##### November 26, 2019

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE:** Update to the Board of Directors – RMQ and WEQ Distributed Ledger Technology Activities

**Retail Markets Quadrant and Wholesale Electric Quadrant Activities**

As directed by the RMQ and WEQ Executive Committees, the RMQ Business Practices Subcommittee (BPS) and WEQ BPS will be holding a joint meeting on December 4, 2019 to begin addressing 2019 RMQ Annual Plan Item 7.b and 2019 WEQ Annual Plan Item 7.b.ii – Develop a standard contract to improve and automate the current voluntary Renewable Energy Certificate (REC) creation, accounting, and retirement processes. As part of this initial conference call, there will be a review of the NAESB joint standards development process, an overview of the voluntary REC process, and discussion on the jointly assigned annual plan items.

These annual plan items were precipitated by the efforts of the RMQ and WEQ Executive Committees Distributed Ledger Technology (DLT) Task Forces. These task forces were created by the RMQ and WEQ Executive Committees to address 2019 RMQ Annual Plan Item 7.a and 2019 WEQ Annual Plan Item 7.b.i – Review current Renewable Energy Certificate (REC) processes for financial and/or sustainability accounting/reporting to determine if business practice standards and/or protocols are needed. The task forces kicked-off their efforts in in June 2019, and over the course of four joint meetings, came to a consensus that in order to leverage technologies within the voluntary REC process, it would be beneficial if there was a model contract and business practices to address data standardization. Once this consensus was reached, the task forces focused on identifying areas in the voluntary REC process and data sets that could benefit from standardization. The WEQ and RMQ Executive Committees reviewed this work during their October 15 and October 16 meetings, respectively, and provided the direction to the WEQ and RMQ BPS to begin standards development.

Related to distributed ledger technology, the WEQ has a second annual plan item. The 2019 WEQ Annual Plan Item 7.a directs the review of power trade events to streamline the power accounting close cycle to determine if standards should be developed. This standards development effort has not yet been started and is proposed to be carried over to the 2020 WEQ Annual Plan.