**Gas-Electric Coordination:** On July 29, 2022, the Chairman of the Federal Energy Regulatory Commission (FERC), Richard Glick, and the North American Electric Reliability Corporation (NERC) President and CEO, Jim Robb, submitted a joint letter to NAESB requesting that NAESB take steps to convene a forum, as discussed in Key Recommendation 7 of the FERC, NERC, and Regional Entity staff Report, *The February 2021 Cold Weather Outages in Texas and the South Central United States* (Report), issued in November of last year. Specifically, Key Recommendation 7 in the Report proposes the establishment of a forum for legislatures, regulators, and industry participants to “identify concrete actions (consistent with the forum participants’ jurisdiction) to improve the reliability of the natural gas infrastructure system necessary to support the Bulk Electric System,” and to “produce one or more plans for implementing the concrete actions, with deadlines, which identify the applicable entities with responsibility for each action.” Key Recommendation 7 also provides a list of 13 topics and/or questions to be discussed and considered by the forum.

In response to the letter, NAESB Chairman Michael Desselle sent correspondence to Chairman Glick and Jim Robb to thank them for providing NAESB with the opportunity to support the industry by addressing Key Recommendation 7. He explained that over the upcoming weeks, NAESB will expeditiously coordinate with FERC, NERC, and the National Association of Regulatory Utility Commissioners (NARUC) to schedule initial forum meetings. The forum meetings will be open to any interested parties.

In a separate effort, during the upcoming October Executive Committee meetings, each quadrant will consider no action recommendations on gas-electric coordination items. These recommendations were developed in response to Standards Request R21006, submitted by Southwest Power Pool. As you may recall, in November 2021, the NAESB Gas Electric Harmonization Committee unanimously endorsed the submittal of the standards request which was intended to support enhanced communications between natural gas and electric markets during extreme weather-related emergency operating conditions. Through annual plan items created to support the request, the RMQ, WEQ, and WGQ Business Practices Subcommittees (BPS) were jointly assigned standards development regarding the declaration of an impending extreme weather-related emergency operating condition as well as communication protocols to support increased information sharing during such events. The subcommittees held five joint meetings between February and April 2022, with a focus on cross-market education, before a determination was made to pursue no action in these areas. Although consensus could not be reached regarding the development of standards, there was discussion that potentially harmonizing the format for natural gas critical notices could increase efficiency for those scheduling electricity on the grid.

**NERC Coordination:** As always, NAESB is actively coordinating with NERC to ensure the organizations remain in sync regarding commercial and reliability issues that impact the wholesale electric market. To help effectuate this coordination, the staff of NAESB and NERC are in frequent contact, including regular calls to discuss ongoing areas of coordination. One ongoing area of coordination between NAESB and NERC for several years now has been the WEQ-023 Modeling Business Practice Standards. As you may recall, NAESB developed the WEQ-023 in response to a request submitted by NERC to support the retirement of the NERC MOD A Reliability Standards. Clarifying modifications to these standards made in response to directives contained in FERC Order No. 676-J will be presented to the WEQ Executive Committee during its October 18, 2022 meeting. As part of FERC Order No. 676-J, the Commission took action for the first time to incorporate by reference the WEQ-023 Modeling Business Practice Standards. The retirement of the NERC MOD A Reliability Standards is still pending, with the Commission reiterating in FERC Order No. 873 its intention...
NERC Coordination (Continued) “to coordinate the effective dates for the retirement of the MOD A Reliability Standards with the successor [NAESB] business practice standards.” NAESB staff have been in communication with both FERC staff and NERC staff regarding the pending retirement of the NERC MOD A Reliability Standards and the January 2023 implementation by the industry of the WEQ-023 Modeling Business Practice Standards, as required by FERC Order No. 676-J. Cybersecurity is also another important area of continuous coordination between NAESB and NERC. Recently, the WEQ Cybersecurity Subcommittee completed its annual review of the NERC Critical Infrastructure Protection (CIP) Reliability Standards and NERC CIP-related standard development efforts to evaluate if any complementary or corresponding modifications needed to be made to the WEQ Business Practice Standards. The NERC efforts reviewed by the subcommittee included NERC Project 2016-02 Modifications to CIP Standards, NERC Project 2020-03 Supply Chain Low Impact Revisions, NERC Project 2020-04 Modifications to CIP-012, and NERC Project 2021-03 CIP-002 Transmission Owner Control Centers. While the subcommittee has determined that no action is needed at this time, the participants will continue to monitor these projects. In an effort to ensure NAESB and NERC continue to remain in lock-step, the WEQ Standards Review Subcommittee (SRS) engages in frequent reviews of all NERC standard efforts to identify any potential areas of coordination between the business practices and reliability standards. The subcommittee is currently monitoring several projects, including NERC Project 2022-01 Reporting Area Control Error Definition and Associated Terms and NERC Project 2022-03 Energy Assurance with Energy-Constrained Resources. NAESB and NERC staffs have been in ongoing communication regarding these efforts as well. Additionally, the WEQ SRS also undertakes an annual review of the draft version of the NERC Reliability Standards Development Plan (RSDP). This year, NERC expects to post the draft 2023 – 2025 RSDP for comment in late-July to August. Once posted, a meeting of the WEQ SRS will be scheduled to review the current and proposed NERC Reliability Standards projects for any overlap with the NAESB Business Practice Standards.

Green Button/Energy Services Provider Interface (ESPI) Activities: Throughout 2022, NAESB has continued its relationship with the Green Button Alliance (GBA). The GBA promotes the expansion and adoption of Green Button implementation by utilities. The Green Button Initiative, launched in 2012, is a response to a White House call to action, challenging utilities to provide their customers with easy and secure access to their energy usage data in a computer- and consumer-friendly format via a “Green Button” on electric utility websites. While facilitating compliance, development, and employment of the Green Button Initiative, the GBA provides certification of implementations, marketing, and education for the industry. The NAESB ESPI Model Business Practices define a communication protocol for the exchange of retail customer energy usage information. Together, the ESPI schema-based programs, Green Button Connect My Data (CMD) and Download My Data (DMD), ensure customers have access to their energy usage data, along with the ability to easily share that information with authorized third-parties, leading to informed energy usage and management. While Green Button DMD provides utility customers with the ability to easily download their energy usage data, Green Button CMD provides a standardized way for the customer to automate the transfer of the data to authorized third parties. On November 1, 2021, an Ontario regulation required energy providers province-wide to implement DMD and CMD and, further, to certify the implementations through the GBA by November 1, 2023.

Publications: During the upcoming September 1, 2022 Board of Directors meeting, a discussion concerning the NAESB publication schedule will be included on the agenda. To date, the publication dates for each quadrant remain to be determined. The Board Revenue Committee has scheduled a meeting for August 22, 2022 to develop a recommendation that will propose the schedules for publication in each of the quadrants, following as close as possible the 18- to 24-month timeline identified in the NAESB governing documents. The WEQ is drawing near to the 24-month timeline with the last publication, Version 3.2, released in August of 2020. The WEQ Version 3.2 publication contains standards that were developed between September 2017 and August 2020. In the July 15, 2021 FERC Order No. 587-Z (Docket No. RM96-1-042), the Commission adopted Version 3.2 of the WEQ Business Practice Standards, with certain exceptions. During the last WGQ Executive Committee in March, the participants discussed possibly utilizing the completion of compiling the WEQ cybersecurity into one standards book, as detailed in the Cybersecurity section of this newsletter, as a lynchpin for the Version 3.3 publication.

Version 3.3 of the NAESB Retail Model Business Practices was published on January 30, 2020. The publication included standards developed in response to the 2019 Sandia National Laboratories cybersecurity surety assessment, numerous efforts to revise and clarify the ESP Standard, and a reorganization of and revisions to the OpenFMB standards.

In the WEQ, NAESB released the Version 003.3 publication on March 30, 2020 and submitted an informational filing to FERC on the same day. On May 20, 2021, FERC issued Order No. 676-J (Docket Nos. RM05-5-029 and RM05-5-030) incorporating the WEQ standards in this version by reference, with certain exceptions.
**Distributed Energy Resources and Battery Storage:** The U.S. Department of Energy (DoE), Lawrence Berkeley National Laboratory (LBNL), and Pacific Northwest National Laboratory (PNNL) have jointly submitted a request to NAESB that proposes the creation of standardized, technology-neutral grid service definitions to support the participation of flexible, grid-edge resources such as energy storage and distributed energy resources in the wholesale and retail electric markets. Standards Request R22001, submitted in support of the DoE’s Grid Modernization Laboratory Consortium (GMLC) efforts to modernize the nation’s electric grid, seeks to increase interoperability and advance market utilization of these resource types within the wholesale market by enabling market operators to associate or classify existing market products with common grid services and supporting more efficient communications between market operators and market participants. The request has been individually assigned to both the WEQ Business Practices Subcommittee (BPS) and the RMQ BPS. As identified by the requesters, any developed standards applicable to the wholesale electric market could provide a potential foundation for the development of similar retail electric standards that may serve to assist emerging retail markets to integrate, with greater consistency, the flexibilities that can be offered by distributed energy resources and other similarly situated resource types.

On June 14th, the WEQ BPS held a kick-off meeting to begin discussion on R22001. During the meeting, the participants heard a presentation prepared by LBNL and PNNL which provided background on the standards development request and detailed the goals of the requestors. The WEQ BPS met again in mid-July to review and discuss an overview of the public review draft version of the DoE GMLC State of Common Grid Services Definitions. On August 4, 2022, the WEQ BPS will meet again to discuss potential definitions for the categories of grid services and to address possible performance characteristics applicable to the grid service categories, beginning with energy schedule and reserve service.

Additional meetings of the WEQ BPS have been scheduled for August 23, September 7, and September 27, with future meetings to be scheduled as necessary. It is anticipated that a kick-off meeting for RMQ BPS activities will be scheduled for later this year.

In addition to the work by the WEQ BPS regarding Standards Request R22001, the subcommittee has been engaged in standards development since February 2021 to support the implementation of directives contained in FERC Order Nos. 841 and 2222 regarding the participation of energy storage and distributed energy resource aggregations in organized wholesale markets. As part of the WEQ Annual Plan, the subcommittee has three assigned annual plan items intended to support the use of energy storage and, more broadly, distributed energy resources in front of and behind the meter within the wholesale electric market. To date, much of the work of the WEQ BPS has focused on the identification of information requirements and communication protocols to assist the various entities participating in the registration processes of distributed energy resources and aggregations of such resources, including communication of information regarding the types of market services the resource or aggregation is capable of providing. As the subcommittee identified that the request jointly submitted by the DoE, LBNL, and PNNL could result in the development of standards that may provide a better understanding of the necessary information that should be communicated regarding grid services, a determination was made to, in the interim, focus standards development efforts on the new request.

**WEQ OASIS Subcommittee Activities:** The WEQ OASIS Subcommittee continues its efforts to support the electronic scheduling of transmission on the electric grid. Currently, the subcommittee is working to address the industry-submitted Standards Request R22002, relating to Commission directives contained in FERC Order No. 881. As you may know, this Order, issued in December 2021 in Docket No. RM20-16-000, seeks to improve the accuracy and transparency of electric transmission line ratings and requires several, specific actions by public utility transmission providers as well as independent system operators and regional transmission organizations. The request proposes the consideration of new and/or modified standards applicable to the WEQ OASIS Suite of Standards (WEQ-001, WEQ-002, WEQ-003, and WEQ-013) that could provide greater consistency and specificity to support industry implementation of directives contained in the Order. The agenda for the upcoming August 16th meeting of the WEQ OASIS Subcommittee is devoted to addressing the request.

During its upcoming meeting on October 18, 2022, the WEQ Executive Committee will consider one no action recommendation and two recommendations for standards development from the WEQ OASIS Subcommittee. These recommendations propose new and modified standards to the WEQ OASIS Suite of Standards and are intended to (1) allow for the identification of all modifications of service made to an original transmission service reservation in one location within OASIS and (2) provide more specificity in determining transmission service reservation consolidations and greater consistency with the transmission service provider’s tariff and the FERC 18 CFR 37.6 OASIS posting regulations.

Additionally, the WEQ Executive Committee will also consider a recommendation proposing the creation of a reference document to support the WEQ OASIS Suite of Standards. Developed over the course of sixteen meetings by the WEQ OASIS Subcommittee, the cross-reference table will provide clear guidance for users, as it contains specificity in determining the relationships between standards contained in the WEQ OASIS Suite of Standards.
**WGQ Renewable Natural Gas Addendum and Certified Gas Addendum:** In June, the WGQ Contracts Subcommittee kicked off the development of a new addendum to the *NAESB Base Contract for the Sale and Purchase of Natural Gas* (NAESB Base Contract) in order to support Certified Gas transactions. Since that initial June meeting, the WGQ Contracts Subcommittee has been hard at work refining the scope of the project, reviewing proposed terms and conditions, and discussing the name of the product. As the product is referred to by several names – including responsibly sourced gas, sustainable produced natural gas, certified natural gas, and differentiated gas – the subcommittee settled on the interim placeholder name “Certified Gas.”

The work on the CG Addendum is in addition to an effort already underway by the WGQ Contracts Subcommittee to develop an addendum to support renewable natural gas in voluntary and regulated markets. Since February of 2021, the WGQ Contracts Subcommittee has held twenty-six meetings to develop the NAESB RNG Addendum. Once the NAESB RNG Addendum itself is complete, the participants will leverage the previous WGQ work effort to digitize the NAESB Base Contract in order to enable use of the addendum on electronic platforms, including distributed ledger technology.

In order to address the two separate addendum efforts, the WGQ Contracts Subcommittee is currently holding alternating meetings. The subcommittee will be meeting on August 2 and August 18 to address the CG Addendum and August 11, August 23, and September 13 to address the RNG Addendum.

**Upcoming NAESB Courses:** Throughout the remainder of 2022, NAESB will continue to hold its popular industry webinars. These courses provide invaluable information to NAESB newcomers and veterans alike. As the dates for the webinars are scheduled, they will be made available on the NAESB Primers and Training Courses Page.

Understanding the NAESB WGQ Contracts Course – This webinar is taught by subject matter experts and designed as an in-depth review of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract). Along with a detailed explanation of the components of the NAESB Base Contract, the attendees will also learn about the supporting addendums, including the Mexican and Canadian Addendums.

NAESB 101 Webinar – In this course, NAESB attorneys introduce attendees to the organization, its structure, and its American National Standards Institute (ANSI)-accredited standards development process. During this call, the participants will learn how to work within NAESB to support the goals of the wholesale and retail natural gas and electric industries.

**Cybersecurity:** NAESB is committed to serving the industry through the timely development of cybersecurity requirements that help ensure secure, commercial electronic communications for the wholesale and retail natural gas and electric markets. In furtherance of this goal, NAESB is currently engaged in an effort to reorganize the NAESB Business Practice Standards to separate cybersecurity related requirements and compile them into a new suite of standards for each quadrant. This action is supportive of a recommendation made by Sandia National Laboratories as part of the 2019 Surety Assessment, sponsored by the U.S. Department of Energy, that NAESB consider how the industry could expedite the process by which cybersecurity standards are developed, adopted, and implemented. By maintaining cybersecurity related requirements in one, quadrant-specific suite of standards, NAESB will be better positioned to make off-cycle publications, and, as necessary, make individual filings of those standards with the FERC.

As instructed by the NAESB Board of Directors during its April 14, 2022 meeting, NAESB staff have discussed the reorganization with FERC staff, who indicated support for NAESB moving forward with the proposal as part of the upcoming WEQ and WGQ publications. FERC Commissioners have also been informed of this forthcoming change. The WEQ, RMQ, and WGQ Executive Committees will all consider minor corrections to achieve this re-formatting of the standards at their upcoming meetings scheduled for October 18-20, 2022, respectively.

To ensure the NAESB Business Practice Standards are continuing to meet new and emerging security needs of the industry, the WEQ, WGQ, and RMQ all engage in annual reviews of the cybersecurity requirements contained within the standards. As part of this yearly evaluation, the WEQ Cybersecurity Subcommittee is proposing modifications to the WEQ-012 Public Key Infrastructure Business Practice Standards and conforming consistency changes to the NAESB Accreditation Requirements for Authorized Certification Authorities (ACAs). These modifications are intended to support changes in how TLS, or server-side certificates, are issued by all certificate authorities, including the NAESB ACAs. The proposed revisions will be presented to the WEQ Executive Committee for consideration during its meeting on October 18, 2022.

Within the wholesale gas and retail markets, the WGQ Electronic Delivery Mechanism and RMQ Information Requirements/Technical Electronic Implementation Subcommittee have been jointly assigned an annual plan item to review the WGQ and RMQ Internet Electronic Transport Business Practice Standards and identify and eliminate any legacy data that may no longer be utilized. The subcommittees will be convening later this year to jointly discuss the assignment.
**NAESB Board Committees Update:** At the request of the Board Strategy Committee, the NAESB office distributed the 2022 Standards Development Survey with responses due back by July 29. Every two years, NAESB embarks on an effort to solicit feedback from its members as well as the wider industry regarding areas of potential standards development for the organization over the next twelve to eighteen months. This biennial survey helps to ensure new projects and initiatives undertaken by NAESB are conducted in an efficient manner and reflective of industry needs. The survey is open to all parties, members and non-members alike. During its August 22nd meeting, the Board Strategy Committee will review the responses and prepare a survey report for the Board of Directors. The survey results and the subsequent report will be presented to the NAESB Board of Directors during its September 1st meeting and will help to inform the 2023 annual planning process as well as the strategic direction discussions for the organization. This upcoming September 1st meeting of the NAESB Board of Directors will serve as the organization’s annual Meeting of the Members and Strategic Session. As part of this year’s Strategic Session, guest speakers will be providing remarks for consideration by the Board, and NAESB will host a panel of Advisory Council members to provide their opinions on the strategic direction of our organization. As part of its regular business, the Board discussion will cover the NAESB membership and financial reports, the progress on the 2022 annual plans within each quadrant, and a review of the activities that are underway within the Board Committees, among other standing agenda items.

At the most recent meeting of the NAESB Board of Directors, held on April 14, 2022, the Board took action to adopt the updated **NAESB Board Digital Committee Report.** The Board Digital Committee held several meetings between November 2021 and April 2022 to discuss the inaugural report and identify any areas where updates were warranted. The revised report updates several sections, including the activities related to distributed ledger technology, cybersecurity, distributed energy resources, and renewable energy certificates as well as the identification of several new additional considerations to describe industry opportunities to utilize digital technologies through funding provided to new and existing programs as a result of the Infrastructure Investment and Jobs Act signed into law on November 15, 2021. On August 22, the NAESB Board Revenue Committee has scheduled a meeting to prepare for its presentation during the September NAESB Board of Directors meeting. All interested parties are welcome to attend.

**Renewable Energy Certificates:** NAESB is pleased to announce that the RMQ and WEQ have completed all standards development regarding the **NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates (NAESB REC Base Contract).** As you may remember, NAESB membership ratified the NAESB REC Base Contract in November 2021. Since that time, the RMQ and WEQ continued their joint efforts through the development of standards to support technical implementation that will enable the electronic utilization of the contract, including its use on distributed ledger technologies.

22 to solicit preliminary industry feedback. The WEQ and RMQ Executive Committees will consider the proposed standards as part of their upcoming meetings to be held on October 18, 2022 and October 20, 2022, respectively. If approved by the Executive Committee, the recommendation will be posted for ratification by the WEQ and RMQ membership. Once ratified the technical standards will be posted as final actions available for use and incorporated into Version 003.4 of the WEQ Business Practice Standards and Version 3.4 of the RMQ Model Business Practices. As stated above, the RMQ and WEQ membership ratified the NAESB REC Base Contract on November 4, 2022. That contract, and its accompanying FAQ document, was jointly developed by the WEQ and RMQ BPS and subsequently approved by the WEQ and RMQ Executive Committees in October. The NAESB REC Base Contract is intended to improve efficiencies in the voluntary REC transaction processes by providing uniform terminology and model terms and conditions that can serve as a starting point for contract negotiations. Also, included as part of the model contract, is an attestation exhibit that allows parties to evidence transfer of REC ownership, including uniform description of a REC’s origins and creation.

### NAESB Quadrant Membership Analysis:

<table>
<thead>
<tr>
<th>NAESB New Members:</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Wholesale Gas Quadrant (WQG)</td>
<td>113</td>
</tr>
<tr>
<td>Retail Markets Quadrant (RMQ)</td>
<td>34</td>
</tr>
<tr>
<td>Wholesale Electric Quadrant (WEQ)</td>
<td>131</td>
</tr>
<tr>
<td>Total Membership</td>
<td>278</td>
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</tbody>
</table>

- Seminole Electric Cooperative, Inc (WEQ, Transmission)
- nGenue Software LLC (WGQ, Services)
- Allete (dba Minnesota Power) (WEQ, Markets/Brokers)
- Hartree Partners, LP (WGQ, Services)
- Platte River Power Authority (WEQ, Transmission)
- Emerson Automation Solutions (WGQ, Services)
- Ascent Resources—Utica LLC (WGQ, Pipelines)
- Project Canary (WGQ, Services)
- Xcel Inc. (WEQ, Marketers/Brokers)
- Citizens Energy Group (WGQ, Local Distribution Company)

**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 “**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 (naesh@naesh.org) for additional information.
Copyright/NAESB Standards Access: As you are 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 the publication, reproduction, display, and distribution of all copyrighted material. 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. While NAESB does enforce its copyrights, the organization has developed policies intended to facilitate sharing information and has granted waivers to regulators and educational institutions depending on the intended use. NAESB also has 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, such as for a government comment period. 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 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.

For more information, please go to NAESB Mail.

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: NAESB Correspondence to FERC and NERC, June 21, 2021 - NAESB Informational Status Update on NAESB Standard Development Efforts to Support FERC Order Nos. 841 and 2222 (Docket No. RM05-5-000).