Cybersecurity: Created during the April 27, 2016 Retail Executive Committee meeting, a new annual plan item tasks the OpenFMB Task Force with the development security model business practices, as necessary, for the RXQ.26 OpenFMB Model Business Practices. Last year, the RMQ Executive Committee discussed a related effort, the potential development of the Public Key Infrastructure standards for the RMQ Model Business Practices. As a result, a provisional annual plan item was included in the 2016 RMQ Annual Plan to review the security of the RMQ Model Business Practices.

On February 23, 2016, the WEQ Executive Committee adopted two no action recommendations from the WEQ Cybersecurity Subcommittee (CSS) in support of 2015 Annual Plan Item 4.a.i (Review annually at a minimum the accreditation requirements for Authorized Certification Authorities to determine if any changes are needed to meet market conditions) and 2015 WEQ Annual Plan Item 4.c (Evaluate and modify standards as needed to support and/or complement the current version of the NERC Critical Infrastructure Protection Standards and any other activities of the FERC related to cybersecurity). These items are recurring annual plan items for the WEQ CSS. The NAESB office will announce the next WEQ CSS conference call when it is scheduled.

At the recommendation of the Advisory Council, NAESB is continuing to monitor the FERC and NERC efforts related to the critical infrastructure protection supply chain risk management. FERC issued Order No. 822 Revised Critical Infrastructure Protection Reliability Standards on January 21, 2016 in Docket No. RM15-14-000. The order approves seven critical infrastructure protection reliability standards, as well as the implementation plan, violation risk factor, and violation assignments proposed by NERC. FERC held a technical conference on January 28, 2016 to discuss the proposal to direct NERC to develop a reliability standard to address supply chain risk management, the potential standards requirements, and the timeframe for the development of the standard. In an Order Granting Extension of Time, issued on February 25, 2016 in Docket No. RM15-14-000, FERC responded to the request of several trade associations asking that the FERC grant an extension of time to defer the implementation of the critical infrastructure protection (CIP) Version 5 reliability standards to align with the effective date for the revised CIP Reliability Standards, approved in Order No. 822. On March 21, 2016, the FERC issued an Order Granting Rehearings for Further Consideration in Docket No. RM15-4-001. NAESB will continue to monitor the supply chain risk management standards development effort, as it may result in the development of commercial business practices.


Retail Publication: On March 31, 2016, NAESB published Version 3.1 of the RMQ Model Business Practices. The publication is the result of a significant amount of work marking a development period from December 2014 through March 2016. The substantive changes to the prior version include model business practices that support Retail Net Metering, Open Field Message Bus (OpenFMB) implementation, modifications to the NAESB Retail Customer Authorization Form, and updates to the current model business practices. NAESB would like to thank everyone who contributed by participating in the development of these standards.

For more information, please go to Version 3.1 RMQ Business Practice Standards (Zip File), 2015 RMQ Annual Plan, 2016 RMQ Annual Plan and NAESB Order Form.
NAESB Standards Requests: On May 16, 2016, the Triage Subcommittee met to discuss and determine the disposition of five NAESB standards requests:

1.) Standards Request R16003 was submitted to NAESB by Skipping Stone and the Environmental Defense Fund and asks that NAESB consider a proposed standard addressing certain business practices relating to best efforts scheduling for natural gas pipeline transportation that is: a) scheduled outside of the standard grid-wide nomination cycles, b) permits flow changes outside of standard schedule flow periods, and/or c) involves Shaped Flow Transactions, as defined in the proposed standard.

2.) Standards Request R16004 was submitted to NAESB by FIS Global – Energy Services and requests that NAESB update the NAESB Nomination dataset to remove all non-necessary data elements and to evaluate the use of all mutually agreed and business conditional data elements for their continued relevance.

3.) Standards Request R16005 was submitted to NAESB by FIS Global – Energy Services and asks that NAESB reconsider the usage of the terms Service Requester and Service Requester Contract in the Nomination dataset to reflect actual usage.

4.) Standards Request R16006 was submitted to NAESB by FIS Global – Energy Services and asks that NAESB consider an update to the Imbalance Trade dataset to add in the ability of the Confirming Trader to reject the trade.

5.) Standards Request R16007 was submitted to NAESB by FIS Global – Energy Services and asks that NAESB consider updating the Nomination dataset and related datasets to enable a Service Requester to submit a single nomination with hourly quantities, when such a service is supported by the Transportation Service Provider.

Due to lack of quorum during the conference call, the NAESB office requested that all members of the Executive Committees and designated alternates vote on a notational ballot to triage Standards Requests R16003, R16004, R16005, R16006, and R16007. The standards requests were sent to Executive Committee members and Executive Committee alternates on March 24, 2016 (R16003), May 6, 2016 (R16004, R16005, and R16006), and May 12 (R16007). Request Nos. R16004, R16005, R16006, and R16007 were approved by the Triage and Executive Committees and were assigned to the WGQ Business Practices Subcommittee to complete in its regular course of business. Request No. 16003 failed to receive simple majority support from the WGQ Executive Committee, and, therefore, will be sent to the Board of Directors for their consideration.

For more information, please go to 2015 WGQ Annual Plan, 2016 WGQ Annual Plan, April 7, 2016 Board Draft Minutes, May 16, 2016 Triage Subcommittee Revised Agenda, R16003, Attachment to R16003, R16004, R16005, R16006, R16007, Notational Ballot, Notational Ballot Results, NAESB WGQ Executive Committee Pipeline Segment Comments, and ConocoPhillips Comments.

Electronic Filing Protocols for Commission Forms (eForms): On May 17, 2016, the WEQ/WGQ FERC Forms Subcommittee held its ninth meeting to address two annual plan items that call for the development of standards in support of the April 16, 2015 FERC Order, Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms (Docket No. AD15-11-000). In the order, and a related Technical Conference held last year, the Commission stated that it is considering the elimination of the current software, Visual Fox Pro, and transitioning to an XML format to be utilized in the submission of the following FERC forms: 1, 1-F, 2, 2-A, 3-Q electric, 3-Q gas, 6, 6Q, FERC-60, and FERC 714. Of note, the Commission proposed the use of the NAESB process for the effort, citing the successful collaboration of the industry through NAESB during the electronic tariff (eTariff) filings project.

To date, the subcommittee has reviewed documentation provided by FERC staff regarding FERC Form 1, including a field analysis and basic sample XML. Additionally, sample XML for several representative schedules in FERC Form 1 have been drafted along with a document containing sample XML developer instructions. The next WEQ/WGQ FERC Forms Subcommittee conference call will be held on June 2, 2016 and is open to all interested parties.

FERC Order No. 809 and Gas-Electric Coordination: As a quorum was not reached during the May 31, 2016 Board of Directors single topic conference call, the meeting was declared a working session and a notational ballot containing modifications to the 2016 WGQ and WEQ Annual Plans will be sent to the board for consideration. The May working session is part of an ongoing response to two recent FERC Orders. In the April 16, 2015 FERC Order No. 809 (Docket No. RM14-2-000), the Commission requested that the gas and electric industry work through NAESB “to explore the potential for faster, computerized scheduling....” In the September 17, 2015 Order on Rehearing issued in Docket No. RM14-2-001, the Commission requested that NAESB “file such standards or a report on the development of such standards by October 17, 2016.” During the working session the board reviewed the results of the March 24, 2016 Gas-Electric Harmonization (GEH) Forum Survey, the outcome of the May 13, 2016 GEH Forum (Forum) meeting, and discussed the language to be included in a notational ballot. As you may know, the Forum held its first face-to-face meeting to address faster electronic scheduling on February 18-19, 2016. After reviewing eight presentations, the participants considered several questions and sought clarification on points made by the presenters. Included in the agenda for the second meeting, held on March 7-8, 2016, was a list of 48 issues taken directly from the presentations and the discussion held in the previous meeting. The participants also formulated five questions in order to define the scope of the project. During the March 21-22, 2016 Forum meeting, twelve issues were categorized and placed into a survey that was distributed to the industry for a comment period held from March 24, 2016 through March 31, 2016. In total, the NAESB office received 93 responses (80 of the responses from Forum participants and 17 responses from board members). During the April 7, 2016 board meeting, the Forum presented a report to inform the board of the Forum efforts. Additionally, preliminary results from the March 24, 2016 GEH Forum Survey were shared during the board April board meeting and the related leadership meetings. The board postponed taking any action in response to FERC Order No. 809 until the full results of the survey could be analyzed. For that reason, during the May 13, 2016 Forum meeting, a thorough review of the GEH Forum Survey results was undertaken and resulted in a corrected version of the report that has been posted on the NAESB website.


Smart Grid Update: As the RMQ will soon consider revisions to the NAESB REQ.21 Energy Service Provider Interface (ESPI) Model Business Practices, the Green Button Alliance (GBA) has offered to provide subject matter expertise. ESPI, the basis of the Green Button, contains an industry-standard XML format and a data exchange protocol enabling the automatic transfer of data from a third party to a utility. Launched in 2012, the Green Button Initiative is a response to a White House call to action that challenges utilities to provide customers with easy and secure access to their energy usage data through an easily accessible format on the electric utilities’ websites and apps.

With an eye toward compliance, development, and employment of the Green Button Initiative, the GBA provides certification of implementations, marketing, and also education for the industry. To date, the Green Button Initiative has grown to encompass more than 150 service providers and utilities that provide more than 60 million U.S. households, altogether 100 million people, access to their own Green Button energy data. NAESB would like to welcome Barry Haaser, GBA Executive Director, to his position on the NAESB Board of Directors. Recently, Jonathan Booe, the NAESB Executive Vice President and Chief Administrative Officer, agreed to serve on the GBA Board of Directors.

Outside of the U.S., the Ontarian company, London Hydro, has become the first utility to complete the GBA Download My Data Testing and Certification process. Download My Data facilitates the ability of a consumer to download their energy usage data to a file that can be opened by their chosen app or software. The certification for this program provides confidence for customers and developers, assuring that they can rely on the information they receive.

For more information, please go to 2015 RMQ Annual Plan, 2016 RMQ Annual Plan, REQ.21 ESPI Model Business Practices, Green Button Alliance Page, NARUC Resolution on Smart Grid Principles and Green Button Page.
RMQ Net Metering Model Business Practices and Technical Implementation Development: On May 6, 2016, the recommendation developed by the Information Requirements and Technical Electronic Implementation Subcommittee (IR/TEIS) to support Retail Net Metering in the technical implementation for RXQ.8 – Customer Information was approved by the Retail Markets Quadrant (RMQ) Executive Committee via notational ballot. Reviewed by the RMQ Executive Committee on April 27, 2016, the recommendation is currently posted for a thirty day membership ratification period that began on May 9, 2016 and will conclude on June 8, 2016. Due to the broad range of net metering policies and implementation to be modified for the Retail Net Metering efforts, RXQ.10 and RXQ.11, are scheduled to be completed within 2016.

Ratified on March 28, 2016, the recommendation for modifications to Book 11 marked the completion of the RMQ Business Practices development. The recommendation was approved during the February 24, 2016 RMQ Executive Committee meeting and was included in the March 31, 2016 Version 3.1 publication of the NAESB RMQ Model Business Practices. Version 3.1 also incorporates the Retail Net Metering final actions developed by the RMQ BPS for Book 3, Book 8, and Book 10.

Due to the broad range of net metering policies and implementation plans across the industry, the scope of the NAESB Retail Net Metering effort is limited to providing metering data required by market participants in competitive energy market situations across the industry, the scope of the NAESB Retail Net Metering effort is limited to providing metering data required by market participants in competitive energy market situations.


Parallel Flow Visualization—Transmission Loading Relief (PFV-TLR): On April 1, 2016, the Interchange Distribution Calculator (IDC) Association transitioned to a governance structure under the Eastern Interconnection Data Sharing Network (EIDSN). The EIDSN is a non-profit organization comprised of Reliability Coordinators from the eastern portion of the United States and Canada. The IDC Steering Committee and the IDC Working Group (IDCWG) will remain in place under the EIDSN and continue to oversee the PFV-related activities.

As an industry-driven effort, the proposed modifications to the NAESB WEQ-000 and WEQ-008 Business Practice Standards support the submittal of near real-time data to the IDC, enhancing the congestion management process of the Eastern Interconnection by increasing the visibility of the source and magnitude of parallel interchange flows in the bulk electric system and furthering the goal of ensuring that non-firm intra-balancing authority transmission service is curtailed before firm service. The recommendation, created by the WEQ Business Practices Subcommittee (BPS), proposes either a Tag Secondary Network Transmission Service Method or a Generator Prioritization Method for assigning curtailment priorities.

In February 2015, the WEQ Executive Committee approved the PFV-related modifications to the NAESB standards and voted to initiate a full-staffing period. During the full-staffing period, the standards will be held in abeyance to allow for a field trial to be conducted. The IDC Steering Committee and IDCWG are responsible for managing IDC activities related to the field trial. NAESB, NERC, the IDC Steering Committee, and IDCWG have committed to continuing their coordination relationship throughout the remainder of this effort. Following the conclusion of the PFV field trial, the IDCWG will provide a report on the results of the commercial metrics of the project. NAESB will work with NERC, the IDC Steering Committee, and IDCWG to ensure that there are not any inadvertent, negative reliability impacts. After any necessary modifications are made to the standards, the recommendation will be presented to the WEQ Executive Committee for consideration.

WEQ Open Access Same-time Information Systems (OASIS) Subcommittee: On May 13, 2016, the recommendation to support long term rollover rights competition failed to gain a super majority approval of the WEQ Executive Committee via a notational ballot. In February, the WEQ Executive Committee remanded a previous recommendation (Recommendation 1) to support the annual plan item back to the WEQ OASIS Subcommittee with direction to resolve the issues raised by the formal comments and discussion during the meeting. On April 26, 2016, the WEQ Executive Committee once again considered the recommendation (Recommendation 2) and a notational ballot was sent to the wholesale electric industry after the meeting.

Recommendation 1 was posted for a forty-five day industry comment period that began on December 3, 2015 and concluded on January 19, 2016. Eight comments were submitted during the comment period including, Bonneville Power Administration, BC Hydro, Southern Company, Duke Energy, and a joint submission from IESO, MISO, PJM, and Southwest Power Pool. The WEQ OASIS Subcommittee subsequently met to develop ten sets of late comments from the subcommittee for consideration during the February WEQ Executive Committee meeting.

Recommendation 2 was unanimously voted out during the February 24-25, 2016 WEQ OASIS Subcommittee meeting and sent out for a thirty day formal industry comment period which began on March 1, 2016 and concluded on March 30, 2016. After a review of the four formal comments submitted during the second industry comment period from Bonneville Power Administration, MISO, Southern Company, and Municipal Energy Agency of Nebraska, the WEQ OASIS Subcommittee developed five additional late comments for the consideration during the April WEQ Executive Committee.

During the April WEQ Executive Committee meeting, a motion was made to adopt the recommendation as revised by additional late comments submitted by the WEQ OASIS Subcommittee. Subsequent to that motion, an amendment to the motion was proposed and adopted, adding additional language to WEQ-001-20. As not enough votes were cast to make a determination, a notational ballot on the recommendation was sent to WEQ Executive Committee members that were absent or voting in abstention. In voting on the recommendation, a super majority vote was required for adoption by the WEQ Executive Committee. As discussed during the February and April meetings, the NAESB Managing Committee and Board of Directors will be notified of the notational ballot results.

RMQ Open Field Message Bus (OpenFMB) Task Force: On March 31, 2016, the RMQ.26 – Open Field Message Bus (OpenFMB) Model Business Practices were published in Version 3.1 of the NAESB RMQ Model Business Practices. As stated in the March 15, 2016 NAESB OpenFMB press release, the recommendation was ratified by the NAESB membership on March 7, 2016. The OpenFMB Model Business Practices leverage a non-proprietary and standards-based reference architecture platform to expand interoperability for intelligent field devices on the electric grid.

Co-chaired by Joe Zhou of Ernst & Young and Stuart Laval of Duke Energy, the NAESB OpenFMB Task Force determined that the initial model business practices should focus on grid-edge technology, with three microgrid use cases developed by the Smart Grid Interoperability Panel (SGIP) serving as drivers for the effort. Less than one year after its April 17, 2015 kick off meeting, the OpenFMB Task Force voted out the recommendation as part of 2015 RMQ Annual Plan Item 9.a/Standards Request R14008. After the January 28, 2016 single-topic conference call, the RMQ Executive Committee approved the recommendation, via notational ballot, on February 4, 2016.

Looking ahead, through the SGIP, additional use cases will be developed and tested to address distribution automation, distributed energy resources, and other distribution system-related business drivers, while focusing on an application programming interface and cybersecurity aspects. Once the use cases are finalized, the NAESB OpenFMB Task Force anticipates further standards development efforts to incorporate them into the next version of the NAESB RMQ Model Business Practices.
**Demand-Side Management and Energy Efficiency (DSM-EE) Update:** Approved during the April WEQ and RMQ Executive Committee meetings, a no action recommendation from the joint WEQ and RMQ DSM-EE Subcommittee sought to modify Demand Response (DR) standards in response to the Supreme Court decision regarding the final D.C. Circuit ruling on FERC Order No. 745. The Supreme Court of the United States handed down its ruling on the case, *FERC v. Electric Power Supply Association*, on January 25, 2016. As the decision upholds the FERC DR regulations in FERC Order No. 745, the DSM-EE Subcommittee determined during its March 11, 2016 conference call that no modifications to the NAESB Business Practice Standards are necessary. There were no comments received on the recommendation during the thirty day industry comment period that concluded on April 11, 2016.

Also in response to the January 25, 2016 Supreme Court ruling, the DSM-EE Specifications Task Force has scheduled a conference call for June 15, 2016 to discuss an annual plan item previously on hold pending the Supreme Court decision. During the call, the task force will discuss a retail specification for DR Products and Services. As you may recall, in response to a request to consider the development of a specification to support a certification program for the DSM-EE WEQ/RMQ standards, the DR and Energy Efficiency (EE) Measurement and Verification (M&V) Certification Program was developed by the NAESB Board Certification Program Committee. To support the program, the DSM-EE Specification Task Force developed an EE M&V Products and Services Specification that is now available to the industry. The June 15, 2016 conference call will address the DR specification to support the certification program in the RMQ. As you may remember, a no action recommendation to address the DR specification within the WEQ was approved by the WEQ Executive Committee on February 24, 2015.

Looking ahead, the DSM-EE Subcommittee and the RMQ BPS have been tasked with a review of REQ.13 – Measurement and Verification (M&V) of Demand Response Programs Model Business Practices, as part of 2016 RMQ Annual Plan Item 1.e. The joint conference call to begin discussion on the annual plan item is scheduled for June 1, 2016.

On April 27, 2016, the American National Standards Institute (ANSI) Energy Efficiency Standardization Coordination Collaborative (EESCC) issued a Progress Report detailing activity to advance recommendations outlined in the EESCC’s Standardization Roadmap: Energy Efficiency in the Built Environment. The report includes updates on 71 of the 109 standards-based gaps identified in the June 2014 roadmap, demonstrating significant activity and progress within the standardization community to advance energy and water efficiency through standards-based solutions. As always, NAESB will continue to monitor ANSI activities and the ANSI EESCC progress.

For more information, please go to 2016 RMQ Annual Plan, 2016 WEQ Annual Plan, April 26, 2016 WEQ Executive Committee Draft Minutes.

**Update on the Electric Industry Registry (EIR or Registry) and e-Tagging Specification:**

On April 28, 2016, the NAESB Electric Industry Registry (EIR or registry) retired the File Transfer Protocol (FTP) service. As a result of the retirement, EIR users can no longer register for the FTP service or utilize the FTP site to access registry publications. Registry users may download the registry publication via the registry in the XML file format. Created in 2012, the FTP site was a temporary solution to assist the registry users while downloading information during the conversion of the registry from the NERC Transmission System Information Networks (TSIN) to the NAESB EIR. An initial announcement was made by the NAESB office regarding the retirement on December 17, 2015, with reminder announcements distributed on March 3, 2016 and April 1, 2016.

Over the past several months, NAESB has been working with NERC and OATI regarding the full transition of registry functionalities. Currently, NAESB and NERC share approval functionalities for certain entities and objects that register within the EIR. At the request of NERC, NAESB and OATI are in the process of developing a change order that would remove NERC as a registered entity within the EIR. Additional change orders are also being developed related entity authentication.

Serving as the central repository for information utilized by the electric industry in electronic tagging, the registry is an industry tool that is managed by NAESB who has chosen OATI to serve as the system administrator, managing the tool as OATI webRegistry.

The WEQ Coordinate Interchange Scheduling Subcommittee (CISS) is seeking informal comments on the proposed revisions to the WEQ-004 Coordinate Interchange Business Practice Standards, the WEQ-023 EIR Business Practice Standards, and the Electronic Tagging (e-Tag) Functional Specification and Schema made to accommodate the use of the market operator role within the EIR as part of 2016 WEQ Annual Plan Item 5.d. The informal comment period began on May 19, 2016 and will conclude on Friday, June 10, 2016. During the next WEQ CISS conference call, scheduled for June 17, 2016, the subcommittee will review the informal comments received.

For more information, please go to 2015 WEQ Annual Plan, 2016 WEQ Annual Plan, Request for Informal Comments on 2016 WEQ Annual Plan Item 5.d, e-Tag Schema Revised by WEQ CISS, e-Tag Spec Revised by WEQ CISS, Updated Market Operator White Paper, WEQ-004 Revised by WEQ CISS and WEQ-023 Revised by WEQ CISS.
**Pipeline Location Common Codes:** NAESB would like to thank the pipeline segment, who undertook a significant effort in transforming how points are addressed on the pipeline grid. The project was implemented by the wholesale gas industry on April 1, 2016 and resulted in increased transparency across the industry. As a result of the modifications, the assigned codes of Transportation Service Providers will now be utilized for the identification of locations in the NAESB WGQ Business Practice Standards.

As a background, the location common codes system utilized a one-to-nine digit number, known as the Data Reference Number (DRN), assigned to pipelines by IHS Energy. To support the system, NAESB previously developed a number of standards detailing how the new codes should be utilized. Those standards were included in the NAESB WGQ Version 1.0 through 2.0 Business Practice Standards and came to be known as the location common code standards.

In November of 2010, the WGQ initiated an effort to evaluate the necessity of using location common codes and to determine whether the use of the common codes provides a significant benefit to the industry. The NAESB Board of Directors supported the analysis and the effort was included on the WGQ Annual Plan. In response, the WGQ Business Practices Subcommittee (BPS) and joint Information Requirements and Technical Subcommittees held extensive conversations on the matter, including informal discussions with Commission staff members. The subcommittees also received guidance from the WGQ Executive Committee and the industry via an informal industry comment period. At the conclusion of the evaluation process, a consensus was reached that the NAESB WGQ Business Practice Standards would no longer support the location common codes, as the codes only served as a proxy for pipeline proprietary location numbers.

The project to transition from the location common codes system from Version 2.1 of the NAESB WGQ Business Practice Standards was a widespread undertaking. In order to ensure that location codes are still made available to interested parties as previously required by the common code system, but through a manner that can be easily maintained and more efficiently managed by Transmission Service Providers, seven new standards were created. Also, six standards were modified, three standards were deleted, and conforming changes were made to the Additional Standards, Nominations Related Standards, Flowing Gas Related Standards, Invoicing Related Standards and Release Related Standards data sets and supporting technical documentation. The new standards provide additional data, unavailable before, which provide increased transparency to the market through the use of the proprietary codes with associated data. The standards development effort results in a new level of uniformity in the market without the use of coding.


**NAESB and NERC Continuing Coordination:** NAESB staff and the leadership of the WEQ continue to hold monthly calls with NERC staff to ensure that both organizations are supportive to the coordination between the NERC project managers and the NAESB subcommittee co-chairs.

On July 14, 2016, the WEQ Standard Review Subcommittee (SRS) will hold a face-to-face meeting at the NAESB Office to conduct its annual review of the NERC 2017-2019 Reliability Standards Development Plan (RDSP) and potentially develop comments in response. All interested parties are welcome to attend this meeting.

Emerging as a standing agenda item on the coordination calls, the retirement of the NERC BAL-004 Time Error Correction Reliability Standards will likely affect the corresponding NAESB WEQ-006 Manual Time Error Correction Business Practice Standards and may require a timed filing effort between NAESB and NERC. Coordination efforts on the project are ongoing as the NERC Board of Trustees is scheduled to consider the retirement of the NERC standard in August.

Additionally, an annual plan item was created in response to the retirement of the NERC Inadvertent Interchange BAL-006 standards. During the April 12, 2016 and May 3, 2016 WEQ BPS conference calls, the subcommittee reviewed the activities and the finalized standards developed by NERC under Project 2010-14.2.1 Phase 2 of Balancing Authority Reliability-based Controls: BAL-005, BAL-006, FAC-001. The WEQ BPS concluded that there is no impact on the NAESB Business Practice Standards. A thirty day industry comment period for the no action recommendation developed by the WEQ BPS will conclude on June 2, 2016. The recommendation and any comments received will be reviewed during the August 16, 2016 WEQ Executive Committee meeting hosted by Oncor in Dallas, Texas.

On March 19, 2015, the FERC Order on Electric Reliability Organization Risk Based Registration Initiative and Requiring Compliance Filing was issued in Docket No. RR15-4-000. In the order, the Commission requested that NERC coordinate with NAESB regarding revisions to the NERC Rules of Procedure that will implement the NERC Risk-Based Registration initiative. As previously communicated, the removal of the Purchasing-Selling Entity (PSE) functional entity from the NERC Compliance Registry may lead to the a standards request from the WEQ leadership in order to address requirements related to dynamic tagging that could be impacted by NERC’s efforts.

On May 24, 2016, NERC released Operational Risk Assessment with High Penetration of Natural Gas-Fired Generation. The special assessment highlights recommendations to manage the potential reliability impacts of the increasing dependence on natural gas for electricity generation.

**For more information, please go to 2016 WEQ Annual Plan, No Action Recommendation for 2016 WEQ Annual Plan Item 1f, March 19, 2015 FERC Order, March 19, 2015 Errata Notice and Operational Risk Assessment with High Penetration of Natural Gas-Fired Generation.**
For more information, please go to 2016 WEQ Annual Plan

During the April 7, 2016 meeting, the board discussed the progress made towards the 2016 annual plans, membership statistics, and the 2015 year-end accounting report. Also during the April meeting, the GEH Forum presented a report describing its efforts to respond to the board directives expressed through 2016 WEQ Annual Plan Item 7.a and 2016 WGQ Annual Plan Item 3.a. The preliminary results from the March 24, 2016 GEH Forum Survey were shared during the board and related leadership meetings. The board postponed taking any action in response to FERC Order No. 809 until the full results of the survey could be analyzed and reviewed by the Forum. During the May 13, 2016 Forum meeting, the participants carried out a thorough review of the GEH survey results.

On May 27, 2016, the Board Strategic Ad Hoc Task Force met to discuss the results of an outreach effort that requested comments from the Advisory Council and Board Strategic Ad Hoc Task Force members in an effort to support the development of the 2016 Standards Development Survey. Specifically, the task force requested that the recipients of the email help identify and describe potential areas for standards development that NAESB could consider in an 18-24 month timeframe. The information received will be considered by the task force for inclusion in the 2016 survey. The survey and related report is scheduled to be considered by the Board of Directors during the September 1, 2016 Strategic Session and may shape the development of the 2017 annual plans, and the future direction of the organization, depending on board determinations.

On June 29, 2016, the Board Revenue Committee will meet to address several standing items, including the communication update, membership reports, the publication schedule, and the outcome of the May 27, 2016 Board Strategic Ad Hoc Task Force meeting.

During the March 16, 2016 conference call, the Board Parliamentary Committee discussed a work paper proposing a modification to the Certificate of Incorporation to allow for weighted majority votes. This discussion will continue during the upcoming Board Parliamentary meeting scheduled for June 27, 2016.


For more information, please go to 2015 WEQ Annual Plan, 2016 WEQ Annual Plan, March 17, 2016 FERC Notice and September 18, 2014 FERC Order No. 676-H.

NAESB Webcast Courses: In the coming months, NAESB will offer web courses to support industry development. On July 13, 2016, NAESB will once again offer the WGQ Business Practice Standards Updates and Changes to Version 3.0 Web Course. The overview will include a review of standards and modifications that represent key developments since the publication of Version 2.0. Additionally, the Understanding the NAESB WGQ Contracts Webcast Course will be held on September 21, 2016. The course is designed to review the NAESB Base Contract for the Sale and Purchase of Natural Gas (WGQ Standard No. 6.3.1) and provide the attendees with a detailed understanding of the components of the contract and supporting Canadian Addendum. The agenda for the web course will include the Trading Partner Agreement (Electronic Data Interchange (EDI) Overview, Provisions, and Exhibit) as well as a brief overview of each of the other six WGQ contracts. The web course will conclude with development efforts underway concerning the NAESB contracts.

Dependent upon events within the industry, the NAESB Gas-Electric Harmonization and the NAESB WEQ Business Practice Standards Webcast Course may also be offered along with other courses, as they become necessary.

For more information, please go to NAESB Primers and Training Courses Page.
**Copyright/NAESB Standards Access:** As everyone should be 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 publication, reproduction, display and distribution. 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. At the same time, NAESB is very liberal in its policies towards sharing information, and has granted waivers to regulators and educational institutions depending on the intended use. There is also 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. 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.

For more information, please go to Copyright, NAESB Materials Order Form or contact Denise Rager (drager@naesb.org) for additional information.

### NAESB Quadrant/Segment Membership Analysis:

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<td>Retail Gas Market Interests Segment</td>
<td>10</td>
</tr>
<tr>
<td>Retail Electric Utilities Segment</td>
<td>7</td>
</tr>
<tr>
<td>Retail Electric Service Providers/Suppliers Segment</td>
<td>11</td>
</tr>
<tr>
<td><strong>Wholesale Electric Quadrant</strong></td>
<td>138 Members</td>
</tr>
<tr>
<td>End Users Segment</td>
<td>11</td>
</tr>
<tr>
<td>Distributors Segment</td>
<td>19</td>
</tr>
<tr>
<td>Transmission Segment</td>
<td>43</td>
</tr>
<tr>
<td>Generation Segment</td>
<td>23</td>
</tr>
<tr>
<td>Marketers/Brokers Segment</td>
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</tr>
<tr>
<td>Non Specified</td>
<td>1</td>
</tr>
<tr>
<td>Independent Grid Operators/Planners Segment</td>
<td>9</td>
</tr>
<tr>
<td>Technology &amp; Services Segment</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td>301 Members</td>
</tr>
</tbody>
</table>

### NAESB New Members

#### Wholesale Gas Quadrant (Segment):
- Kern River Gas Transmission Company (Pipeline)
- Direct Energy Business, LLC (Services)
- Centro Nacional de Control del Gas Natural (Services)
- NextEra Energy Pipelines Services Company (Pipeline)

#### Retail Gas Markets (Segment):
- Just Energy (Retail Electric Service Providers/Suppliers)