STANDARDS DEVELOPMENT

Retail Net Metering Model Business Practices Development: Continuing its efforts to address certain aspects of retail net metering in the Model Business Practices, the Retail Business Practice Subcommittee (Retail BPS) held a face-to-face meeting hosted by Oncor in Dallas, Texas on August 18-19, 2014. During the meeting, the subcommittee finalized and voted out a recommendation to modify Book 8 – Retail Customer Information. The recommendation is Part One of 2014 RXQ Annual Plan Item No. 7 – Develop Model Business Practices to describe how Retail Net Metering is used by Market Participants in competitive energy markets in jurisdictions where their charges to certain Retail Customers must account for Retail Net Metering arrangements. The recommendation, which includes a definition for the term “Retail Net Metering,” will be closely followed by revisions to Book 3 – Billing and Payments, Book 10 – Customer Enrollment, Drop and Account Information Change, and Book 11 – Customer Enrollment, Drop and Account Information Change Using a Registration Agent. The completion of the standards development effort for the entire annual plan item is scheduled for the first quarter of 2015. As part of the full staffing process, the Retail Information Requirements and Technical Electronic Implementation Subcommittee (Retail IR TEIS) will begin to develop modifications to the Data Dictionaries and the technical implementation under 2014 RXQ Annual Plan Item No. 7.c to support the standards.

With the divergent applications of net metering arrangements and the variations in policy decisions by state commissions on the subject in mind, the annual plan item is limited to business practices that support billing and payment in competitive markets. Another key aspect of the development effort is that it seeks to formulate technical model business practices that support billing and payment in competitive markets. Another key aspect of the standards development effort is that it seeks to formulate technical model business practices that will bolster numerous jurisdictional implementations. The next Retail BPS face-to-face meeting will be hosted by Dominion in Richmond, VA on October 20-21, 2014.

Cybersecurity: On September 18, 2014, FERC issued Order No. 676-H, incorporating by reference certain NAESB WEQ Version 003 Business Practice Standards. The subsequent Errata Notice issued on October 3, 2014 adopted several Version 003 standards not included in the original order, including the NAESB WEQ-012 – NAESB Public Key Infrastructure (PKI) standards. NAESB developed the WEQ-012 PKI standards and the related ancillary standards to support mutual entity authentication through the use of digital signatures, authorized certificate authorities, issuance of certificates and provisions for public-private keys to access. With a focused attention on the protection of market information and executed transactions, the standards support an infrastructure of secure electronic communications. NAESB submitted the WEQ Version 003 filing to the FERC on September 18, 2012. That filing was followed by a status report regarding the WEQ-012 PKI standards on November 30, 2012, an errata filing for Version 003 on December 20, 2012, and, finally, the Report to FERC Regarding Modifications to the NAESB PKI Standards and Other Standards to support the PKI on January 29, 2013. For those interested in becoming an Accredited Certification Authority for PKI, the process is illustrated in the Board Certification Committee Authorized Certification Authority Process. The Authorized Certification Authority Requirements can be found in the NAESB Accreditation Requirements for Authorized Certification Authorities.

Click on any underlined text and you can access more detailed reports.
Cybersecurity (continued): Subcommittee during its October 9, 2014 meeting. The recommended annual plan item will propose a gap analysis be conducted between the NERC Critical Infrastructure Protection (CIP) standards and the NAESB Business Practice Standards to determine whether any standards modifications or development efforts should be pursued by NAESB. The proposed annual plan item, if created, would likely be assigned to the NAESB WEQ Cybersecurity Subcommittee (CSS).

Outside of NAESB activities, the pre-publication of the first revision to the National Institute of Standards and Technology (NIST) guidelines for secure implementation of smart grid technology, draft NIST IR 7628 Revision 1, Guidelines for Smart Grid Cybersecurity was posted in September. The draft NISTIR 7628 Revision 1 was completed by the NIST-led Smart Grid Cybersecurity Committee (formerly the Cybersecurity Working Group) of the Smart Grid Interoperability Panel. The NIST IR 7628 has been updated to address changes in technologies and implementations since the preceding September 2010 release. In addition, the development strategy, cryptography and key management, privacy, vulnerability classes, research and development topics, standards review, and key power system use cases have been updated and expanded to reflect changes in the smart grid environment.


Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR): On September 4, 2014, the WEQ Business Practices Subcommittee (BPS) voted out a recommendation for WEQ 2014 Annual Plan Items 1.a, 1.b, 1.d, and Standards Request R11020 – the Parallel Flow Visualization (PFV) project. The formal industry comment period on the recommendation concluded on October 3, 2014 and five comments were received from Tennessee Valley Authority, MISO, ISO/RTO Council Members, Southern Company, and Xcel Energy Operating Companies.

The WEQ BPS efforts to develop a recommendation for the PFV project began in 2010 with the intention of improving the congestion management process of the Eastern Interconnection by increasing the Reliability Coordinator’s real-time visibility of the source and magnitude of parallel flows in the bulk electric system. Specifically, the recommendation seeks to support and complement the NERC Reliability Standards by proposing modifications to the current WEQ-008 Transmission Loading Relief – Eastern Interconnection Standards in order to support the submittal of near real-time data to the Interchange Distribution Calculator (IDC). Additional proposed modifications to the standards will determine priorities and sub-priorities for curtailment and the current Transmission Loading Relief (TLR) procedures.

The subcommittee has held five, two-day meetings this year. In January, a second informal comment period was held on the draft recommendation. The WEQ BPS will review the comments during an upcoming meeting in preparation for the October 21, 2014 WEQ Executive Committee (EC) meeting, during which the EC will evaluate the recommendation and comments. If the proposed standards are approved, the EC will then vote to initiate the full staffing process.

The time provided through the full staffing process will allow the WEQ BPS to evaluate the results of the subsequent 12-18 month field test before the standards are finalized. The field test will be conducted by the IDC Association, the organization that manages the IDC tool, and will require coordination between NAESB, the IDC Association, and NERC. The WEQ BPS and the IDC Working Group (IDCWG) have been actively communicating regarding potential modifications to the IDC tool. The IDC Association will initiate software development once the WEQ Executive Committee has approved a recommendation on PFV. Approximately 12-18 months are needed prior to the initiation of the field test for the IDC Association to develop, approve, implement, and test the needed change orders and design a test plan.

To update the Commission on the status of the project, NAESB filed a status report with the Commission in Docket No. EL14-82-000 on July 11, 2014. The report was drafted in coordination with NERC and the IDC Association and provides a brief history of the PFV project, outlines the coordination efforts of the three organizations to date, and details the anticipated coordination activities during the PFV field test. NAESB will file additional reports with the Commission to keep them updated on the progress of the efforts. The next WEQ BPS face-to-face meeting will be hosted by PJM in Valley Forge, PA on October 28-29, 2014.

Smart Grid and Data Privacy Update: FERC Order No. 676-H was issued on September 18, 2014 by the Federal Energy Regulatory Commission (FERC) and incorporated by reference, with certain exceptions, the NAESB WEQ Business Practice Standards Version 003. The Notice of Proposed Rulemaking (NOPR) for Version 003 was issued on July 13, 2013 in the same docket, RM05-5-022, and proposed to incorporate by reference five sets of smart grid standards – WEQ-016 Specifications for Common Electricity Product and Pricing Definition, WEQ-017 Specifications for Common Schedule Communication Mechanism for Energy Transactions, WEQ-018 Specifications for Wholesale Standard Demand Response Signals, WEQ-019 Customer Energy Usage Information Communication, and WEQ-020 Smart Grid Standards Data Elements Table. In FERC Order No. 676-H, the Commission stated “rather than incorporating [the smart grid] standards by reference as mandatory enforceable standards (as proposed in the WEQ Version 003 NOPR), the Commission instead will list these standards informationally in Part 2 of [the Commission’s] regulations as non-mandatory guidance.” The Commission also noted that the NAESB Smart Grid standards “were meant to provide encouragement for the further development of new technologies and to foster Smart Grid interoperability by defining a set of business processes that would serve as an input into the development of a broader Smart Grid information model.”

The NAESB WEQ Smart Grid standards were developed to support the National Institute of Standards and Technology (NIST) in fulfillment of its obligations under the Energy Independence and Security Act of 2007 and to provide the data requirements for the communication of pricing information, scheduling information, demand response signals, and energy usage information. The data requirement standards serve as the basis for the other standards and specifications being developed at the request of NIST and the Smart Grid Interoperability Panel.

In order to support the smart grid standards in the retail markets, the Board endorsed the Third Party Data Privacy Practices Certification Program developed by the Board Certification Program Committee. After a review conducted by the Data Privacy Task Force, chaired by Christine Wright of the PUC the August Retail Energy Quadrant (RXQ) Executive Committee approved the recommendation to support RXQ 2014 Annual Plan Item No. 6.b – Consider the development of a specification to support a certification program for the NAESB REQ.22 Model Business Practices.

The certification program allows third party service providers, and possibly utilities, to become certified by NAESB as compliant with the NAESB data privacy protocols described in the standard. The program mirrors the model used for the Public Key Infrastructure and the Demand Response and Energy Efficiency Measurement and Verification certification programs. Through these programs, entities seeking certification must submit an affidavit that they are compliant with the requirements of the program and provide any third party audits that support the affidavit.

Additionally, the REQ.22 Model Business Practices also serve as a foundation for the Department of Energy’s (DoE) Federal Smart Grid Task Force effort to develop a Voluntary Code of Conduct (VCC) addressing data privacy for utilities and third parties that are providing consumer energy use services. The VCC is currently posted for a thirty day comment period that ends on October 14, 2014.

A joint conference call was held on September 29, 2014 for the Retail Business Practices Subcommittee and the Energy Services Provider Interface (ESPI) Task Force to address 2014 RXQ Annual Plan Item No. 9. During the April 30, 2014 meeting, the RXQ Executive Committee added the annual plan item to review REQ.21 ESPI Model Business Practices and the NAESB RXQ Electronic Data Interchange (EDI) standards to determine whether modifications are required to ensure consistency. The recommendation is scheduled to be completed by the ESPI Task Force and the RXQ Business Practices Subcommittee within the fourth quarter of 2014. The NAESB REQ.21 ESPI Model Business Practices provide a process and interface for the exchange of a retail customer’s energy usage information between their designated data custodian, i.e. utility, and an authorized third party service provider. The standard provides a consistent method for the authorization of third party access to retail consumer usage information and a standardized interface for the exchange of the information that will support the development of innovative products.

The NAESB ESPI standard has been endorsed by the DoE as part of their Green Button initiative to encourage utilities in the U.S. to provide their customers with easy access to their energy usage data in a computer- and consumer-friendly format via a “Green Button” on electric utility web sites. The Green Button standard has been adopted by 48 utilities and currently over 42 million household and business customers have access to their Green Button energy data.

**Preemption and Competition:** NAESB remains focused on addressing FERC Order No. 890 with the preemption and competition standards development effort. On September 18, 2014 the WEQ OASIS Subcommittee sent a request for informal comments to the industry regarding the NAESB WEQ-001-20 standard addressing Rollover Rights. Rollover Rights allow certain existing firm service customers to continue to take transmission service from the Transmission Provider when their contract expires, rolls over, or is renewed. The proposed modifications to WEQ-001-20 were drafted by the WEQ OASIS Subcommittee as a part of the draft recommendation for 2014 WEQ Annual Plan Items 2.a.i.1-2 and 5.c – Preemption and Competition. All interested parties, regardless of membership status within NAESB are eligible to submit informal comments for consideration. Comments and/or proposed amendments will be submitted to the NAESB office by the close of business on October 17, 2014. Meanwhile, the WEQ OASIS Subcommittee is continuing its efforts to formalize the remaining sections of the draft recommendation concerning the processes of preemption and competition on OASIS in response to FERC Order No. 890 and the NAESB standards request R05019. A formal recommendation is expected to be submitted to the WEQ Executive Committee in the fourth quarter of 2014.

During the September 16-18, 2014 face-to-face meeting hosted by Seattle City Light in Seattle, WA, the subcommittee focused on timing scenarios, resales and redirects, and certain aspects regarding long-term transmission service. The group has also agreed to extend the length of its remaining 2014 conference calls from four hours to seven hours. To date, the subcommittee has voted on 120 motions. As consensus is reached and motions are passed, the concepts are incorporated into the draft recommendation. The preemption and competition standards development effort will propose modifications to WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013. The WEQ OASIS Subcommittee will hold its next face-to-face meeting hosted by Dominion in Richmond, VA on October 22-23, 2014.


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**Gas-Electric Harmonization:** On September 29, 2014, NAESB filed comments to the Federal Energy Regulatory Commission (FERC) regarding the NAESB Gas-Electric Harmonization (GEH) standards development effort, 2014 WGQ Annual Plan Item No. 11.c. The comments detailed the modifications to the Wholesale Gas Quadrant (WGQ) standards in response to the March 20, 2014 FERC Notice of Proposed Rulemaking (NOPR), *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, filed in Docket No. RM14-2-000. The NOPR proposes, among other things, to modify the current NAESB standards that support the operating day and scheduling practices used by pipelines to schedule natural gas transportation services. In addition, the Commission is “providing the natural gas and electric industries, through NAESB, with a period of 180 days after publication of the Proposed Rule in the Federal Register to reach consensus on any revisions to the Commission’s proposals and either file consensus standards with the Commission or notify the Commission of its inability to reach consensus on any revisions to the Commission’s proposals.” The WGQ recommendation for 2014 WGQ Annual Plan Item No. 11.c was ratified by NAESB membership on September 22, 2014, subsequent to attaining the approval of the WGQ Executive Committee on August 21, 2014. Fifteen industry comments were submitted during the thirty day formal industry comment period.

Previously, NAESB filed a report to the FERC on June 18, 2014 in Docket No. RM14-2-000. The purpose of the report was to inform the Commission of the actions taken by the NAESB Board during the June 4, 2014 single-topic GEH meeting to support the directives of the March 20, 2014 NOPR and to communicate the additional steps the organization has taken to support the requests made in the NOPR.

After the issuance of the NOPR, the Board met on April 3, 2014 and approved a voting mechanism and timeline. The Board also supported several other equally important and related actions: the creation of a catalog of the NAESB standards that would require modifications should the FERC proposal be adopted in a Final Rule; the GEH Forum process; the redlining the NAESB standards noted in the catalog to reference the FERC proposal; and the addition of the GEH related provisional annual plan items to active status for both the WGQ and WEQ 2014 Annual Plans.

The GEH Forum, co-chaired by Valerie Crockett and Sue Tierney, provided a platform whereby the industries could consider consensus-based alternatives that varied from the NOPR. The Forum held two conference calls on March 27 and April 1, held one review session also on April 1, and hosted four face-to-face meetings on April 22-23, May 5-6, May 22-23, and June 2-3. The face-to-face meetings, which were available by conference call and web cast for those unable to travel, were held in downtown Houston at the Hilton Americas and saw high levels of attendance, averaging about three hundred industry participants, with two-thirds participating by phone. During the April meeting thirteen entities delivered presentations suggesting alternatives to the proposal provided by the FERC in the NOPR. During the May 5-6 meeting, the Forum continued the progress made during previous meetings and conference calls by discussing in detail the individual components of the alternative proposals included in the presentations reviewed during the April meeting. The Forum moved onto its next phase during the May 22-23 meeting by working to form consensus around proposed packages that were voted on during the final June 2-3 meeting. Four proposals were considered at the final meeting. Over 13,000 votes were cast on 56 different motions as part of the forum’s process to recommend an alternative proposal.
Gas-Electric Harmonization (continued): Although consensus on an alternative package incorporating all aspects of the proposals included in the NOPR was not reached at the forum, the process resulted in commonalities that allowed the Board to move the process forward.

On June 4, 2014, the Board modified the WGQ Annual Plan to include 2014 WGQ Annual Plan Item No. 11.c, calling for the WGQ to develop new standards and modify existing standards to support the enhanced timeline, while excluding mention of gas day start times. The standards will be filed as a final action and will be included in Version 3.0 of the NAESB WGQ Business Practice Standards, scheduled to be published on November 14, 2014.

The WGQ BPS recommendation on 2014 WGQ Annual Plan Item No. 10 was approved by the WGQ Executive Committee on August 25, 2014 and ratified by NAESB membership on September 25, 2014. The recommendation is in response to the March 20, 2014 Order to Show Cause, Posting of Offers to Purchase Capacity. The Order was issued by the Commission in Docket No. RP14-442-000 and requires “all interstate pipelines to submit filings, to the Commission, within 60 days of the date [of the order], either revising their respective tariffs to provide for the posting of offers to purchase released capacity, or otherwise demonstrating that they are in full compliance with … regulations.” The NAESB board approved the development of a recommendation addressing the Order to Show Cause as part of 2014 WGQ Annual Plan Item No. 10. The recommendation developed by the WGQ BPS and the WGQ Information Requirements and Technical Subcommittees modified existing NAESB WGQ Business Practice Standard No. 4.3.23 and proposed a new standard and code value to the WGQ suite of standards.

Gas-Electric Harmonization is also an area of focus within the Retail Energy Quadrant (RXQ). During the September 11, 2014 meeting, the board approved the RXQ Executive Committee recommendation to modify the RXQ Annual Plan by adding 2014 RXQ Annual Plan Item No. 10. The annual plan item calls for the development of a catalog of the RXQ model business practices that would require changes to remain consistent with the March 20, 2014 FERC GEH NOPR. The RXQ Executive Committee expects the efforts to be completed within the fourth quarter of 2014.

On September 18, 2014, the FERC staff delivered the seventh quarterly update on national and regional coordination activities, Gas-Electric Coordination Quarterly Report to the Commission. The update highlighted the actions taken by NAESB to support the directives of the March 20, 2014 FERC GEH NOPR. Additionally, a technical conference was held at the FERC on September 18, 2014 in order to provide a forum for the industry to discuss ideas that will facilitate and improve the way in which natural gas is traded, and to explore the concept of establishing a centralized trading platform for natural gas.


Please monitor the NAESB Primers and Training Courses web page for additional information and scheduling of upcoming courses.
Update on the Electric Industry Registry (EIR) and e-Tagging Specification: The NAESB Electric Industry Registry (EIR) is a tool that serves as a central repository of information required for transactions that support a wide array of business functions for scheduling transmission service on the wholesale power grid. The successful completion of the final phase of the registry transition from the NERC TSIN to the NAESB EIR concluded on April 8, 2014 with the retirement of legacy user interface items and an update of the registry user guides. The functionalities retired were primarily utilized to aid users in uploading data from the TSIN to the EIR as part of the original transition of the registry.

With the completion of the registry transition, NAESB has entered into a maintenance phase, considering registry enhancements on a case-by-case basis to meet the needs of the industry through the NAESB EIR Enhancement Requests Process. This process serves as a mechanism by which the industry can propose modifications to the functionality of the EIR. To date, three EIR Enhancement Requests have been submitted to the NAESB office. The first implementation of an EIR Enhancement Request, ER14001, occurred on August 7, 2014. ER14001 requested a new product code for 7-CB Firm Capacity Benefit Margin be created and implemented within the EIR. The request was received by the NAESB office on January 6, 2014 from Tennessee Valley Authority. In accordance with the NAESB EIR Enhancement Request Process, ER14001 was assigned to the WEQ Joint Electric Scheduling Subcommittee (JESS), which met February 25-26, 2014 to unanimously vote out a recommendation to implement the request as submitted. The recommendation of the WEQ JESS and accompanying change order from OATI were subsequently approved by the Managing Committee.

During the August 5, 2014 meeting, the WEQ JESS voted out a recommendation for ER13001, which was submitted by the NERC Coordinate Interchange Standards Drafting Team on June 13, 2013. The request proposed modifications to the EIR to enable the tagging of pseudo-tie transactions. Evaluation of the request was postponed until the February 6, 2014 NERC Board of Trustees approval of the NERC Interchange Scheduling and Coordination (INT) Reliability Standards. NAESB has obtained a change order from OATI for ER13001 and the recommendation and accompanying change order will be presented to the NAESB Managing Committee for consideration.

Also, NAESB is working with OATI to establish an implementation date for the proposed modifications in EIR Enhancement Request ER13002. Northwestern Energy Corporation submitted the request on August 26, 2013 to propose modifications within the registry that provide additional notice to entities regarding the potential removal of objects and data points from the registry publication due to an entity’s failure to maintain an annual registry registration. During its July 15-16, 2014 meeting, the WEQ JESS approved a recommendation proposing modifications to the registry publication that will achieve the objective of increased user notice sought by the requester. The Managing Committee approved both the recommendation and the related OATI change order.

The WEQ JESS tentatively scheduled interoperability testing for Version 1.8.2 of the e-Tag Specification to begin in October with a possible implementation date set for March 31, 2015. Version 1.8.2 of the e-Tag Specification supports the implementation of the NAESB Business Practice Standards related to Network Integration Transmission Service (NITS) on OASIS. The specification was also modified to accommodate regional business practices of the WECC and to allow for the use of multiple reliability limit profiles. The subcommittee voted out the recommendation on January 10, 2014 and the WEQ Executive Committee approved the recommendation during its February 18, 2014 meeting.


2015 Annual Plan Conference Calls: The 2015 annual planning process has begun with the announcement of a set of calls to take place on October 9, 2014. A request for comments on the annual plans concluded on October 6, 2014. The conference calls are open to NAESB members and interested industry participants to propose and discuss items that should be included on the 2015 annual plans for the retail, wholesale electric, and wholesale gas quadrants. The drafts of the 2015 annual plans will be considered by the quadrant executive committees during their October 21-23, 2014 meetings. All annual plans, as adopted by the executive committees, will be reviewed for adoption by the Board during the December 11, 2014 meeting.
2015 Annual Plan Conference Calls (continued): During the September 11, 2014 meeting, the board reviewed the industry responses to the NAESB Standards Development Survey and adopted a resulting resolution proposed by the Board Strategic Plan Task Force. On the issue of future standards development activities, the resolution included three recommendations: 1) That NAESB continue to consider standards development in the existing nine areas identified in the survey. Those areas are: Energy Efficiency, Demand Side Management, Variable Energy Resources/Renewables, Gas-Electric Coordination, Cybersecurity, Social Engineering, Data Privacy, Smart Grid Applications, and Telecommunications and Electronic Communication of Data for Standard Transactions; 2) That NAESB will not pursue standards development in twelve potential areas identified in the survey; and 3) That the Board take no action regarding modifications to the current quadrant and segment structure based on the results of the survey. In total the NAESB office received 99 responses from representatives from 89 different organizations.

For more information, please go to NAESB Annual Plan Subcommittee Page, NAESB Board Strategic Plan Task Force Report Adopted by the NAESB Board of Directors, July 23, 2014 Board Strategic Plan Notes, August 28, 2014 Board Strategic Plan Notes and October 9, 2014 Conference Call Agenda.

NAESB and NERC Continuing Coordination: Continuing coordination on a range of industry goals, NERC and NAESB hold monthly calls to discuss several ongoing projects. The discussion topics include the MOD A standards development project, the Parallel Flow Visualization project, the coordination of NERC and NAESB glossaries, and any additional organizational issues identified by the NERC project managers or the NAESB subcommittee co-chairs.

Related to the MOD A efforts, NAESB filed comments in response to the June 19, 2014 FERC Notice of Proposed Rulemaking (NOPR), Modeling, Data, and Analysis Reliability Standards, in Docket No. RM14-7-000 on August 25, 2014. The comments respond to specific Commission inquiries regarding the timeline for the development of MOD-related business practice standards and coordination with NERC. Currently, the standards development process is anticipated to last eleven months, which will accommodate the eighteen month implementation plan proposed by the FERC in the NOPR.

During the August 19, 2014 WEQ Executive Committee meeting, a recommendation from the WEQ Executive Committee MOD Standard Scoping Task Force was adopted. The recommendation requested that the WEQ Executive Committee direct the WEQ Business Practices Subcommittee (BPS) to consider the forty-one requirements identified by the task force for inclusion as a new suite of standards in the NAESB WEQ Business Practice Standards. The standards development effort, 2014 WEQ Annual Plan Item No. 1.h, has a projected completion date within the second quarter of 2015.

This effort was initiated by a petition that NERC filed to the FERC on February 10, 2014. The petition proposed the retirement of several NERC MOD standards (MOD A standards) that pertain to the calculation of Available Transfer Capability (ATC) and Available Flowgate Capability (AFC). In parallel, NERC submitted a standards development request, R14002, to NAESB to consider the development of standards that support the commercial or business aspects in the NERC MOD A standards. During the February 18, 2014 WEQ Executive Committee meeting, the WEQ Executive Committee MOD Standard Scoping Task Force was created and charged with evaluating R14002, proposing assignments for new or existing subcommittees, and recommending a defined scope and timeline for the proposed assignments. In an effort to achieve this, the task force met seven times to review the matrix of NERC MOD reliability standard requirements included by NERC in R14002. Out of the more than two hundred requirements included in the matrix, the task force narrowed the scope down to forty-one requirements for subcommittee consideration as a new suite of NAESB WEQ standards. A comment period was held from April 24, 2014 to May 22, 2014 regarding the requirements marked for NAESB consideration in the matrix. Eight sets of comments were submitted by Tennessee Valley Authority, MISO, North Carolina Electric Membership Corporation, PJM, Southern Company, Southwest Power Pool, Bonneville Power Administration, and Puget Sound Energy. The WEQ BPS began to address the annual plan item during its October 1, 2014 meeting.

As discussed in previous communications, NAESB is currently conducting ongoing coordination efforts with NERC and the IDC Association regarding the Parallel Flow Visualization Project. On July 11, 2014, NAESB filed a report, Parallel Flow Visualization Project Status, to the FERC in Docket No. EL14-82-000. The status report informed FERC of the efforts underway to improve the congestion management process of the Eastern Interconnection. Leadership for NAESB, NERC, and the IDC Association maintain harmonization on several aspects of the project.

Additionally, NERC and NAESB leadership continue to exchange notes related to gas-electric coordination, demand response and energy efficiency, cybersecurity efforts, and the existing structure of the organizations. NERC and NAESB executive leadership meet periodically to evaluate the status of these efforts and any future developments which may require coordination.

NAESB Board of Directors Meeting and Board Committees Update: The September 11, 2014 NAESB board meeting was held in Houston, Texas and included the Annual Meeting of Members. A panel of industry luminaries, including Sue Tierney, Timothy Simon, Wayne Gardner, Marc Spitzer, Annabelle Lee, Annie McIntyre, and Sheila Hollis discussed the future of the gas and electric industries and the harmonization of various market interests.

During its regular business, the board adopted the Board Strategic Plan Task Force Report which contained four proposed recommendations to the Board– the adoption of a NAESB Strategic Plan for 2015-2017; the creation of the NAESB Ad Hoc Board Strategic Plan Task Force; the adoption of a NAESB Communications Strategy; and the adoption of three recommendations regarding standards development and segment structure. The three recommendations are based on the results of NAESB Standards Development Survey: 1.) Board approval to consider standards development in the existing nine areas identified in the survey; 2.) Board approval that the organization will not pursue standards development in twelve potential areas identified in the survey; and 3.) that the Board take no action regarding modifications to the current quadrant and segment structure based on the results of the survey. The Board Strategic Plan Task Force met on July 23, 2014 and August 28, 2014 to finalize the report.

Additionally, the board adopted a recommendation from the Board Revenue Committee and an endorsement of that recommendation from the Parliamentary Committee that proposed to eliminate subsegments and designation requirements in the WEQ. The Board Revenue Committee met on August 28, 2014 to unanimously approve the recommendation. The Committee also reviewed the generation of revenue for the organization as related to publication cycles.

More importantly, the Board considered a resolution proposed by the Parliamentary Committee to extend the Sunset Provision of the NAESB Certificate of Incorporation through December 31, 2024. As this action required a change to the NAESB Certificate of Incorporation, a voting threshold of 75% support from the Board of Directors and 40% support from each fully populated segment were needed to move forward. As there were an insufficient number of votes to make a determination on the resolution, a notational ballot was distributed to the absentee board members on September 12, 2014 and closed at the end of the business day on September 19, 2014. In total the resolution received 62 votes in favor (WGQ 20, RXQ 14, and WEQ 28) and no votes in opposition, which satisfied the necessary support and balanced voting thresholds required by the NAESB governance documents. Per Article V Section 3 of the Certificate of Incorporation, amendments to the Certificate approved by the Board must be ratified by 90% of the general membership. With this threshold in mind, a ratification ballot was distributed to the membership by the NAESB office on September 24, 2014 and the thirty day ratification period is currently underway.

During the December 11, 2014 board meeting, the Parliamentary Committee plans to present a recommendation concerning the merger of the retail electric and retail gas quadrants. The committee will also present a recommendation requesting approval to move forward with modifications to the NAESB Operating Practices and Bylaws in order to provide language for the removal of board members in cases of misfeasance and/or malfeasance.


Filings: FERC Order No. 676-H, issued on September 18, 2014, incorporated by reference the NAESB WEQ Version 003 Business Practice Standards with certain exceptions. The Notice of Proposed Rulemaking (NPR) for Version 003 was issued on July 13, 2013 in the same docket, RM05-5-022. NAESB submitted Version 003 to the FERC on September 18, 2012, followed by a subsequent update regarding the WEQ-012 PKI standards submitted on January 29, 2013. Minor Corrections were submitted on November 27, 2013. The standards contained within the three filings marked a development period from March 2009 to July 2012 that supported FERC Order Nos. 890, 890-A, 890-B, 890-C, 676, 676-A, 676-E, and 717. Version 003 contains more than 1,000 new and modified standards pertaining to OASIS, Public Key Infrastructure, Smart Grid, Demand Response and Energy Efficiency Measurement and Verification, Gas-Electric Coordination, and standards that are complementary to NERC’s Reliability Standards.

FERC Order No. 676-H incorporated by reference all of the Network Integration Transmission Services (NITS) standards proposed for incorporation in the NOPR with the exception of WEQ-001-106.2. The WEQ OASIS Subcommittee completed the NITS project over a span of several years with the goal of establishing standards that will permit OASIS to accommodate NITS, as mandated by FERC Order No. 890. FERC Order No. 676-H also incorporated by reference the Service Across Multiple Transmission Systems (SAMTS) standards which were developed to provide a mechanism for customers to complete cross-regional transactions. The Commission requested, among other thing, that NAESB revise the standards dealing with the posting of ATC Narratives to provide for a one-day posting requirement.
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Filings (continued): Version 003 of the NAESB WEQ Business Practice Standards 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 webpage, www.naesb.org, or completing the NAESB Materials Order Form.

NAESB filed comments to the FERC regarding the NAESB Gas-Electric Harmonization (GEH) standards development effort – 2014 WGQ Annual Plan Item 11.c – on September 29, 2014. The comments detail the modifications to the WGQ standards in response to the March 20, 2014 FERC NOPR, Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities, filed in Docket No. RM14-2-000.

On August 25, 2014, NAESB filed comments in response to the June 19, 2014 FERC NOPR, Modeling, Data, and Analysis Reliability Standards, in Docket No. RM14-7-000. The comments reply to specific inquiries from FERC concerning the proposed eighteen month implementation plan and coordination efforts with NERC to ensure synchronization between the proposed retirement of NERC MOD-001-1a, MOD-004-1, MOD-008-1, MOD-028-2, MOD-029-1a, and MOD-030-2 (MOD-A) reliability standards and the development of NAESB WEQ Business Practice Standards that pertain to the commercial aspects of ATC calculations. The NAESB standards development process for this project is estimated to occur over the span of eleven months. As mentioned, the WEQ Executive Committee meeting approved the recommendation from the WEQ Executive Committee MOD Standard Scoping Task Force on August 19, 2014. The recommendation requested that the WEQ Business Practices Subcommittee commence the standards development effort.

The FERC NOPR, Natural Gas Act Pipeline Maps, was issued on July 17, 2014 in Docket No. RM14-21-000. The NOPR proposes to amend the filing requirements for natural gas pipeline system maps by eliminating the requirement to file a map as part of a pipeline’s tariff and changing the deadline for updating pipeline maps.

On July 11, 2014, NAESB filed a report to the FERC, Parallel Flow Visualization Project Status, in Docket No. EL14-82-000. The status report informed FERC of the efforts underway to improve the congestion management process of the Eastern Interconnection by increasing the Reliability Coordinator’s real-time visibility of the source and magnitude of parallel flows in the Bulk Electric System. Additionally, the report outlines the history of the Parallel Flow Visualization project and provides information on the process of the NAESB WEQ Business Practice Standards to support Parallel Flow Visualization. Also highlighted is the expected timeline for the completion of the project, while detailing the coordination efforts between NAESB, NERC, and the IDC Association.

The June 18, 2014 NAESB Report to the FERC in Docket No. RM14-2-000 informed the Commission of action taken by the board and additional steps the organization has taken to support the directives of the March 20, 2014 FERC Gas-Electric Harmonization NOPR, Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities. On March 20, 2014, the FERC issued three interrelated actions proposing to address specific natural gas and electric industry coordination challenges in an effort to harmonize the two markets. The proposals primarily focus on the scheduling practices of interstate natural gas pipelines and electric transmission operators and build upon feedback received during the FERC staff technical conferences and comments filed in the FERC Docket No. AD12-12-000, Coordination Between Natural Gas and Electric Markets. In the NOPR, the FERC provided the natural gas and electric industries, through NAESB, with a period of 180 days after publication of the NOPR in the Federal Register to reach consensus on any revisions to the Commission’s proposals and either file consensus standards with the Commission or notify the Commission of its inability to reach consensus.


NAESB Gas-Electric Harmonization (GEH) Web Cast Course: The NAESB Gas Electric Harmonization (GEH) Web Cast Course will be held on Wednesday, November 5, 2014 from 9:30 AM to 12:00 PM Central. The interactive web course will provide participants with an overview of the September 29, 2014 NAESB Gas Electric Harmonization Report submitted to the Federal Energy Regulatory Commission (FERC) in response to the March 20, 2014 Notice of Proposed Rulemaking (NOPR), Coordination of the Scheduling Process of Interstate Natural Gas Pipelines and Public Utilities. The purpose of the web course is to highlight the standards development effort and the resulting modifications to twenty-three of the NAESB WGQ Business Practice Standards related to Nomination, Flowing Gas, Quadrant Electronic Delivery Mechanism (QEDM), and Capacity Release. Modifications to data elements, code values, technical implementation guides, sample papers, ANSI ASC X12 mapping, and EDI X12 mapping guidelines for numerous data sets contained within the technical documentation. The course will also provide an overview of the actions that NAESB has taken in response to the NOPR, including the GEH Forum Activities. This course is open to all NAESB members and nonmembers. Those who are responsible for implementing standards and preparing comments are urged to attend. The registration fee includes the GEH final actions for nonmembers. Register on the NAESB Primers and Training Courses web page located at: https://www.naesb.org/materials/training.asp. For additional information or assistance in registering, please contact the NAESB office at (713) 356-0060 or naesb@naesb.org.
**NAESB WGQ Business Practice Standards, Version 3.0 Publication Scheduled:** NAESB WGQ Business Practice Standards, Version 3.0 is scheduled to be published on November 14, 2014. The standards referenced in the publication include modifications made in response to the March 20, 2014 Federal Energy Regulatory Commission (FERC) Gas Electric Harmonization Notice of Proposed Rulemaking, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, and the March 20, 2014 FERC Order to Show Cause, *Posting of Offers to Purchase Capacity*. Other modifications and additions included in this publication relate to Nominations Related Standards, Additional Standards, Invoicing Related Standards, Flowing Gas Related Standards, and the Capacity Release Standards. The publication also includes standards modifications and additions to support the elimination of past NAESB WGQ Interpretations. The previous version, NAESB WGQ Business Practice Standards, Version 2.1 was published on April 30, 2013. Version 3.0 will soon be available for industry purchase and use. NAESB members have access to NAESB work products as part of the benefits of membership. Nonmembers may purchase the standards by visiting the NAESB web page, [www.naesb.org](http://www.naesb.org), or completing the NAESB Materials Order Form.

**NAESB Quadrant/Segment Membership Analysis:**

<table>
<thead>
<tr>
<th>NAESB Quadrant/Segment Membership Analysis:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale Gas Quadrant</strong></td>
<td>123 Members</td>
</tr>
<tr>
<td>End Users Segment</td>
<td>15</td>
</tr>
<tr>
<td>Distributors Segment</td>
<td>19</td>
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<tr>
<td>Pipelines Segment</td>
<td>45</td>
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<tr>
<td>Producers Segment</td>
<td>14</td>
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<tr>
<td>Services Segment</td>
<td>30</td>
</tr>
<tr>
<td><strong>Retail Energy Quadrant</strong></td>
<td>44 Members</td>
</tr>
<tr>
<td>Retail Electric End Users/Public Agencies Segment</td>
<td>16</td>
</tr>
<tr>
<td>Retail Gas Market Interests Segment</td>
<td>13</td>
</tr>
<tr>
<td>Retail Electric Utilities Segment</td>
<td>7</td>
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<tr>
<td>Retail Electric Service Providers/Suppliers Segment</td>
<td>8</td>
</tr>
<tr>
<td><strong>Wholesale Electric Quadrant</strong></td>
<td>143 Members</td>
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<tr>
<td>End Users Segment</td>
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<tr>
<td>Distributors Segment</td>
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<tr>
<td>Transmission Segment</td>
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<tr>
<td>Generation Segment</td>
<td>25</td>
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<tr>
<td>Marketers/Brokers Segment</td>
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<tr>
<td>Independent Grid Operators/Planners Segment</td>
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<tr>
<td>Technology &amp; Services Segment</td>
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</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td>310 Members</td>
</tr>
</tbody>
</table>

**NAESB New Members**

**Wholesale Gas Quadrant (Segment):**
- Southern California Edison (End Users)
- Eclipse Resources Corporation (Pipeline)
- Gas Natural Fenosa LNG, S.L. (Services)
- Gasoductos del Noreste S. de R.L. de C.V. (Pipeline)

**Retail Energy Quadrant (Segment):**
- Arizona Corporation Commission (Retail Electric End Users/Public Agencies)
- Institute for Information Industry (Retail Electric Service Providers/Suppliers)

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