

NAESB Bulletin

March - July 2020 Volume 13, Issue 1

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2020 Calendar

September

- 9/1 - Joint WEQ BPS and RMQ BPS Conf. Call
- 9/1 - WEQ SRS Conf. Call
- 9/3 - Board of Directors Virtual Meeting - Meeting of the Members and Strategic Session Conf. Call
- 9/7 - Holiday - Labor Day (NAESB Closed)
- 9/8 - WEQ CSS Conf. Call
- 9/9 - WEQ CISS Conf. Call
- 9/10 - WEQ BPS Conf. Call
- 9/22 - WEQ CISS Conf. Call
- 9/23-24 - WEQ OASIS Conf. Call
- 9/28 - Joint WEQ BPS and RMQ BPS Conf. Call

October

- 10/6 - Understanding the NAESB WGQ Contracts Web Cast Course
- 10/7 - WEQ CISS Conf. Call
- 10/8 - WEQ SRS Conf. Call
- 10/12 - Holiday - Columbus Day (NAESB Closed)
- 10/21 - NAESB Update Conf. Call
- 10/27 - WEQ Executive Committee Conf. Call
- 10/28 - RMQ Executive Committee Conf. Call
- 10/28-29 - WEQ OASIS Conf. Call
- 10/29 - WGQ Executive Committee Conf. Call

November

- 11/4 - WEQ CISS Conf. Call
- 11/17-18 - WEQ OASIS Conf. Call
- 11/26 - Holiday - Thanksgiving Day (NAESB Closed)
- 11/27 - Holiday - Day after Thanksgiving Day (NAESB Closed)

December

- 12/3 - NAESB Update Conf. Call
- 12/17 - NAESB Board of Directors Virtual Meeting Conf. Call
- 12/24 - Holiday - Day before Christmas (NAESB Closed)
- 12/25 - Holiday - Christmas Day (NAESB Closed)

Wholesale Gas Quadrant (WGQ) Distributed Ledger Technology Standards Development: NAESB is pleased to announce the completion of standards development to create a digitalized version of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract). The WGQ worked consistently for nearly two years to develop the initial set of standards that define requirements for the digitalized version of the NAESB Base Contract, enabling the wholesale gas industry to conduct trades under the contract utilizing distributed ledger technologies. The newly developed standards, if ratified, will be included in Version 003.2 of the WGQ Business Practice Standards, to be published on August 15, 2020.

The DoE has expressed support for NAESB standards development related to distributed ledger technologies, specifically the efforts related to the NAESB Base Contract, and NAESB staff continues to communicate with the DoE regarding this topic. Outside of the NAESB process, the Tennessee Valley Authority (TVA) and ExxonMobil are working together to initiate a pilot test of the newly developed WGQ Business Practice Standards. As part of the pilot, the companies will mirror their natural gas trades in a test environment using the distributed ledger technology standards. This effort has been closely coordinated with DoE staff. The pilot test is expected to produce valuable information that can help inform other areas that will need to be addressed to support uniform implementation, such as cybersecurity and a governance structure. With the support of Big Data Energy and Ardua Strategies, NAESB plans to continue its involvement in the test pilot by establishing a model for the use of the digitalized version of the NAESB Base Contract.

This standards development effort kicked-off with the submittal of Standards Request R18007, jointly submitted by Big Data Energy Services, American Electric Power Service Corp., Adjoint Inc., TVA, Pariveda, and JKM Energy & Environmental Consulting. On July 8, the WGQ Executive Committee approved the second part of the recommendation to fully address the standards request, which NAESB anticipates WGQ membership will ratify in August. This recommendation contains modifications to the NAESB Base Contract and Addendums and the NAESB Contracts Related Standards Manual as well as supporting revisions to the technical implementation, including the data dictionaries, code value dictionaries and paper samples for three new datasets.

In November of 2019, WGQ membership ratified the first part of the recommendation in support of Standards Request R18007. This recommendation contained revisions to the Contracts Related Standards Manual and supporting modifications to definitions and technical implementation. All standards development was conducted jointly by the WGQ Business Practices Subcommittee (BPS), the WGQ Contracts Subcommittee, and the WGQ EDM Subcommittee.

For more information, please go to [Standards Request R18007](#), [Final Action for R18007-A](#), [Final Action for R18007-B](#), [July 13, 2020 Press Release](#), and [September 20, 2018 Blockchain Press Release](#).

Cybersecurity: The WEQ Cybersecurity Subcommittee (CSS) has been busy addressing several annual plan items. First, the subcommittee is working to finish addressing the remaining additional findings made in the Sandia Report and assigned to the WEQ for standards development consideration. The WEQ CSS has scheduled a joint meeting with the WEQ OASIS Subcommittee for August 4, 2020 to discuss potential impact of these items to the WEQ OASIS Suite of Standards.

Next, the WEQ CSS has been focused on two recurring annual plan items for the WEQ. These recurring annual plan items include a review of the WEQ-012 Public Key Infrastructure Business Practice Standards as well as the NAESB Accreditation Requirements for Authorized Certification Authorities to determine whether any changes are needed to meet market conditions. The second annual plan item is a review of the NERC CIP Reliability Standards as well as NERC and FERC activities related to cybersecurity to determine if complementary WEQ Business Practice Standards are needed. In addition to FERC Order No. 866 and the June 18, 2020 FERC NOI, both of which address NERC CIP Reliability Standards, the WEQ CSS has also reviewed NERC Project 2016-02 Modifications to CIP Standards, NERC Project 2019-02 BES Cyber System Information Access Management, NERC Project 2019-03 Cyber Security Supply Chain Risks, NERC Project 2020-03 Supply Chain Low Impact Revisions, and NERC Project 2020-04 Modifications to CIP-012. Based on preliminary discussions and the recent modifications approved by the WEQ Executive Committee to the NAESB Accreditation Requirements for Authorized Certification Authorities, the consensus of the WEQ CSS is that no additional modifications are likely needed at this time. The subcommittee has scheduled two additional conference calls for August following the joint meeting with the WEQ OASIS Subcommittee.

For more information, please go to [Board Certification Committee Authorized Certification Authority Process](#), [NAESB Accreditation Requirements for Authorized Certification Authorities](#), [WEQ-012 Public Key Infrastructure Business Practice Standards](#), [May 12, 2020 WEQ CSS Final Minutes](#), and [June 30, 2020 WEQ CSS Draft Minutes](#), [June 18, 2020 FERC NOI](#).

Click on any underlined text and you can access more detailed reports.

RMQ/WEQ Renewable Energy Certificates Update: The RMQ and WEQ BPS continue to meet jointly to work towards the develop the NAESB Master Agreement for Sale and Purchase of Renewable Energy Certificates (NAESB REC Master Agreement). The NAESB REC Master Agreement will provide efficiencies to transactions involving RECs in the voluntary market. Most recently, the subcommittees held a joint conference call on July 27, 2020. The next meeting is scheduled for August 10, 2020.

As the subcommittees – chaired by Dick Brooks of Reliability Energy Analytics and Mary Do of Znalytics – march forward with the creation of the NAESB REC Master Agreement, the NAESB Base Contract is being leveraged as a drafting template. The participants agreed that, due to the versatility of its General Terms and Conditions and overall format, the NAESB Base Contract would provide the best outline. From the first meeting in December of 2019, the subcommittees began an analysis of common terms used in the voluntary REC market. In the past several meetings, the participants have focused on the cover letter, the General Terms and Conditions for the sale and purchase of RECs, and definitions for the terms to be used. During the next joint WEQ BPS and RMQ BPS call, the participants will continue to discuss and draft the NAESB REC Master Agreement.

As you may know, a REC is a unique and trackable instrument that represents the right to claim one thousand kilowatt hours of renewable energy that has been delivered to the grid. The REC process can be categorized into two major groups, compliance and voluntary. REC compliance instruments are used for state Renewable Portfolio Standards (RPS). In contrast, voluntary RECs are frequently used to verify corporate renewable consumption claims. The NAESB REC Master Agreement will focus on manual tracking methods used in the voluntary market, such as Contract Path Tracking which tracks RECs from creation, through the passing off to different entities, and through retirement.

For more information, please go to [REC Data Element Spreadsheet](#), [REC Data Elements Definitions Work Paper](#), [TVA RECs Primer](#), [Big Data Energy DLT Presentation](#), [TVA RECs Fact Sheet](#), and [RECs Process Work Paper](#).



Upcoming NAESB Courses: Each year, NAESB offers a variety of courses and webinars that overview the NAESB Business Practice Standards and provide information to the industry regarding the organization.

On June 23, 2020, NAESB hosted the *Understanding the NAESB WGQ Contracts Course*. Originally to be offered in March, this class was rescheduled due to the novel Coronavirus Disease 2019 pandemic (COVID-19). The course reviewed the NAESB Base Contract and provide an overview of its Addendums and other NAESB contracts.

NAESB intends to offer at least two additional webinars before the end of the year. On August 27, 2020, NAESB will host its annual NAESB 101 Webinar, to be led by NAESB Deputy Director Caroline Trum. This webinar is designed to introduce attendees to NAESB and explain how the organization’s work supports the goals of the wholesale and retail natural gas and electric markets. Participants will hear general information about NAESB and its ANSI-accredited standards development process as well as NAESB’s relationship with governmental agencies and other external bodies. All interested parties are welcome to join.

Additionally, NAESB is coordinating with the National Association of Regulatory Utility Commissioners (NARUC) to schedule a webinar for interested state Commissioners, Commission staff, and members of the National Council on Electric Policy (NCEP). This course, to be led by NAESB Deputy Director Elizabeth Mallett, will be similar to the NAESB 101 Webinar but with a specific focus on RMQ activities. Information on registration will be made available once the webinar date is announced. The webinar is free for all attendees and open to NARUC and NCEP participants.

NAESB will announce any additional courses or webinars as they are scheduled.

For more information, please go to [NAESB Primers and Training Courses Page](#) and [NAESB 101 Announcement](#).



WEQ/WGQ FERC Forms Order: From March 24 – March 26, FERC hosted a technical conference to discuss the draft eXtensible Business Reporting Language (XBRL) Taxonomy and filing processes for the FERC eForms Refresh effort and pursuant to Order No. 859 *Revisions to the Filing Process for Commission Forms*. This Order, released in June 2019 established XBRL as the new filing format for certain forms, as identified by the Commission, industry is required to submit. At the request of Commission staff, NAESB participated in the March technical conference. NAESB staff provided a presentation overviewing NAESB as well as the history of the WEQ/WGQ FERC Forms Subcommittee and the contributions of the subcommittee to the FERC eForms Refresh effort. The subcommittee served as an industry forum to gauge consensus on a number of foundational elements and had broad participation from form filers, software vendors, and FERC staff. The feedback and consensus positions identified by the WEQ/WGQ FERC Forms Subcommittee provided valuable insights that served as the building blocks for the Commission’s determinations in Order No 859.

During the technical conference, a suggestion was made that NAESB could serve as a resource to connect regulated entities required to use the XBRL filing format with software providers. As a result, NAESB has posted to its website a list of vendors that indicated to NAESB their intent to offer assistance to the industry in complying with Order No. 859. NAESB continues to remain in contact with FERC staff to provide any support the organization can as the industry moves forward with implementation.

On July 17, 2020, FERC issued an Order on Technical Conference in Docket No. RM19-12-000. This Order adopted the final versions of the XBRL taxonomy and other supporting documents needed by the industry to use the XBRL filing format to submit FERC Form Nos. 1, 1-F, 3-Q (electric), 2, 2-A, 3-Q (natural gas), 6, 6-Q, 60, and 714. In the Order, the Commission also identified the implementation schedule for the new filing format and addressed industry comments submitted in response to the March 23 – 26 technical conference.

As you may remember, in 2015, NAESB established the WEQ/WGQ FERC Forms Subcommittee in response to the Commission’s April 16, 2015 *Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms* in Docket No. AD15-11-000. In this Order, the Commission, citing the success of the industry’s collaboration through NAESB during the eTariff filings project, proposed the use of the NAESB process to coordinate the electric, natural gas, and oil industries for the eForms Refresh effort. Any future WEQ/WGQ FERC Forms Subcommittee conference calls will be announced by the NAESB Office.

For more information, please go to [July 17, 2020 FERC Order on Technical Conference](#) and [June 20, 2019 FERC Order No. 859](#).

NAESB Quadrant Membership Analysis:	
Wholesale Gas Quadrant	113
Retail Markets Quadrant	37
Wholesale Electric Quadrant	130
Total Membership	280
<u>NAESB New Member</u>	
Southern California Gas Company (WGQ, LDC)	

WEQ Open Access Same-time Information Systems (OASIS) Subcommittee: The WEQ OASIS Subcommittee has been moving full steam ahead to address the many standard development items assigned to the subcommittee. During its March meeting, the subcommittee completed recommendations addressing two annual plan items. The first recommendation proposes standard modifications to definite the eligibility and treatment of rollover rights for Network Integration Transmission Service (NITS). The second recommendation adds new efficiencies to the query function within OASIS nodes. Additionally, in April, the WEQ OASIS Subcommittee developed no action recommendations for two other annual plan items. All four recommendations will be presented to the WEQ Executive Committee for consideration in October.

Most recently, the WEQ OASIS Subcommittee completed a recommendation to address the industry submitted Standards Request R20003. The request proposed that NAESB consider modifications to WEQ-001-9 and WEQ-0001-10 standards in response to FERC Order No. 676-I. Between February and June, the WEQ OASIS Subcommittee held nine days of meetings and voted out a recommendation proposing modifications intended to provide more specificity and direction to enhance the consistency for the standards that address redirects on a firm and non-firm basis. The formal comment period for the recommendation closed on July 23, 2020. The subcommittee has scheduled two conference calls in August to review the formal comments received as well as to begin addressing industry submitted Standards Request R20010. Per the request, the subcommittee will consider modifications to the standards to resolve potential inconsistencies between standards language in the WEQ-001 OASIS Business Practice Standards and examples included as part of an appendix. The WEQ OASIS Subcommittee conference calls are open to all interested parties.

For more information, please go to [R20010, August 18, 2020 WEQ OASIS Draft Minutes](#), [Recommendation for R20010](#), [Request for Comments on R20010](#), [R20003, July 23, 2020 WEQ OASIS Meeting Notes](#), [Recommendation for 20003](#), [Request for Comments on R20003](#), [Comments Submitted by K. Frank, MISO](#), [Comments Submitted by JT Wood, Southern Company](#), [Late Comments Submitted by R. Berdahl, Bonneville Power Administration](#), [Late Comments Submitted by the WEQ OASIS Subcommittee](#), [Late Comments Submitted by the WEQ OASIS Subcommittee in response to BPA](#), [Late Comments Submitted by the WEQ OASIS Subcommittee in response to MISO](#), and [Late Comments Submitted by the WEQ OASIS Subcommittee in response to Southern Company](#).

NAESB Electric Industry Registry (EIR): NAESB is committed to ensuring that the NAESB EIR continues to meet the needs of the industry and continuously works with the system administrator to identify updates to improve efficiencies and enhance the user experience. On April 28, the NAESB EIR implemented one such update to improve cybersecurity protections. As part of the update, NAESB EIR users are now required to access the registry through TLS Version 1.2 and the registry deprecated support for any connection encrypted using TLS Versions 1.0 or 1.1. NAESB worked with the system administrator to provide notice to registry users, including instructions for users to verify browser settings and test connectivity to help ensure uninterrupted access to the tool. With this update, the cybersecurity protections of the NAESB EIR are aligned with recommendations made in the Sandia Report.

Additionally, in the past few months, the NAESB EIR has implemented several other updates aimed at enhancing system usability. As of June 2, the NAESB EIR is now fully compatible with the Google Chrome internet browser. In July multiple updates were released, allowing users to register for additional system alerts and more easily navigate the tool. Finally, in March, the NAESB EIR released an update related to the email notifications of the registry publication.

NAESB staff is currently working with the system administrator to identify additional updates that may be needed through the end of the year.

For more information, please go to [July 10, 2020 - NAESB Electric Industry Registry Update Announcement](#), [June 4, 2020 - NAESB EIR Publication Announcement](#), [June 2, 2020 - NAESB Electric Industry Registry Update Announcement](#), [April 14, 2020 - NAESB Electric Industry Registry Update Announcement](#), [March 19, 2020 - NAESB Authorized Certification Authority Renewal Notice - GMO GlobalSign, Inc.](#), [March 20, 2020 - NAESB Electric Industry Registry Update Announcement](#).

and [March 27, 2020 - NAESB Electric Industry Registry Update Announcement](#).



Filings: NAESB made an informational filing with the Commission regarding the publication of Version 003.3 of the WEQ Business Practice Standards on March 30, 2020. The filing highlighted the major standard development efforts that contributed to the publication of the new version. This included the standard modifications that completed the NAESB response to FERC Order No. 890, the cyber-security related standards changes resulting from the Sandia Report, and the multiple standard development efforts coordinated with NERC. In total, Version 003.3 of the WEQ Business Practice Standards contained 153 newly developed standards and updates to 229 existing standards as well as modifications to the supporting definitions, acronyms and appendices. These standards are the subject of a FERC NOPR issued on July 16, 2020 in Docket Nos. RM05-5-029 and RM05-5-030. With few exceptions, the Commission proposes to incorporate by reference the new version of the WEQ Business Practice Standards.

On August 15, NAESB will publish Version 3.2 of the WGQ Business Practice Standards. That Monday, August 17, NAESB anticipates making an informational filing to FERC regarding the publication. The informational filing will describe the standard development efforts that culminated in the publication of Version 3.2 of the WGQ Business Practice Standards. This includes items discussed in more detail in above sections, such as the DoE sponsored surety assessment performed by Sandia, several items related to the NAESB Base Contract, and revisions to the technical implementation and EDI business communication standards.

For more information, please go to [March 30, 2020 NAESB Filing to FERC on WEQ 003.3](#), [July 16, 2020 FERC NOPR Version 003.3](#), and [WGQ Final Actions Page](#).

Sandia National Laboratories: As done after previous surety assessments on the NAESB standards, NAESB has developed a report to detail the activities that were undertaken and the standards that were modified in response to the recommendations contained in the Sandia National Laboratories (Sandia) 2019 Surety Assessment Report (Report). The NAESB report was drafted and approved by the NAESB Board Critical Infrastructure Committee (Board CIC) and a preliminary review was provided to the Board of Directors during the Status Update call on July 30, 2020. The report is expected to be finalized by the Board of Directors during their upcoming September 3, 2020 virtual meeting. Once approved, the report will be forwarded to the appropriate parties at the Department of Energy (DoE) and Sandia.

At the request of the DoE, NAESB expedited the standards development efforts to address the recommendations to mitigate potential security issues made by Sandia as part of their Report. Within seven months of receipt of the Report last July, NAESB completed the standards development process for these recommendations through membership ratification. The modifications that resulted from these development efforts have now been incorporated into new versions of the standards, released by the Retail Market Quadrant (RMQ) in January and the Wholesale Electric Quadrant (WEQ) in March and scheduled for publication by the Wholesale Gas Quadrant (WGQ) in August. As explained in the NAESB report, the resulting standards aimed to align security requirements with industry cybersecurity best practices, to remove legacy functionality that could potentially provide a vehicle for cyber-attacks, and to incorporate enhanced secure communication protocols and encryption methodologies. This includes deprecating support for older versions of protocols, such as the Secure Socket Layer (SSL) encryption protocol with the more secure Transport Layer Security (TLS) encryption protocol.

The WGQ and RMQ worked jointly to address their assigned standard development items, with the resulting recommendations modifying the WGQ and RMQ Electronic Delivery Mechanism (EDM) and Internet Electronic Transport (IET) Business Practice Standards and Model Business Practices. The RMQ Executive Committee approved the revised RMQ Model Business Practices in December, and RMQ membership ratified the standards in January. The WGQ Executive Committee approved the revised WGQ Business Practice Standards in February, and WGQ membership ratified the standards in March. Within the WEQ, the standards development effort led to recommendations that modified the NAESB Accreditation Requirements for Authorized Certification Authorities as well as the WEQ OASIS Suite of Business Practice Standards. Like the WGQ, the WEQ Executive Committee approved the proposed revisions in February. The new version of the NAESB Accreditation Requirements for Authorized Certification Authorities became effective on February 19, 2020. WEQ membership ratified the modified WEQ OASIS Suite of Standards in March.

Currently, the WEQ, WGQ, and RMQ are working to complete the remaining additional findings that were not addressed as part of recommendations concerning potential security issues. Within the WGQ and RMQ, these additional findings have been jointly assigned to the WGQ EDM Subcommittee and RMQ Information Requirements and Technical Electronic Implementation Subcommittee, which have held a series of joint meetings to discuss the need for potential standards to address the considerations identified by Sandia. All remaining additional findings within the WEQ have been assigned to the WEQ Cybersecurity Subcommittee.

For more information, please go to [2020 WEQ Annual Plan](#), [2020 WGO Annual Plan](#), [2020 RMO Annual Plan](#), [July 30, 2020 Board Status Update Call Agenda](#), [Board Status Update Call Presentation](#), [March 17, 2020 Board CIC Meeting Notes](#), [Draft Report on NAESB Response to the 20019 Sandia Surety Assessment Report](#), [September 3, 2020 Board Conference Call Announcement](#), [Board CIC Members Roster](#), [Board Digital Committee Members Roster](#), [Addendum Report - Threat-based Examination of NAESB Standards and Business Operations](#), [Assessment Report of the NAESB Business Operations Practices and Standards](#), [Assessment Report of the NAESB OASIS Standards](#), [Assessment Report of the NAESB PKI Program](#), [Final Action for the WEQ Standards in Response to Sandia Report](#), [Final Action for the WGQ Standards in Response to Sandia Report](#), [Final Action for the RMQ Standards in Response to Sandia Report](#), and [Accreditation Requirements for Authorized Certification Authorities](#).



Version 3.2 of the NAESB WGQ Business Practice Standards: NAESB is making preparations for the publication of Version 3.2 of the WGQ Business Practice Standards, scheduled for release on August 15. Included as part of the new version of the standards will be the Mexican Addendum to the NAESB Base Contract as well as the cybersecurity-related standards developed in response to the Sandia Report. Additionally, Version 3.2 will incorporate the standards that support a digitalized version of the NAESB Base Contract, with the final modifications approved by the WGQ Executive Committee expected to be ratified by membership in early August. Beyond these standards, the new version also incorporates additional cybersecurity revisions and modifications to the technical implementation and EDI business communication standards.

Altogether, Version 3.2 of the WGQ Business Practice Standards is expected to contain twenty-three final actions, thirty-one minor corrections. In addition to the revisions noted above, these changes will incorporate thirty-five revised or new datasets, twenty-one revised ASC X12 Mapping Guidelines, nine modified introductions to standards, and six modified appendices. The informational report on Version 3.2 of the WGQ Business Practice Standards is anticipated to be filed with the Commission on August 17, 2020.

For more information, please go to [WGQ Final Actions Page](#).

Non-member Access/Participation: For our participants who are non-members, from the NAESB Home Page you can access one of the four quadrant squares – wholesale electric, retail electric, wholesale gas and retail gas, you are directed to the “[NAESB Non-member Access: NAESB Committees, Subcommittees and Task Forces](#)” web page. *For more information, please go to [NAESB Current Committee Activities](#) or contact NAESB Staff (naesb@naesb.org) for additional information.*

WEQ Publication, NOPR, and Filing: In a continuance of the long-established support for the public-private partnership with NAESB, the Federal Energy Regulatory Commission (FERC or Commission), issued a Notice of Public Rule-making (NOPR) on Version 003.3 of the WEQ Business Practice Standards on July 16, 2020. NAESB published this new version of the WEQ Business Practice Standards on March 30, 2020 and filed an informational report with the Commission the same day. This version of the standards encompasses several landmark, multi-year projects and represents a significant industry effort, including cybersecurity modifications resulting from the Sandia Report, standards developed in coordination with the North American Electric Reliability Corporation (NERC), and the completion of standards development to address FERC Order No. 890 directives. The NOPR, issued in Docket Nos. RM05-5-029 and RM05-5-030, proposed to incorporate by reference into FERC regulations Version 003.3 of the WEQ Business Practice Standards with few exceptions.

Included as part of the NOPR proposal for incorporation by reference are the cyber-security related standards NAESB developed to address the recommendations made in the Sandia Report. Recognizing the stand-alone nature of these standards and the DoE's request that NAESB act in an expedited manner in response to the surety assessment, the Commission proposed a separate timeline for industry implementation. Per the NOPR, the total implementation period for the specific cyber-security related standards as identified by the Commission will be at least twelve months.

The NOPR also proposed to incorporate by reference all standards resulting from coordination efforts between NAESB and other organizations. This includes the highly anticipated standards supporting the Parallel Flow Visualization (PFV) congestion management process, developed as part of a multi-year coordination project between NERC and EIDSN, Inc. These standards improve upon the congestion management process for the Eastern Interconnection through the use of real-time data in determining curtailments. As demonstrated in a recent field trial conducted by EIDSN, Inc., the PFV congestion management process provides a more accurate model and is a considerable improvement over the interconnection's current congestion management procedure. Also related to coordination with NERC, the NOPR's incorporation by reference proposal included the WEQ-004 Coordinate Interchange Business Practice Standards and the WEQ-023 Modeling Business Practice Standards. At the request of NERC, NAESB revised both suites of standards to support the proposed retirement of several NERC Reliability Standards. In regards to the WEQ-023 Modeling Business Practice Standards, which address information used in transmission modeling, FERC requested comments regarding whether the standards provide a sufficient level of detail for transparency and consistency purposes. Specifically, the Commission requested comments as to if more detailed FERC regulations are needed or if the Commission should ask NAESB to consider developing additional standards.

Additionally, through the NOPR, the Commission proposed to incorporate by reference the modifications made to the WEQ OASIS Suite of Standards. These include the revisions

that address the final directives from FERC Order No. 890. The Order, issued in 2007, contained approximately forty-seven directives for standards development, all of which NAESB has now completed. The additional modifications made to the WEQ OASIS Suite of Standards to support increased transparency, consistency, and efficiency are also included in the incorporation by reference proposal.

For all standards other than those identified by the Commission related to cybersecurity, the NOPR proposed an eighteen-month implementation timeline. The Commission requested comments on how best to proceed with implementation, including for the standards related to PFV and OASIS. Comments must be submitted within sixty days after the publication of the NOPR in the Federal Register.

Just prior to the issuance of the NOPR on WEQ Version 003.3, the FERC issued Order No. 676-I *Standards for Business Practices and Communication Protocols for Public Utilities* in Docket Nos. RM05-5-025, RM05-5-026, and RM05-5-027. In the Order, released on February 4, 2020, the Commission revised its regulations to incorporate by reference, with certain exceptions, Version 003.2 of the WEQ Business Practice Standards. This version built upon Version 003.1 of the standards, which was the subject of a NOPR issued in 2016 but did not, by itself, become the subject of a final order. Together, the Version 003.1 and Version 003.2 standards mark a development period from September 2011 through December 2017 and support FERC Order Nos. 890, 890-A, 890-B, 888, 768, 764, 676-E, and 676-H.

NAESB is currently undertaking two standards development efforts in response to directives in Order No. 676-I. The first standards development effort addresses Time Error Correction. As part of Order, the Commission declined to adopt the retirement of the WEQ-006 Manual Time Error Correction Business Practice Standards. NAESB reserved this suite of standards in Version 003.2 at the request of and in coordination with NERC, and the Commission had proposed the removal of these standards from incorporation in its regulations as part of a NOPR issued on October 12, 2018 in Docket No. RM05-5-026. In declining to adopt the NOPR proposal as part of Order No. 676-I, the Commission incorporated by reference Version 003.1 of the WEQ-006 Manual Time Error Correction Business Practice Standards and directed public utilities to work through the NAESB to revisit the rationale for reserving the standards to determine whether they should be retained or revised. Additionally, NAESB is working to revise language within the WEQ OASIS Suite of Standards in response to the Commission declining to adopt the preambles to WEQ-001-9 and WEQ-001-10 and provide greater clarity in support of the Commission's *Dynergy* policy.

For more information, please go to [July 16, 2020 FERC NOPR Version 003.3](#), [February 4, 2020 FERC Order No. 676-I](#), [Correspondence from Michael Desselle Regarding FERC Order No. 676-I](#), [May 16, 2019 NOPR on WEQ 003.2](#), [October 12, 2018 Time Error Correction NOPR](#), [FERC Order No. 676-H](#), [March 30, 2020 NAESB Filing to FERC on WEQ 003.3](#), [Final Action - Parallel Flow Visualization](#), and [Final Action - Sandia WEQ Standards](#).

2020 NAESB Standards Development Survey Update: As in past years, NAESB is conducting a survey of industry participants to gauge potential interest in areas of standards development or activities that NAESB should consider undertaking within the next twelve to eighteen months. The NAESB Board Strategy Committee developed the 2020 NAESB Standards Development Survey during its June 11, 2020 meeting, and the NAESB office distributed the survey to over 2,000 contacts on June 25, 2020. Unlike past surveys, this year's survey also asked respondents to provide use cases for standards development by identifying examples of specific business practices, processes, or transactions within each generalized area identified within the survey. The areas of inclusion in the survey were determined based on suggestions made by both the Advisory Council and the NAESB Board Digital Committee and included distributed ledger technologies, the IoT, distributed energy resources, and the General Data Protection Regulation (GDPR).

NAESB is currently compiling the responses following the July 24, 2020 close of the survey, seventy-five responses were received and additional outreach for clarification is now underway. The NAESB Board Strategy Committee has scheduled its next meeting for August 27, 2020. During this meeting, the committee will review the draft report detailing the survey results. On September 3, 2020, the draft report will be presented to the NAESB Board of Directors and the takeaways will feed into the October annual planning process.

For more information, please go to [2020 NAESB Standards Development Survey](#), [2020 NAESB Standards Development Survey Results](#), and [Updated Draft Digital Committee Report](#).

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NAESB Board Committees Update: The NAESB Board Committees have remained active over the past several months finalizing work products to be submitted to the NAESB Board of Directors during the upcoming September 3, 2020 virtual meeting. On July 30, 2020, the NAESB Board of Directors held a status call to update members on these recent organization activities. The call was scheduled following the cancellation of the April meeting of the NAESB Board of Directors due to the COVID-19 pandemic and intended to provide Board members the opportunity to review and ask questions regarding the items to be presented during the upcoming virtual meeting. The presentation made during the status call covered the membership and financial reports, the NAESB Board Digital Committee Inaugural Report, the NAESB Response to Sandia National Laboratories Surety Assessment Report, and the revisions to the NAESB Accredited Certification Authority Process, among other items. During the July 30 call, NAESB leadership also announced that the NAESB Board of Directors, the Executive Committees, and the Subcommittees will continue to meet virtually through at least December 2020.

The NAESB Board Digital Committee finalized the drafting of the committee's inaugural report during its June 11, 2020 meeting. Developed over seven meetings held between May 2019 and June 2020, the report details the results of an investigation and evaluation of areas and technologies that are enabling, are enabled by, or impacting the digitalization of the energy industry. After surveys and extensive discussion on eleven areas and technologies (including distributed ledger technology, 5G, internet of things (IoT), and cloud computing), the report offers recommendations to continue standards development efforts in support of cybersecurity and distributed ledger technologies and to monitor several other areas that have been identified as strongly relevant to the processes/transactions that NAESB standards currently address or may address in the future. With the support of the NAESB Board of Directors, the report will serve as the basis for further exploration as NAESB looks toward 2021.

On June 9, 2020, the NAESB Board Revenue Committee held a conference call to discuss communication activities, financials, membership reports, and to hear a status report on the distributed ledger technology standards development efforts within the WEQ, RMQ, and WGQ. The committee also determined to move the publication date for Version 3.2 of the WGQ Business Practice Standards from the second quarter of 2020 to August 15, 2020. During this meeting, it was also announced that a press release would soon be available concerning the WGQ distributed ledger technology standards development effort.

Continuing its effort to update the NAESB Governance Documents, the Parliamentary Committee held a conference call on June 9, 2020. During that call, the committee reviewed the NAESB Operating Procedures (NAESBOps) to ensure consistency within the document as well as consistency with other NAESB Governance Documents and Delaware law. This effort kicked off in April of 2017. To date, fourteen Parliamentary Committee conference calls have been held to review the NAESB Certificate of Incorporation, the NAESB Bylaws, and the NAESBOps, with a focus on: (1) consistency with Delaware Corporate Law; (2) consistency with the document itself and other Governance Documents; (3) consistency with the original intent of the adopted provision and/or procedure; (4) consistency with, and incorporation where necessary of, undocumented practices and procedures of NAESB. The next Parliamentary Committee conference call will be announced by the NAESB office.

On June 12, 2020, the NAESB Board Certification Program Committee approved modifications to the NAESB Authorized Certification Authority Process. The revisions provide additional clarity regarding the renewal process and the versioning of documents that encompass the NAESB Certification Program for Accredited Certification Authorities. Additional modifications correct formatting issues and typographic errors. As noted above, the revised process was discussed during the July 30, 2020 Board status update conference call and will be considered during the September 3, 2020 virtual meeting.

In addition to the work on the 2020 NAESB Standards Development Survey, the NAESB Board Strategy Committee discussed the informal recommendation made by the DoE and Sandia that NAESB, working with FERC, consider a new process for the adoption of cybersecurity standards. The current process of developing and/or modifying cybersecurity standards through NAESB and submitting those standards to FERC for consideration as part of a possible rulemaking prior to industry implementation requires steps and a specific amount of time per the NAESB and regulatory processes. In response to this recommendation, the NAESB Board Strategy Committee will continue discussions and consider solutions that may support a more expedient process for setting cybersecurity standards for the industry.

For more information, please go to [March 17, Board CIC Agenda](#), [Parliamentary Committee Roster](#), [NAESB Certificate of Incorporation](#), [NAESB Bylaws](#), [NAESB Operating Procedures](#), [Board Strategy Committee – Named Members](#), [Managing Committee Page](#), [Board Revenue Committee – Named Members](#), [WGQ Publication Schedule Version 3.2](#), [WEQ Publication Schedule Version 003.3](#), and [RMQ Publication Schedule Version 3.3](#).

NERC Coordination and e-Tagging: NAESB and NERC continue to coordinate on a number of items to ensure that the organizations move in lock step to achieve wholesale electric industry goals. As part of this coordination effort, NAESB and NERC staffs are in regular communication and hold standing monthly coordination calls to discuss issues addressing both commercial and reliability aspects of the market. Current areas of coordination between NAESB and NERC include the drafting of the NERC 2021 – 2023 Reliability Standards Development Plan (RSDP), potential revisions to standards that serve as complementary to NERC Reliability Standards, cybersecurity, and the implementation of the new version of the NAESB Electronic Tagging (e-Tagging) Specification.

Every year, the WEQ Standards Review Subcommittee (SRS) reviews the NERC RSDP to note any opportunities for ongoing or future harmonization on NERC projects and prepares a report to the NAESB Managing Committee. This year, the WEQ SRS will hold a conference call on September 1, 2020 to review the NERC 2021-2023 RSDP. All interested parties are welcome to participate.

Currently, the WEQ BPS is addressing two areas of standards development that could result in modifications to WEQ Business Practice Standards that serve as complementary to NERC Reliability Standards. NAESB staff has been in communication with NERC staff regarding both efforts. In response to FERC Order No. 676-I, the subcommittee is considering the development of additional standards to address Manual Time Error Correction, an area of long-standing coordination between NAESB and NERC. The subcommittee has held monthly meetings since April to discuss this issue and has identified new standards for potential inclusion in the WEQ-006 Manual Time Error Correction Business Practice Standards intended to complement and support the NERC Time Monitoring Reference Document – Version 5. The subcommittee anticipates developing a draft recommendation during its August meeting. An additional conference call has scheduled for September 10, 2020 to discuss and possibly vote on the draft recommendation.

Additionally, the WEQ BPS has been assigned Standards Request R20008, submitted by Southwest Power Pool. The request asks NAESB to review WEQ-005 Area Control Error (ACE) Equation Special Cases – the NAESB standards complementary to the NERC-related ACE requirements – to determine if any updates are need to complement the NERC Dynamic Transfer Reference Document – Version 4. The WEQ BPS held initial discussions on the request during its July 23, 2020 meeting and will continue to discuss the request during upcoming conference calls.

As part of its annual review, the WEQ Cybersecurity Subcommittee (CSS) has scheduled two conference calls in August to continue to discuss 2020 WEQ Annual Plan Items 4.a and 4.b. As part of these recurring annual plan items, the subcommittee reviews NERC and FERC activities related to cybersecurity. Over the course of several meetings, the WEQ CSS has discussed a number of NERC standard development projects that could potentially result in modifications to the NERC Critical Infrastructure Protection (CIP) Reliability Standards as well as FERC Order No. 866 *Critical Infrastructure Protection*

Reliability Standard CIP-012-1 Cyber Security – Communications between Control Centers and the June 18, 2020 FERC Notice of Inquiry (NOI) *Potential Enhancements to the Critical Infrastructure Protection Reliability Standards*. While the initial consensus of the WEQ CSS was that no action is likely needed at this time, the subcommittee agreed to continue to monitor the standard projects addressing the NERC CIP Reliability Standards as well as future FERC action resulting from the NOI.

On August 18, 2020, the wholesale electric industry anticipates implementing Version 1.8.4 of the NAESB Electronic Tagging (e-Tag) Specification. As part of this version of the specification, all communications between e-Tag agent, approval, and authority services are required to use TLS Version 1.2. This modification aligns the encryption methodologies for e-Tagging communications with the recommendations made in the Sandia Report. Additionally, as part of the new version, the specification incorporates updates made to the e-Tagging commercial timing tables included in the WEQ-004 Coordinate Interchange Business Practice Standards. These modifications, which are included in Version 003.3 of the WEQ Business Practice Standards, are intended to provide greater consistency in industry implementation.

For more information, please go to [September 1, 2020 WEQ SRS Agenda, 2021-2023 Draft NERC RSDP, June 28, 2020 WEQ CSS Draft Minutes, R20008, June 25, 2020 WEQ BPS Final Minutes, and July 23, 2020 WEQ BPS Final Minutes.](#)

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