##### July 27, 2016

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: FERC NOPR on Version 003.1 WEQ Business Practice Standards**

On July 21, 2016, the Federal Energy Regulatory Commission (FERC) issued the Notice of Proposed Rulemaking (NOPR), *Standards for Business Practices and Communication Protocols for Public Utilities*, in Docket No. RM05-5-025. In the NOPR, the Commission proposes to incorporate by reference, with certain exceptions, Version 003.1 of the NAESB WEQ Business Practice Standards. On October 26, 2015, NAESB filed the Version 003.1 WEQ Business Practice Standards with the Commission in Docket No. RM05-5-000.

Published on September 30, 2016, the standards support the implementation of the Public Key Infrastructure (PKI) in e-Tagging and the OASIS systems; revisions to support FERC Order Nos. 676-H, 676-E, 890, and 764; WEQ 022 Electric Industry Registry (EIR) Business Practice Standards; standards modifications to maintain coordination with NERC, Coordinate Interchange standards modifications, and certain modifications within the OASIS Business Practice Standards. The changes incorporates action items from August 1, 2012 through September 30, 2015 and reflect 27 separate action items (requests, minor corrections or annual plan items) – 21 of which are final actions and 6 that are minor corrections. Of the changes in this new version, there are: new items (11 abbreviations/acronyms, 24 definitions, 138 standards, 1 appendix); revised items (17 definitions, 188 standards, 4 appendices); and deleted items (1 abbreviation/acronym, 3 definitions, 79 standards, 1 appendix).

In Paragraph 50, FERC proposes to revise its non-mandatory guidance to reference the updated Smart Grid Business Practice Standard, WEQ 019 – Customer Energy Usage Information Communication. The revised business practice standards establish an information model for energy usage information. Through the NOPR, the Commission explained that WEQ 019 “will not only be used by the wholesale electric industry, but are also important initiatives for use in ongoing utility programs for consumer data access.”

Additionally, in Paragraph 42 of the NOPR, the Commission stated that WEQ 023 – Modeling Business Practices, are not proposed to be incorporated by reference. Instead, the Commission will consider WEQ 023 as part of an overall inquiry into ATC. WEQ 023 comprises a new set of standards that address technical issues affecting the calculation of Available Transfer Capability (ATC) for wholesale electric transmission services. The Commission noted that Docket No. AD15-5-000 has been established to consider proposed changes to the calculation of ATC.

Concerning the OASIS standards on the treatment of redirects for transmission service from conditional parent reservations, the Commission invites comments on whether to apply its policy from a Dynegy order to conditional and non-firm redirects. Further, in Paragraph 25, the Commission requested that parties comment on the four redirect-related issues that did not gain a consensus within the NAESB process:

(1) the treatment of a firm redirect for transmission service following the preemption of the conditional parent reservation; (2) the circumstances under which a firm redirect for transmission service may return to the conditional parent reservation; (3) the number of subsequent firm redirects for transmission service that can stem from the original firm redirect for transmission service; and (4) the proper treatment of requests to redirect requests for non-firm transmission service.

Paragraph 25 also states that “[b]ased on these responses, the Commission will consider whether it will adopt regulations regarding redirects from conditional parent reservations and non-firm service.” The comments are due 60 days after the publication of the NOPR in the Federal Register.

Consistent with past practice, the Commission did not propose to incorporate by reference into the Commission’s regulations WEQ 009 – Standards of Conduct for Electric Transmission Providers, WEQ 010 – Contracts Related Business Practice Standards, and WEQ 014 – WEQ/WGQ eTariff Related Standards.

NAESB would like to extend thanks to all who participated in creating these standards and to our members, who funded and provided leadership.