**via posting**

**TO:** NAESB Board Revenue Committee Members: Michael Desselle, Jim Buccigross, Cade Burks, Valerie Crockett, Bruce Ellsworth, Debbie McKeever, Gene Nowak, Randy Parker, Terry Thorn, Roy True

**FROM:** Elizabeth Mallett, Deputy Director

**RE:** Meeting Notes from theNAESB Board Revenue Committee Conference Call on November 15, 2018

**DATE:** November 27, 2018

Dear Board Revenue Committee Members,

A Board Revenue Committee conference call was held on Thursday, November 15, 2018. The meeting was called to order at 1:00 PM Central. Mr. Desselle presided over the meeting. The notes and attachments below serve as a record for the meeting.

| **Notes from the November 15, 2018 NAESB Board Revenue Committee Conference Call** |
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| **Administrative** | Mr. Desselle welcomed the committee members to the conference call. Mr. Booe provided the NAESB Antitrust and Other Meetings Policies guidance, called the roll of the Revenue Committee, and established quorum. Ms. Crockett moved to adopt the meeting agenda as final. Mr. Parker seconded the motion which passed without opposition. The committee reviewed the draft minutes from the August 29, 2018 conference call. Mr. Young moved to adopt the draft minutes as final. Ms. Crockett seconded the motion. The motion passed without opposition. |
| **Communication Activities** | Mr. Booe delivered the update on the NAESB communication activities. The last NAESB bulletin of the year is currently being finalized. Two press releases were sent out announcing the revisions to the REQ.21 Energy Services Provider Interface (ESPI) Model Business Practices and the October 24, 2018 kick off meeting for the blockchain standards development effort. The next NAESB Update Call will take place on December 6, 2018. Mr. Desselle recently attended a NERC Board of Trustees meeting where he highlighted the NERC and NAESB coordination efforts. During that NERC meeting, the topics discussed included gas electric harmonization, the acceleration of retirement of fossil fuel plants, and fuel assurance for electricity supply. Mr. Booe met with several state commissioners during the last NARUC meeting. In January, Mr. Booe will speak on a panel for the Advanced Contracting in Energy Storage organization regarding standards development. Additionally, the NAESB staff will be working with Wiley Publications to write an article informing the industry about the upcoming activities within NAESB. |
| **Publication Schedules** | Mr. Desselle stated that a list of publication history is available in the background materials. Mr. Booe stated that he would update the list with FERC Order No. 587-Y, *Standards for Business Practices of Interstate Natural Gas Pipelines*, issued on November 15, 2018 in Docket No. RM96-1-041. |
| **Financials and Retained Earnings, Proposed Revenue for 2019 Budget** | Ms. McQuade reviewed the financials and retained earnings. She noted that the posted report is a draft and that the October accounting would be available at the end of the month. Ms. McQuade noted the decrease in the sales of standards and webinar participation due to the delay in the issuance of FERC final orders. The committee discussed the expected positive contribution to the negative retained earnings and the potential increased revenue from the blockchain efforts and upcoming orders that FERC may issue.Ms. McQuade noted that the new dues structure, an increase of $500, would begin in 2019 and carry through to 2020 when the dues would increase again by $500. Mr. Parker asked why the financial report anticipates an increase of memberships forfeited in 2019. Ms. McQuade stated that some members may merge and consolidate multiple memberships into one membership due to recent tax changes. Mr. Booe noted that such a resignation had occurred during the current month.Ms. McQuade stated that, in response to the request of the committee, she researched if/how other similar standards organizations offer industry tools to generate revenue. Examples she found included IEEE, ASHRAE, and ANSI, which all offer software and services to support their revenue model. She noted that their annual reports look similar to those of NAESB and explained that the revenue derived from tools are included within a variety of accounts, due to their impact on multiple facets of the standards development organizations. |
| **Revenue Report, Membership Report, Vacancies, and Copyright Reports** | Ms. McQuade stated that the membership number is stable at 304. She reviewed the membership volatility chart, the meeting analysis, vacancies on the Board of Directors and the Executive Committees, and reminded the participants to check their contact information on the membership listing. Mr. Booe stated that, given the release of FERC Order No. 587-Y, the NAESB staff will send letters to the general counsel of the WGQ entities who may not have valid access to the standards. |
| **Blockchain Request R18007** | Mr. Booe stated that the WGQ Business Practices Subcommittee, the WGQ Contracts Subcommittee, and the WGQ Electronic Delivery Mechanisms held their first joint meeting on October 24, 2018 to address R18007, the blockchain standards request. He explained that the meeting was an opportunity for requestors to provide education about the basics of blockchain, as well as more information about the intent of the request. Also during the meeting, ConocoPhillips provided a presentation on the basics of blockchain and the activities with the U.S. Oil & Gas Operator Blockchain Forum. Mr. Booe stated that this item was included on the agenda because NAESB may want to consider the development of an industry tool, a blockchain to provide increased efficiency to the natural gas contracting and settlement processes. He noted that the WGQ subcommittees would meet the following day to discuss the scope of the request and how to move forward with standards development. |
| **Retail Structure Review Committee Activities** | Mr. Desselle noted that the Board Retail Structure Review Committee had not held a meeting since the last Board Revenue meeting. |
| **Preparation for December 13, 2018 Board Meeting** | Ms. McQuade stated that she will compare the proposed 2019 budget to the October and November financials, as they become available, and report any unexpected changes to the Board Revenue and Managing Committee. |
| **Other Business and Action Items** | The date and time of the next Board Revenue Committee meeting will be announced by the NAESB office.Action Items:* Ms. McQuade will compare the proposed 2019 budget to the October and November financials, as they become available, and report any concerns to the Board Revenue and Managing Committee.
* NAESB staff will send letters to the general counsel of the WGQ entities who may not have valid access to the standards.
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| **Adjourn** | The meeting adjourned on a motion by Ms. Crockett at 1:38 PM Central. |
| **Work Papers Provided for the Meeting** | * **Agenda Item 1:** Antitrust Guidance: <http://www.naesb.org/misc/antitrust_guidance.doc> (antitrust), <http://www.naesb.org/pdf4/board_revenue_committee_members.pdf> (roster), <https://www.naesb.org/pdf4/bd_revenue111618a.docx> (agenda), <https://www.naesb.org/pdf4/bd_revenue082918notes.docx> (notes)
* **Agenda Item 2:** NAESB Communication Strategy <https://www.naesb.org/pdf4/naesb_communications_strategy.pdf>
* **Agenda Item 3:** Publication Schedules: <https://www.naesb.org/misc/bd_revenue_publication_history_100818.docx>, (Publication Work Paper); <http://www.naesb.org/misc/wgq_publication_schedule_ver3_2.doc> (WGQ Version 3.2); <http://www.naesb.org/misc/weq_publication_schedule_ver3_3.doc> (WEQ Version 003.3); [http://www.naesb.org/misc/retail\_publication\_schedule\_ver3\_3.doc](http://www.naesb.org/misc/retail_publication_schedule_ver3_3.doc%20) (RMQ Version 3.3)
* **Agenda Item 4:** Revenue Report: <https://www.naesb.org/misc/revenue111518w1.docx> (September 30, 2018 Revenue Report); <https://www.naesb.org/misc/revenue111518w2.docx> (September 30, 2018 Revenue Report Statistics)
* **Agenda Item 5:** 2019 Revenue Projections:<https://www.naesb.org/misc/revenue111518w2.docx>
* **Agenda Item 6:** Membership Reports and Prospect List: <https://www.naesb.org/misc/membership_report_093018.docx> (Membership Report 09/30/18), <https://www.naesb.org/pdf4/bod_terms.pdf>  (Board Roster), <https://www.naesb.org/pdf4/ec_terms.pdf> (EC Roster), <https://www.naesb.org/misc/member_prospect_list_093018.docx> (Prospect List including Board & EC Vacancies 09/30/18)

 List of FERC Public Utilities under the Federal Power Act (full list updated 7/20/2018) entities without recorded access to the most recently mandated NAESB WEQ Standards, revised 06/15/2018 - <https://www.naesb.org/pdf4/weq_jurisdictional_entities_without_recorded_access.pdf> List of FERC Interstate Pipelines under the Natural Gas Act (updated 7/20/2018) entities without recorded access to the most recently mandated NAESB WGQ Standards, revised 07/20/2018 - <https://www.naesb.org/pdf4/wgq_jurisdictional_entities_without_recorded_access.pdf>* **Agenda Item 7:** Distributed Ledger Technology Meeting Agenda: <https://naesb.org//pdf4/wgq_bps_edm_contracts111618a.doc> (November 16, 2018 Agenda)
* **Agenda Item 8:** Retail Structure Review Committee: https://naesb.org//retail\_structure\_review.asp (November 27, 2018 Meeting)
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| **November 15, 2018 NAESB Board Revenue Committee Conference Call****REVENUE COMMITTEE MEMBERS** |
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| **Name** | **Organization** | **Attendance** |
| Jim Buccigross | 8760, Inc. |  |
| Cade Burks | Big Data Energy Services | Present |
| Valerie Crockett  | Tennessee Valley Authority | Present |
| Michael Desselle | Southwest Power Pool | Present |
| Bruce Ellsworth | New York State Reliability Council | Present |
| Debbie McKeever | Oncor Electric Delivery Company |  |
| Gene Nowak | Kinder Morgan Inc. |  |
| Randy Parker | Exxon Mobil Corporation | Present |
| Terry Thorn | KEMA Gas Consulting Services |  |
| Roy True | Alliance for Cooperative Energy Services Power Marketing LLC |  |
| **OTHER ATTENDEES** |
| **Name** | **Organization**  |
| Jonathan Booe  | North American Energy Standards Board |
| Craig Goodman | National Energy Marketers Association |
| Mark Gracey | Kinder Morgan Inc. |
| Elizabeth Mallett | North American Energy Standards Board |
| Marcy McCain | Enbridge (U.S.) Inc. |
| Steven McCord | TransCanada Pipelines Limited |
| Rae McQuade  | North American Energy Standards Board |
| Ed Skiba | Midcontinent Independent System Operator |
| Caroline Trum | North American Energy Standards Board |