**STANDARDS DEVELOPMENT**

**Gas-Electric Harmonization:** The Gas-Electric Harmonization Committee members were selected by the NAESB Chairman from the NAESB Board, Advisory Council, and drafters of the National Petroleum report, “Prudent Development—Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources.” The committee held its first meeting on January 27, 2012 to welcome the members and discuss the direction of the group. The members agreed to divide into work groups to review and analyze a number of reports and documents related to gas-electric harmonization. Three main issues were identified as common themes in several of the documents and reports, (1) Transparency and availability of interdependency data upon which to make decisions, (2) Coordination of timelines and market functions, and (3) Identification of commercial/operations issues that should be resolved for full gas-electric coordination and market interaction. In March, the committee released a listing of the observations by core issues that were identified in the group meetings. Later meetings resulted in the development of a matrix and a Core Issue Statement for each of the 4 issue areas: (1) Scheduling, (2) Capacity, (3) Curtailment and (4) Information. In April, the committee members completed a survey on Core Issues and Observations. Three work papers have been formed on the issues of standards recommendations, policy issues, and commercial issues. Those with comments are encouraged to contact committee members to consider them for further discussion. During the June 21, 2012 meeting the committee reviewed the policy, standards, and commercial outline papers in anticipation of the June 21, 2012 meeting of Director’s meeting. The next Gas-Electric Harmonization conference call will be held on July 18, 2012 from 1:00 PM to 4:00 PM Central. Although any interested party is welcome to dial into the work group; participation in the call is limited to named committee members in order to efficiently address assignments.

*For more information, please go to [GEH Matrix, Core Issues](#).*

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**Smart Grid Activities:** The Smart Grid Standards subcommittee on Priority Action Plan (PAP) 10 is in the process of discussing revisions to the Energy Usage Information Model. These revisions are being considered to reflect modifications made to the International Electrotechnical Commission (IEC) Common Information Model (CIM) (61968), Smart Energy Profile 2.0, the NAESB Energy Service Providers Interface (ESPI) standard and the related efforts of ASHRAE. On April 27, 2012, the subcommittee reviewed several proposed updates to the models and moved forward with the recommendation that both the WEQ and REQ Executive Committees support these proposed modifications. The subcommittee will schedule meetings within the next month to review and vote on the recommendations.

Related to the NAESB ESPI standard and the Green Button effort, NAESB is currently developing a map to be included on the NAESB ESPI webpage that highlights those utilities that have implemented Green Button capabilities for their customers. The map is being developed with the approval of Nick Saini of the Office of Science and Technology Policy. Also, at the request of the National Institute of Standards and Technology, NAESB and the ZigBee Alliance have been working together to conduct a mapping exercise between the latest version of the Smart Energy Profile 2.0 and the NAESB ESPI standard to ensure that implementation of the ESPI standard through the Green Button will be compatible with Smart Energy Profile 2.0 products.

The Smart Grid Interoperability Panel has adopted PAP 20, which is dedicated to the Green Button and the evolution of the ESPI standard. PAP 20 will focus on the implementation of the ESPI standard through Green Button applications and making energy usage information available to consumers. NAESB will closely monitor its development to ensure that both the goals of SGIP and the interests of NAESB are satisfied.

*For more information, please go to [Smart Grid FERC Filing, REQ Data Privacy Webpage, NARUC Resolution on Smart Grid Principles, 2011 Grid-InteropWeb Page](#), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.*
Parallel Flow Visualization - Transmission Loading Relief (PFV–TLR) Standards Development: NERC and NAESB have been working closely together to create a more efficient and transparent approach for managing transmission congestion in the Eastern Interconnection. The task before the WEQ Business Practices subcommittee (BPS) involves both identifying firm and non-firm flows and assigning curtailment priorities to these flows. Having completed an interim solution to permit full staffing through a NERC test, the BPS has been continuing its work on developing a lasting set of standards. The interim solution has not been implemented as the NERC test was never completed. The process under development requires a Balancing Area to identify and submit the transmission service priority for all energy produced by generators located in its footprint and modeled in the Interchange Distribution Calculator (IDC). The subcommittee’s efforts have focused on identifying and addressing key conceptual issues prior to undertaking the task of writing draft standards that would be used to implement the methodology. One key point of discussion at the BPS has been whether to incorporate a two-tiered firm curtailment (2-TFC) methodology into the process. Faced with divergent opinions, the subcommittee sought guidance from the WEQ Executive Committee (EC) as to whether pursuing 2-TFC would constitute unauthorized policymaking. At its August meeting last year, the EC reviewed two position papers, a development timeline, and a white paper before deciding that the question would properly fall to the NAESB Board. Later that month, the Managing Committee, sitting for the full NAESB Board, decided that the subcommittee should pursue the course of action it considered best for the industry. Having previously voted to include 2-TFC, the BPS has been working diligently to more fully develop the methodology. In essence, 2-TFC is intended to encourage the formation of coordination agreements between neighboring transmission areas. Under the proposed process, in a Transmission Loading Relief (TLR) Level 5 or higher context, all off-path firm transactions unaccounted for in a coordination agreement would be curtailed prior to any on-path firm transactions and/or off-path firm transactions addressed in a coordination agreement. Among the key issues the subcommittee continues to develop are the following: whether the method whereby firm service is granted within a given area would affect priorities and therefore curtailment responsibilities; whether a firm resource carries with it firm rights over an entire provider’s system; how transmission customers should be provided notice of their provider’s arrangements with its neighbors; how credit for redispatch should be addressed; and to what extent NERC MOD standards address the sale of transmission service. The subcommittee hopes to resolve these conceptual issues in a subcommittee white paper and have draft standards completed by 4Q 2012. A presentation of the subcommittee white paper will be presented at the August 21, 2012 WEQ EC meeting. For more information, please go to [Intermediate Solution Final Action, WEQ BPS Web Page, NERC Press Release, NERC Change Order 283, NAESB Comments to FERC, Permanent Solution White Paper], or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Wholesale Gas Common Codes: In a series of standards tracing their heritage to FERC’s Common Codes Working Group, the Wholesale Gas Quadrant (WGQ) specifies the use of common codes for pipeline transaction locations. GISP, NAESB’s predecessor, contracted with IHS to support the common coding effort. The existing IHS coding system permits the identification of the many pipeline proprietary codes that represent a given location through the identification of 19 discrete data elements. Discussions held at the WGQ Business Practices subcommittee (BPS) indicated that a majority of shippers would prefer to only use a given pipeline’s proprietary location code, rather than both the common location codes and the pipeline proprietary codes. In addition, after several months of BPS meetings, little opposition was voiced against the elimination of the common code requirement. The industry sought input from FERC staff as to whether the Commission might support this change in the NAESB standards, and whether the Commission would consider changing the Federal regulations that refer to common location codes. A meeting was held in Washington, DC on July 7, 2011 during which FERC staff expressed no objections to the direction of the project. Although the meeting was not conclusive, as FERC staff may not bind the Commission, the WGQ BPS took encouragement from this meeting and voted to approve the draft standards on September 8, 2011. The draft standards were submitted for a formal industry comment period that ended on October 14, 2011.

The standards propose either the use of common codes, or the use of proprietary codes. In lieu of the common code, transportation service providers would provide a download that includes detailed location information. Thus, the common codes are not being eliminated, but rather made optional. As a consequence, IHS would no longer maintain the common code registry, making it incumbent upon each transportation service provider to ensure the accuracy, accessibility and availability of the codes, and the historical use of the codes.

The WGQ Executive Committee (EC) voted to approve the business practice standards in late October. In accordance with the EC’s wishes, NAESB will delay submitting the standards for membership ratification until the WGQ IR/Technical subcommittees have completed their work on the data dictionary and related technical work necessary to accommodate the business practices. WGQ EC will review the technical implementation of the removal of the common codes during their August EC meeting. NAESB did not receive any commentary on this topic during the comment period which ended on June 11, 2012.

For more information, please go to [WGQ BPS Web Page, WGQ Common Codes Recommendation, IHS / WGQ Contract], or contact Denise Rager (drager@naesb.org) to be added to the distribution list.
Wholesale Gas Contracts: The Wholesale Gas Contracts subcommittee has finalized the language for the Government Acquisition Provision Addendum (GAPA) to the NAESB Base Contract for Federal Acquisition Regulations (FAR) and Government Contract Compliance (GCC) clauses. The GAPA was voted out of subcommittee on February 8, 2012 and presented to the industry for a 30-day comment period ending March 12, 2012. The subcommittee received two comments, ExxonMobil Gas & Power Marketing and Encana.

A survey concerning the development of a NAESB NGL Master Agreement Natural Gas Liquids (NGLs) was distributed to NAESB members and industry participants in the 1Q 2012. Comments received from several companies supported the idea. In March, the committee began work on development of a strawman that will serve as a first draft for the Master Agreement for Purchase, Sale or Exchange of Petroleum Products. This is in response to NAESB 2012 WGQ Annual Plan Item 7.b – Natural Gas Liquids Master Agreement. The subcommittee anticipates completion of the recommendation before the October WGQ EC meeting.

Demand-Side Management and Energy Efficiency: On April 19, 2012, the FERC initiated a Notice of Proposed Rulemaking (NOPR) in Docket No. RM05-5-020 to incorporate by reference the WEQ measurement and verification of the demand response and energy efficiency standards. Comments on the NOPR are due on June 25, 2012 and concern the phase two demand response standards and the energy efficiency standards filed with the Commission on May 3, 2011. In response to the NOPR, NAESB successfully hosted two two-hour informational sessions to review the standards. These sessions, for NAESB members, provided a better understanding of the standards and the context in which they were developed.

On April 19, 2012, the Retail Energy Efficiency (EE) Work Group addressed the comments submitted by Southern Company and Alliance to Save Energy (ASE), Efficiency Valuation Organization (EVO), United States Department of Energy (DOE) and Northeast Energy Efficiency Partnerships (NEEP) on the draft recommendation for Annual Plan Item 3.b and voted to approve the recommendation with the modifications made during the meeting. The Work Group determined that the comments offered by ASE, EVO, DOE and NEEP concerning the definitions to Energy Efficiency and Demand Reduction Value, REQ.193.2.2 and the references to the International Performance Measurement and Verification Protocol (IPMVP) options would best be addressed in a phase two effort. This phase two effort would comply with the Board of Directors directive to require consistency between the retail electric quadrant and wholesale electric quadrant standards whenever possible. Modifications proposed as a phase two effort will result in changes to both the REQ and WEQ EE standards.

A conference call for the DSM-EE subcommittee was scheduled for May 30, 2012. During this conference call the subcommittee voted to adopt recommendations for Retail Annual Plan 3.b and the Customer Enrollment standards developed in response to request R10002 / Retail Annual Plan Item 10.a.

The Retail Business Practice subcommittee (BPS) and the Retail Smart Grid Data Privacy Task Force met jointly with the DSM-EE subcommittee on March 28, 2012 to begin discussions on 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.

For more information, please go to (FERC Final Rule - Order No. 676-E, Draft Retail Enrollment MBPs, Draft Process Flow for Retail Enrollment, Revised Retail EE Recommendation), or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Network Integration Transmission Services (NITS) Standards Development: The Open Access Same-Time Information Systems (OASIS) that manages the electronic scheduling of wholesale electricity was initially designed to support point-to-point transmission services. For several years, the WEQ OASIS subcommittee has been working diligently to establish standards permitting OASIS to accommodate network integration transmission service (NITS), as mandated by FERC in Order No. 890. The subcommittee has completed draft standards that will be included in WEQ-000, the glossary and list of acronyms, WEQ-001, OASIS Business Practice Standards, WEQ-002, OASIS Standards and Communication Protocols (S&CP), WEQ-003, OASIS Data Dictionary, and WEQ-013, OASIS Implementation Guide. A draft version of the entire NITS suite of standards was sent out for an informal industry comment period ending July 29, 2011. The subcommittee spent the months of August and September performing a thorough review of the comments received. By the time this review concluded in late September, the subcommittee had decided to incorporate hundreds of well-considered comments from the industry. NAESB would like to thank everyone who provided comments at this critical stage of the process on a project that will have significant impact on operations around the country. During the December 1, 2011 meeting hosted by Entergy, the Subcommittee unanimously voted to approve the recommendation and post it for a 75-day formal comment period ending on February 27, 2012. Although formal comment periods generally last 30 days, the WEQ EC decided that the volume of material generated by the NITS project is more conducive to an extended review.

During the May 1, 2012 WEQ EC meeting, the EC voted to approve the recommendation with modifications recommended by the subcommittee, as well as those made during the meeting. The EC formally recognized and thanked the OASIS subcommittee members for the incredible amount of effort that went into this recommendation. The NITS on OASIS standards will be published as a part of WEQ Version 003 on July 31, 2012.

For more information, please go to (WEQ OASIS Web Page, NITS Final Action) or contact Denise Rager (drager@naesb.org) to be added to the distribution list.
Filings: A number of WGQ minor corrections impacting standards and data elements found in WGQ Version 1.9 and 2.0 were filed with the Commission in the last quarter. In addition, a minor correction was filed with the Commission on behalf of the WEQ on June 14, 2012. MC12020 proposes to correct seven Measurement and Verification of Energy Efficiency Products (WEQ-021) business practice standards and one related Abbreviation and Acronym (WEQ-000). The minor correction was submitted to create consistency between the WEQ and REQ version of the standard and to eliminate any potential issues that may occur due to the non-static reference included in the business practice standard. The WEQ-021 standards are the subject of the Notice of Proposed Rulemaking (NOPR) proposing to adopt the standard in Docket No. RM05-5-020. Comments on the NOPR were due June 25, 2012 but due to the submission of the minor correction, the due date has been extended to July 31, 2012.

NAESB recently amended the NAESB Operating Practice minor correction process to include modifications that will shorten the time period from 30 days to two weeks for the application of minor corrections that are specifically the result of the editorial review of a new publication. This modification was made to ensure that last minute corrections can be incorporated in the publications.

On February 16, 2012, FERC issued a NOPR to amend its regulations to incorporate by reference Version 2.0 of business practice standards, adopted by the NAESB WGQ, applicable to interstate pipelines. The notice was published in the Federal Register on February 22, 2012.

On March 2, 2012, Commissioner Moeller provided the industry with an opportunity to forward comments on the Commission’s proposal to require the Commission-certified Electric Reliability Organization to make available to Commission staff on an ongoing basis, access to complete electronic tagging data used to schedule the transmission of electric power in transmission markets. NAESB voluntarily filed comments with the Commission on March 26 stating, “While NAESB does not take a position on the request, should the commission determine to require access to the complete electronic tagging data used to schedule the transmission of electric power in transmission markets, the Joint Electric Scheduling subcommittee (JESS) notes that there may be fairly simple technical approaches to meet FERC’s request to receive all e-Tags.”

On February 3, 2012, Commissioner Moeller provided the industry with an opportunity to forward comments on the interdependence of the natural gas and electricity markets. NAESB voluntarily filed comments with the commission on March 30, 2012. These comments reiterated the recommendations of the National Petroleum Council’s report, “Prudent Development-Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources” and emphasized the creation of the Gas-Electric Harmonization Committee based on those recommendations.

On April 19, 2012, FERC issued a NOPR to incorporate by reference the business practice standards, adopted by the NAESB WEQ, that pertain to the measurement and verification of demand response and energy efficiency resources participating in organized wholesale electricity markets. The notice was published in the Federal Register on April 24, 2012.

On February 27, 2012, the Office of the Federal Register, National Archives and Records Administration (NARA) provided the industry with an opportunity to forward comments regarding the incorporation by reference process. NAESB filed comments with the NARA on May 31, 2012. These comments emphasized the dependence of NAESB’s current structure on the integrity and sales of its copyrighted standards.

For more information, please go to (WGQ Minor Corrections Web Page, WEQ Minor Corrections Web Page, Retail Minor Corrections Web Page) or contact Denise Rager (drager@naesb.org) for additional information.

National Archives and Records Administration: Incorporation by reference is a process used to make technical standards developed in the private sector enforceable. The standards are treated as if they were published in the Code of Federal Regulations (CFR) and the Federal Register. Congress has authorized incorporation by reference in the Freedom of Information Act to reduce the volume of material published in the CFR and the Federal Register. The Director of the Federal Register has complete authority to determine whether a proposed incorporation by reference serves the public interest. The Director’s review includes a determination that materials incorporated by reference are reasonably available.

The Office of the Federal Register, National Archives and Records Administration (NARA), has received a petition to amend the regulations involving incorporation by reference. Specifically, the petition requests that NARA define the term, “reasonably available,” and, in the case of mandatory standards, “provide at least free read-only” access to the text. NARA requested commentary from the public concerning this petition. NAESB’s comment emphasized the importance of the revenue derived from its copyrighted standards in relation to its structure as an organization.

NAESB work products are protected by federal copyright with exclusive rights given to NAESB regarding the reproduction, distribution, adaptation and display – thus, providing a limited monopoly over use. Currently, to support non-member access to protected NAESB work products and protect NAESB revenue stream, NAESB offers Lock Lizard Safeguard Secure Viewer. This document viewer software allows evaluations of the work products at no cost to the requestors.
NAESB Quadrant/Segment Membership Analysis:

**Wholesale Gas Quadrant**
- 117 Members
  - End Users Segment: 17
  - Distributors Segment: 17
  - Pipelines Segment: 42
  - Producers Segment: 12
  - Services Segment: 29

**Retail Electric Quadrant**
- 27 Members
  - End Users/Public Agencies Segment: 12
  - Utilities Segment: 7
  - Service Providers/Suppliers Segment: 8

**Retail Gas Quadrant**
- 18 Members
  - End Users/Public Agencies Segment: 1
  - Distributors Segment: 6
  - Service Providers/Suppliers Segment: 11

**Wholesale Electric Quadrant**
- 134 Members
  - End Users Segment: 8
  - Distributors Segment: 20
  - Transmission Segment: 44
  - Generation Segment: 22
  - Marketers/Brokers Segment: 23
  - Non Specified: 1
  - Independent Grid Operators/Planners Segment: 9
  - Technology & Services Segment: 7

**Total Membership**: 296 Members

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**Lock Lizard Safeguard Secure Viewer Software**: To support non-member access to protected NAESB work products and protect NAESB revenue stream, NAESB offers Lock Lizard 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 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 business days 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 naesb@naesb.org for permission. Of course, non-members can purchase the work products. 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.