



NORTH AMERICAN ENERGY STANDARDS BOARD

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Description of Quadrants and Their Segments

Wholesale Electric Quadrant

The Wholesale Electric Quadrant (WEQ) is concerned with activities necessary or desirable to achieve the objectives and purposes of the commercial aspects of the wholesale electric industry, and activities appropriate to the operation of the wholesale electric market. The WEQ is divided into seven co-equal segments.

Transmission Segment: Any entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

(Municipality / Coop, Federal / State / Provincial, IOU¹, ITC, At Large²)

Generation Segment: Any entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.

(Municipality / Coop, Federal / State / Provincial, IOU, Merchant, At Large)

Marketers / Brokers Segment: Any entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

(Municipality / Coop, Federal / State / Provincial, Not IOU Affiliated, IOU Affiliated, At Large)

Distribution / Load Serving Entities Segment: Any entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any entity designated to represent a distribution utility.

(Municipality / Coop, IOU, Competitive Retailer, At Large)

End Users Segment: Any entity in North America that is an end use customer of electricity, engages in electricity regulation, or represents customer interests, or any entity designated to represent an end user.

(End Use, Regulator, Residential / Commercial, Large Industrial, At Large)

Independent Grid Operators / Planners: Any entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment.

Technology and Services: An entity in North America engaged in providing hardware and software applications and technology related services to the North American wholesale electric market.

¹ **IOU** Definition: An investor owned entity who has substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.

² **At Large** Definition: Regional reliability organizations, consultants, service companies, law firms, and other such organizations that are not specifically encompassed in a given segment, and excludes the ISOs, RTOs and other independent grid operators and planners, and companies providing hardware and software applications and related technology services.



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Wholesale Gas Quadrant

The Wholesale Gas Quadrant (WGQ) is concerned with and generally tasked to handle natural gas related issues and practices which are within scope and typically addressed on either an interstate basis or are generally subject to the pre-emptive jurisdiction of the federal government. The former Gas Industry Standards Board's (GISB) original work can be thought of as being work conducted within this quadrant. The WGQ is divided into five co-equal segments.

Producers Segment: Those individuals and entities (e.g., corporations, partnerships) primarily engaged in the production of natural gas for sale to others.

Pipeline Segment: Entities qualifying as a "natural gas company" as defined in the U.S. Natural Gas Act, an "interstate pipeline" within the definition of the U.S. Natural Gas Policy Act, or a comparable company authorized by a national, federal, state or interprovincial regulatory agency to perform comparable natural gas transportation services, under the terms of an effective tariff for such services. However, no entity shall qualify for this segment solely by virtue of authorization to perform natural gas, gathering, processing, marketing, sales for resale or local distribution services.

Local Distribution Company (LDC) Segment: Those entities providing local distribution of natural gas to the general public.

End-users Segment: Those companies and entities that consume natural gas.

Services Segment: Providers of services to participants in the wholesale natural gas industry, including gathering companies, gas processors, gas storage entities, marketers, software providers, consultants and other entities not otherwise considered to be a producer, pipeline, distributor or end user.



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Retail Markets Quadrant

The Retail Markets Quadrant (RMQ) addresses issues and practices that are within the scope of NAESB and appropriate to natural gas and electricity usage at the individual consumer level; that is, usage by an individual, partnership, corporation, or other entity consuming or providing retail services for electricity on natural gas at one or more facilities served by a natural gas or electricity distributor. The RMQ is divided into four co-equal segments.

Retail Electric Service Providers / Suppliers Segment: Entities engaged in the competitive sale of electricity and/or capacity to end users including marketers, aggregators and producers or that provide services to participants in the retail electric industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies or individuals not otherwise eligible for membership in another Segment.

Retail Gas Market Interests Segment: Any entity participating in the retail natural gas market that can be considered a service provider, supplier, distributor, marketer, aggregator, producer, asset manager, pipeline, equipment manufacturer, equipment and service vendors, software providers, energy consultants, law firms, end users, public agencies, or consumer advocates.

Retail Electric Utilities Segment: Entities engaged in the local distribution of electricity.

Retail Electric End Users / Public Agencies Segment: Entities that consume electricity, represent consumers of electricity or are employed by a public agency associated with the retail electric industry.