

NAESB Board Strategy Committee Input – Response Comments
Wholesale Gas Quadrant, Pipelines Segment Board Members

Dear Michael Desselle and NAESB Board Strategy Committee,

Thank you for the opportunity to provide input on the two standards development items under consideration. After careful review, our companies do not recommend that NAESB pursue standards development in either area at this time.

1. Differentiated Natural Gas Standards (NPC Recommendation)

We believe that standards development for differentiated natural gas is premature. The market for lower GHG intensity natural gas is still evolving, and there is not yet sufficient consensus on measurement methodologies, certification processes, or the demand for such standards. Premature action could result in standards that are misaligned with future regulatory or market developments.

Rationale:

- Lack of industry consensus on measurement and verification approaches
- Unclear market demand and regulatory direction
- Risk of duplicating or conflicting with other ongoing initiatives

2. Gas-Electric Communication (FERC NOPR/Commissioner Chang)

We agree that improving communication between the gas and electric industries is a high priority and support continued discussions toward that goal. In fact, during the latest round of gas/electric coordination efforts at NAESB, the interstate pipelines proposed three new standards specifically designed to enhance communication between the two sectors. These standards are now being implemented by FERC in its current proceedings, which represents meaningful progress. However, aside from these proposals, there were no other substantive items or new ideas put forth for consideration at the end of the meetings. We remain concerned about investing considerable time and resources in discussions that may not consistently yield significant, meaningful outcomes.

Stakeholders can still advance gas-electric coordination without another proceeding to discuss the issue generally. NAESB procedures allow parties to submit specific proposals for discussion at any time. We are open to reviewing any specific requests or actionable proposals that may be brought forward at NAESB in the future. Should meaningful items arise, we welcome the opportunity to consider them.

Rationale:

- No substantive new items or proposals emerged from the most recent coordination efforts
- Desire to avoid expending resources on discussions without clear outcomes
- NAESB's existing procedures allow parties to raise concrete proposals when they are ready; pipelines are willing to review and consider any submitted proposals

We appreciate the opportunity to contribute to this process and recommend that NAESB continue to monitor both areas for future developments but refrain from initiating extensive standards development discussions at this time.

Best regards,

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