information, please go to WEO BPS Web Page, February 27, 2013 PFV Review Session Presentation, PFV Draft Recommendation, NERC Support Document, IDC User's Manual, NERC SDX User's Manual, Comments Submitted by ISO New England, Comments submitted by MISO, Comments Submitted by We Energies, Comments Submitted by Entergy, Comments Submitted by Basin Electric Power Cooperative, Comments Submitted by Kansas City Power & Light, Comments Submitted by Florida Reliability Coordinating Council, Comments Submitted by North Carolina Electric Membership Corporation, Comments Submitted by NYISO, Comments Submitted by Duke Energy, Part One, Part Two, Part Three, Comments Submitted by Southern Company, Comments Submitted by Westar Energy, Inc., Supplemental Comments Submitted by Westar Energy, Inc., Comments Submitted by Southwest Power Pool and Comments Submitted by Tennessee Valley Authority.

*Cybersecurity:* On February 12, 2013, the President issued an Executive Order, "*Improving Critical Infrastructure Cybersecurity*," which cited cyber threat to critical infrastructure as "one of the most serious national security challenges" that the United States must confront. The executive order contained a directive that the Cybersecurity Framework, a framework led by Director of the National Institute of Standards and Technology to reduce cyber risks to critical infrastructure, "shall incorporate voluntary consensus standards and industry best practices to the fullest extent possible" and "identify areas for improvement that should be addressed through future collaboration with particular sectors and standards-developing organizations."

In response to the increased scrutiny on cybersecurity and on the heels of the NAESB ratification of the PKI standards, NAESB President, Rae McQuade, has collaborated with an ad hoc group to complete the development of two fact sheets- "*NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet*" and "*NAESB Wholesale Natural Gas Market Cybersecurity Standards Fact Sheet*." These fact sheets provide, in simplified terms, a description of the NAESB cybersecurity related standards, how they are used, and how they affect the wholesale markets for both natural gas and electricity. The reader will gain understanding of the mutual authentication developed within the NAESB standards through the use of digital signatures, Authorized Certification Authorities, issuance of certificates and provision for public-private keys to access and protect market information and execute transactions. On April 8, 2013, NAESB submitted the Cybersecurity Fact Sheets as general comments in response to the February 26, 2013 request for information from the Department of Commerce through the National Institute of Standards and Technology (NIST). NAESB looks forward supporting the efforts of NIST to develop a framework to reduce the cyber risks to critical infrastructure and to supporting other federal agencies as they address the February 12, 2013 executive order.

The timing of the completion of the NAESB cybersecurity fact sheets dovetails with the activities of the Department of Energy (DoE) as they meet with industry leadership to develop verification and authentication procedures to protect access to important information. In the months of October, November and December, NAESB was pleased to participate in a series of regional classified and unclassified briefings, hosted by the DoE and the Department of Homeland Security (DHS), to discuss recent cyber security attacks on the energy sector. During these meetings representatives from the FBI and the DHS Industrial Control Systems Cyber Emergency Response Team reviewed the malware attacks on Telvent, Saudi Aramco, and RasGas and discussed potential mitigation and best practices that could have been employed to combat against such attacks.

The recent gas electric harmonization efforts undertaken by FERC, NAESB, and NARUC have demonstrated the importance of fluidity between the two markets and the two bodies of NAESB standards. NAESB has contacted the DoE regarding NAESB's recent request that Sandia National Laboratories conduct an assurance assessment of the NAESB technical standards. The requested assessment would include not only the gas and electric technical standards – which include all cybersecurity based standards and procedures, but also how the two sets of standards work in tandem. Sandia Laboratories has given the GISB/NAESB standards a clean bill of health twice in the past, but this request would mark the first time that the gas and electric standards would be assessed as they interact together. NAESB would like to thank both the DoE and Sandia National Laboratories for their support in ensuring that the NAESB standards reflect the necessary transactions for the industry.

For more information, please go to <u>Executive Order- Improving Critical Infrastructure Cybersecurity</u>, <u>NAESB Wholesale Electric</u> <u>Market Cybersecurity Standards Fact Sheet</u>, <u>NAESB Wholesale Natural Gas Market Cybersecurity Standards Fact Sheet</u>, <u>NIST Re</u> <u>quest for Information</u> and <u>NAESB Response to NIST Request for Information</u>.

*Update on the Electric Industry Registry (EIR):* As scheduled and announced by NAESB, NERC and OATI in mid-October, the EIR, also known as OATI's webRegistry, was put into production and published on November 13, 2012 at 12:00am Central. At that time, the EIR became the official industry registry and registry publication and its predecessor, the NERC TSIN Registry, was decommissioned. This decision was made by NAESB and NERC at the conclusion of the cutover test which took place November 6-12, 2012. To date, the EIR has over 1,200 registered entity roles, over 2,200 points of receipt and points of delivery roles, and over 5,800 source/sink points.

NAESB, working with OATI and the Western Electricity Coordinating Council (WECC), has initiated Phase 3 of the EIR project. During Phase 3, the WECC registry will be incorporated into the EIR and legacy items carried over from the TSIN as well as the CSV and MDB file formats will be retired. On April 19, 2013, NAESB OATI, and WECC made an initial communication to the industry regarding Phase 3 and information on the jointly hosted industry information sessions scheduled for May 21, 2013, May 23, 2013, June 4, 2013 and June 6, 2013. The current anticipated date for the full transition of the WECC and the retirement of the legacy items and CSV and MDB file formats is the early 4<sup>th</sup> Quarter 2013.

For more information, please go to <u>WEQ EIR Web Page</u>, <u>WEQ JESS Web Page</u> and <u>NAESB EIR Press Release</u>.

**Changes to NAESB Website:** The new version of the NAESB website is expected to go online in June. The changes will more clearly distinguish member benefits from non-member benefits. Non-members will soon be limited to current information on the site, while members will continue to enjoy their current access to the entirety of the web site.

#### **STANDARDS DEVELOPMENT** (continued)

Gas-Electric Harmonization: On September 20, 2012, the NAESB Board of Directors unanimously approved the "North American Energy Standards Board Gas-Electric Harmonization Committee Report." The report has been provided to the Department of Energy, the Federal Energy Regulatory Commission, and the North American Electric Reliability Corporation. The National Association of Regulatory Utility Commissioners (NARUC) adopted a resolution endorsing the report on November 14, 2012. In the resolution, put forth by former Commissioner Simon of California and sponsored by the Gas Committee, members of NARUC were encouraged to utilize the final report to advance gas-electric harmonization efforts for its member states and to participate and comment if desired on any ongoing standards process at NAESB and other forums to advance gas-electric harmonization. On February 5, 2013 the NARUC Gas and Electric Committees held a joint session, during which the NAESB report was recognized by several panelists as a comprehensive report on the topic. NAESB would like to give special thanks to former Commissioner Timothy Simon of the California Public Utilities Commission and Commissioner Wayne Gardner of the Pennsylvania Public Utility Commission.

The "North American Energy Standards Board Gas-Electric Harmonization Committee Report" identified the issues that affect the coordinated operations of the two industries. The report also identified three items that the board approved to be included as provisional items for 2013 on the NAESB Annual Plans: (1) market timelines and coordination of scheduling for trading and nomination, (2) flexibility of scheduling, and (3) information sharing and communications protocols between the two markets. Typically, standards development depends upon three success factors: clear understandable policy, strong executive support and general acknowledgment of benefits by the industry. The NAESB Board of Directors will consider the development of the three areas for standards development against these three success factors to determine whether consensus is achievable. Once the Board of Directors determines that standards could be developed in the three areas noted for both wholesale natural gas and electric quadrants, the board will indicate that the items should be moved from the provisional section of the annual plans to the active development section of the annual plans.

The report was drafted over the course of seventeen meetings and conference calls held from January 27, 2012 to August 27, 2012. The Gas-Electric Harmonization Committee members were selected by the NAESB Chairman from the NAESB Board of Directors, Advisory Council, and the drafters of the National Petroleum Council report, "*Prudent Development- Realizing the Potential of North America's Abundant Natural Gas and Oil Resources.*" The Board Gas-Electric Harmonization Committee report was voted out of the committee on August 27, 2012, and reflects observations that came from 25 reports and documents on gas-electric harmonization. The NAESB Advisory Council met on February 2, 2013 and discussed the current status of gaselectric harmonization efforts throughout the industry and reviewed the NAESB Gas-Electric Harmonization Report. During this meeting the participants also reviewed a white paper developed by Greg Lander of Skipping Stone titled "Synchronizing Natural Gas and Power Markets – A Series of Proposed Solutions."

Following a series of regional technical conferences conducted in August 2012, the Commission issued an order directing further conferences and reports on November 15, 2012. The first of these additional technical conferences was held on February 13, 2013 and focused on input sharing and communication practices between the electric and gas industries. On April 25, 2013, the Commission held a technical conference focused on natural gas and electric scheduling, and issues related to whether and how natural gas and electric industry schedules could be harmonized in order to achieve the most efficient scheduling systems for both industries.

Chairman Senator Wyden and Ranking Member Senator Murkowski announced that the US Senate Committee on Energy and Natural Resources will hold a series of three forums on natural gas issues. On May 16, 2013 the roundtable will focus on "Infrastructure, Transportation, Research, and Innovation." The topic for the May 21, 2013 meeting will be "Domestic Supply and Exports" and on May 23, 2013, the forum will convene on "Shale Development: Best Practices and Environmental Concerns."

For more information, please go to <u>NAESB GEH Committee</u> <u>Report September 2012</u>, <u>NAESB GEH Press Release</u>, <u>NARUC</u> <u>Resolution</u>, <u>FERC Order Directing Further Conferences and</u> <u>Reports</u>, <u>FERC Notice of Request for Comments and Technical</u> <u>Conference</u>, <u>Skipping Stone Presentation</u> and <u>FERC Notice of</u> <u>Technical Conference</u>.

*Wholesale Gas Quadrant Publication:* NAESB WGQ Business Practice Standards, Version 2.1 was published on April 30, 2013. The updates reflect 82 separate action items– 36 are final actions and 46 are minor corrections, many of which are code value changes. Version 2.1 provides 10 new standards, 23 revised standards, and 41 data sets, among other modifications. NAESB WGQ Business Practice Standards, Version 2.0 was published on November 30, 2010. Version 2.1 can be accessed from the NAESB web site at <u>http://www.naesb.org/wgq/ Imp.asp</u>. NAESB WGQ Business Practice Standards, Version 2.1 is now available for industry purchase and use. NAESB members have access to NAESB work products as part of the benefits of membership. Non-members may purchase the standards by visiting the NAESB web page, <u>www.naesb.org</u>, or completing the <u>NAESB Material Order Form</u>.

For more information, please go to <u>NAESB WGQ Business</u> <u>Practice Standards Version 2.1</u> and <u>Final Actions in Version</u> <u>2.1</u>. **Board Retail Structure Review Committee:** On April 4, 2013 the NAESB Board of Directors adopted the NAESB Retail Structure Review Committee Report, Part Two. The first part of the recommendation, adopted by the board during the December 6, 2012 meeting, requested the board's approval on the direction of the committee. During the Board of Directors meeting, the RSRC presented the report and requested that the board approve the implementation of the direction, including the segment definitions, assignments to segments of existing members, and other structural changes that may arise during the discussions to provide the proposed structure for a single retail market.

A meeting of the RSRC was called on September 18, 2012 in response to concerns raised by the Managing Committee regarding compliance with the membership requirements in the NAESB Bylaws. According to Section 2.3 of the NAESB Bylaws, "*[i]n order to have representation on the Board or the EC, a Quadrant shall have at least forty Voting Members and at least four Segments. Each Segment shall have at least five Voting Members.*" During the December 6, 2012 board meeting, the RSRC presented the "NAESB Retail Structure Review Committee Report, Part One" and the board approved the direction of the committee which include: 1) the RSRC intends to begin the process of merging the retail gas and retail electric quadrants and adjusting the segments such that the merged retail quadrants meet the requirements in the NAESB Bylaws and takes into consideration preserving existing members and leadership, 2) the RSRC will present the full recommendation with implementation to the board for its approval in April 2013, and 3) the RSRC emphasizes that the change created in the implementation should be put in place through a motion of the board for a period of a minimum of two years, after which the RSRC would request that the board review the success and determine if the interim solution should be codified in the NAESB Operating Practices, Bylaws and Certificate of Incorporation. *NAESB Retail Structure Review Committee Report, Part One* is a thirty-five page report containing background information, a section depicting membership profile and work products, a presentation of possible options considered for the retail structure, and an explanation of the two-part recommendation adopted by the Committee.

For more information, please go to <u>Board RSRC Web Page</u>, <u>NAESB RSRC Report</u>, <u>Part One</u>, <u>NAESB RSRC Report</u>, <u>Part Two</u>, <u>April</u> <u>4</u>, 2013 NAESB Board of Directors Draft Minutes, <u>December 6</u>, 2012 NAESB Board of Directors Final Minutes and <u>NAESB Bylaws</u>.



NAESB Board of Directors Update: During the April 4, 2013 NAESB Board of Directors meeting, the board addressed several matters regarding the strategic direction and governance of the organization. As mentioned above, the board approved the implementation of the Retail Structure Review Committee's report on the restructuring of the retail quadrants. The board addressed a request from the Managing Committee to modify Section 2.3 of the NAESB Bylaws to add a further clarification that the Board of Directors, by resolution, may take action to waive the minimum requirements, temporarily suspend them, or merge or otherwise restructure the Quadrants. The suggested addition to Section 2.3 provides further clarification that the Board of Directors maintains the authority to consider changes to the quadrant structure of the organization through board resolution. These changes were discussed but not determined at the previous December 6, 2012 board meeting and the board agreed at its April 4, 2013 meeting that the language of the proposal would be reviewed by the Parliamentary Committee.

During the meeting, the Revenue Committee presented the Irrevocable, Self-Executing, Limited Waiver of NAESB Copyright for NAESB Members and Non-Member Purchasers of NAESB Standards (Copyright Waiver) and the NAESB Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver (Copyright Waiver Procedure). The Board of Directors approved the request, subject to modifications by the Parliamentary Committee. As the integrity of copyright protection is diminished if not enforced, it is essential that NAESB make every effort to enforce its copyrights, including the grant of limited copyright waivers when protected language must be made public. The limited copyright waiver serves as a tool to allow access to protected materials when such access is necessary for any number of reasons including the clear articulation of a tariff provision by an entity when reference to a standard is insufficient for comprehension of the provision. The ultimate goal of the waiver and its accompanying procedure document is to make the copyright process simple for those with valid access to the standards while maintaining the NAESB copyright. The waiver and the procedure are intended to work in tandem, as the Copyright Waiver will be attached to the Copyright Waiver Procedure. The documents will be posted on the NAESB website and be made available to those downloading and purchasing NAESB standards. This procedure will not impact the use of LockLizard, as the Waiver is only available for members and non-members who have purchased the standards.

For more information, please go to <u>NAESB RSRC Report, Part</u> One, <u>NAESB RSRC Report, Part Two, NAESB Bylaws, Manag-</u> ing Committee's Proposed Changes to <u>NAESB Bylaws, March</u> 27, 2013 Managing Committee Meeting Notes, <u>NAESB Report</u> to FERC on Copyright Policy, March 20, 2013 Revenue Committee Meeting Notes, <u>March 27, 2013 Revenue Committee</u> Meeting Notes, Copyright Waiver, Copyright Waiver Procedure, Correspondence from Michael Desselle and <u>NAESB Ma-</u> terial Order Form. *Filings:* On March 8, 2013 the Commission issued Order No. 771-A, *Availability of E-Tag Information to Commission Staff* (Docket No. RM11-12-001). In the Order, the Commission clarified six issues related to the implementation of and validation requirements in Order No. 771, which granted the Commission access to the complete e-Tags used to schedule the transmission of electric power interchange transactions in wholesale markets.

During March, the Commission released two Notices of Technical Conference in Docket Nos. RM07-16-000 and RM01-5-000. The April 16, 2013 technical conference will focus on changes to the company registration process applicable to filers of eTariffs and other filings requiring the use of a company registration account, as directed by the Commission in its February 7, 2013 Order, *Revisions to Company Registration and Establishing Technical Conference* (Docket Nos. RM07-16-000, RM01-5-000). On April 25, 2013 a technical conference will be held to address natural gas and electric scheduling, and issues related to whether and how natural gas and electric industry schedules could be harmonized in order to achieve the most efficient scheduling systems for both industries.

On April 8, 2013, NAESB submitted the Cybersecurity Fact Sheets as general comments in response to the February 26, 2013 request for information from the US Department of Commerce through the National Institute of Standards and Technology (NIST). NAESB looks forward to supporting the efforts of NIST to develop a framework to reduce the cyber risks to critical infrastructure and to supporting other federal agencies as they address the February 12, 2013 executive order.

On April 18, 2013, NAESB filed the *NAESB Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver* (Docket Nos. RM05-05-000 and RM96-1-000). This report describes the NAESB Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver adopted by the NAESB Board of Directors on April 4, 2013 as part of the NAESB Copyright Policy.

FERC Order No. 676-G, *Standards for Business Practices and Communication Protocols for Public Utilities*, was issued by the Commission on February 21, 2013 (Docket No. RM05-5-020). This Order incorporated by reference the NAESB Phase II Demand Response M&V standards and the Wholesale Energy Efficiency M&V standards. Ratified by NAESB membership on October 26, 2012, the standards stemmed from NAESB 2012 Retail Annual Plan Item 3(b) and 2012 Retail Annual Plan Item 10(a) and called for the development of business practice standards used to measure and verify reductions in energy and demand from energy efficiency in wholesale and retail markets. The standards are complementary to the WEQ standards that were the subject of the April 19, 2012 FERC Notice of Proposed Rulemaking in the same docket. The rule became effective 60 days after publication in the Federal Register.

At the recent NAESB Board of Director's meeting, NAESB President, Rae McQuade, announced that she was honored to accept a reappointment to the National Petroleum Council for the 2012-2013 membership term. The NPC is chartered by the Secretary of Energy, under the provisions of the Federal Advisory Committee Act of 1972. The Council membership is selected and appointed by the Secretary of Energy, currently Steven Chu. The advice of the National Petroleum Council is transmitted to the Secretary in the form of reports approved by the Council and is rendered to the government as a public service. Ms. McQuade has served on the National Petroleum Council in previous years and contributed to the drafting of the Council's report, "Prudent Development-Realizing the Potential of North America's Abundant Natural Gas and Oil Resources."

For more information, please go to <u>NAESB WGQ Business Practice Standards Version 2.0</u>, Final Actions in Version 2.0, FERC Order No. 771-A, April 16, 2013 Technical Conference, February 7, 2013 FERC Order, April 25, 2013 Technical Conference, <u>NIST</u> Request for Information, <u>NAESB Response to NIST Request for Information</u>, <u>NAESB Copyright Filing to FERC</u>, <u>FERC Order No.</u> 676-G, 2012 Retail Annual Plan, 2013 Retail Annual Plan, Letter from Secretary Chu, Letter from the National Petroleum Council and <u>NAESB Government Activities Web Page</u>.

## **NAESB Member Subscription Service:**

NAESB e-mail information distribution system (NAESB Mail) is open to all NAESB members, trade association staff and government employees. By electing to participate in NAESB Mail, you will receive targeted e-mail messages from the NAESB Office about relevant NAESB events, 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. NAESB Members can register for this service at <u>Member Subscription Service</u> location on our home page. If you already participate in NAESB Mail but would like to change the NAESB quadrants or subcommittees to which you are subscribed, please <u>click here</u> and complete the NAESB Mail Account Manager form indicating those changes. To preview the list of available NAESB mail subscriptions <u>click here</u>.

If you have any questions, please call the NAESB office at 713-356-0060 or email drager@naesb.org.

*LockLizard Safeguard Secure Viewer Software:* To support non-member access to protected NAESB work products and protect NAESB revenue stream, NAESB offers LockLizard Safeguard Secure Viewer, a document viewer software which will allow evaluations of the work products at no cost to the requestors. We provide this access in recognition that either: (1) non-members may need an abbreviated review of work products prior to purchase, or (2) non-members would review the standards as they prepare comments to regulated entities, although the non-members would not use the standards as they operate in the wholesale or retail natural gas or electric markets.

Non-member requests for evaluation are governed by the following rules:

- The review, considered a limited waiver, extends for three or sixty business days based on the purpose of the review, and the request for a limited waiver cannot be repeated for a given company and requested set of standards or final actions.
- The limited waiver is granted for evaluation or commenting purposes only.
- Once access to the protected documents is established, the access is restricted to viewing it does not extend to printing or copying.
- The protected work products provided under the waiver should not be reproduced, adapted, displayed, distributed or shared in any manner.

To access the work product(s):

- Contact the NAESB office and request the specific version of standards or final actions.
- In order to evaluate the requested set of standards or final actions, there are two steps: (1) installing the PDF Secure Viewer, and (2) registering.
- Ms. Rager (drager@naesb.org, 713-356-0060) from the NAESB office can provide support in both steps.

If you are not a member of NAESB and would like to use NAESB final actions or published standards for other than the purposes noted above, please contact the NAESB office at 713-356-0060 or <u>naesb@naesb.org</u> for permission. Of course, non-members can <u>purchase the work products</u>. As stated earlier, members have access to the work products as part of the benefits of membership.

We hope that this product is helpful to non-members in expanding the access to the work products and providing a tool for evaluation.

#### NAESB Quadrant/Segment Membership Analysis:

Wholesale Gas Quadrant	116 Members
End Users Segment	14
Distributors Segment	14
-	43
Pipelines Segment	15
Producers Segment	13
Services Segment	29
Retail Quadrant	42 Members
Retail Electric End Users/Public	13
Agencies Segment	
Retail Gas Market Interests Segment	14
Retail Electric Utilities Segment	7
Retail Electric Service Providers/	8
Suppliers Segment	
Wholesale Electric Quadrant	131 Members
End Users Segment	7
Distributors Segment	20
Transmission Segment	41
Generation Segment	21
Marketers/Brokers Segment	24
Non Specified	1
Independent Grid Operators/Planners Seg	gment 9
Technology & Services Segment	7
Total Membership	289 Members

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

For more information, please go to <u>Copyright</u>, <u>NAESB Material</u> <u>Order Form</u> or contact Denise Rager (<u>drager@naesb.org</u>) for additional information.