

NAESB Bulletin

November - February 2025 Volume 17, Issue 3

[Current 2025 WGQ Annual Plan](#)
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[Current 2025 Retail Annual Plan](#)

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2024-25 Calendar

November

11/4 - NAESB 101 Webinar
11/7 - WGQ Contracts Subcommittee Call
11/12 - WEQ OASIS Conf. Call
11/12 - Board Strategy Committee Conf. Call
11/20 - Joint WEQ BPS, WEQ CSS, RMQ BPS Call
11/23 - Holiday - Thanksgiving
11/24 - Holiday - Day After Thanksgiving (NAESB closed)

December

12/4 - Board Revenue Committee Call
12/4 - Board Strategy Committee Call
12/9 - WGQ Contracts Subcommittee Call
12/10 - WEQ SRS Conf. Call
12/11 - NAESB Update Call
12/12 - NAESB Board of Director Call
12/12 - WGQ Contracts Subcommittee Call
12/25 - Holiday - Christmas
12/26 - Holiday - Christmas
12/29 - Holiday - New Years

January

1/1 - Holiday - New Years Day
1/2 - Holiday - Day After New Years Day
1/6 - WGQ Contracts Subcommittee Call
1/14 - WEQ OASIS Call
1/15 - Joint WEQ BPS, WEQ CSS, and RMQ BPS Call
1/17 - WGQ Contracts Subcommittee Call
1/20 - Holiday - Martin Luther King Day
1/21 - WEQ BPS Call
1/22 - WGQ Contracts Subcommittee Call

February

2/6 - WEQ CISS Call
2/7 - WGQ Contracts Subcommittee Call
2/11 - WEQ SRS Call
2/11 - WGQ Contracts Subcommittee Call
2/12 - WGQ Contracts Subcommittee Call
2/17 - Holiday - President's Day
2/18 - Joint WEQ BPS, WEQ CSS, and RMQ BPS Call
2/19 - NAESB Update Call
2/20 - WEQ BPS Western Interconnection Congestion Management Working Group Call
2/22 - NAESB Advisory Council Meeting
2/27 - WGQ Contracts Subcommittee Call

WGQ Contracting Activities:

After nearly eight months of meetings, the WGQ Contracts Subcommittee has completed its effort to develop a standardized sale and purchase agreement for hydrogen through its open development process. The NAESB Base Contract for the Sale and Purchase of Hydrogen includes provisions that will facilitate certificate tracking, the inclusion of carbon intensity values, and multiple transportation methods. As a baseline for the contract, the Subcommittee was able to draw from the existing NAESB contracts including the NAESB Base Contract for the Sale and Purchase of Natural Gas, NAESB Certified Gas Addendum and the NAESB Master Agreement for Liquid Hydrocarbons. After incorporating stakeholder feedback from an informal comment period that closed on September 6, 2024, the subcommittee finalized the draft and voted on a recommendation on February 27, 2025. This recommendation is now open for an industry-wide formal comment period, which will close on March 31, 2025.

In parallel, the subcommittee also has an effort underway to update to the Renewable Natural Gas (RNG) Addendum to ensure consistency with the new Biogas Regulatory Reform Rule (BRRR). This effort was undertaken in response to a 2025 WGQ Annual Plan item brought forward by representatives from the American Gas Association (AGA). The subcommittee has met twice since their initial meeting in January and plans to vote on a recommendation during the meeting scheduled for March 19, 2025. Discussions are underway by WGQ Executive Committee (EC) leadership to consider calling a special EC conference call to consider any comments that are submitted during the comment period and to vote on the Hydrogen Base Contract and the RNG Addendum changes in the coming months.

Distributed Energy Resources Activities:

As requested by the Department of Energy (DOE) the NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from Distributed Energy Resource (DER) Aggregations is now available for industry use. This contract simplifies transactions between utilities and DER aggregators by introducing standardized terms and conditions, aiming to enhance efficiency, reduce uncertainties, and lower costs in negotiations. It is also intended to provide the needed flexibility to accommodate varying operational needs and regulatory requirements.

Over 80 industry representatives, including electric utilities, ISOs/RTOs, DER aggregators, and members of the National Association of Regulatory Utility Commissioners (NARUC), contributed to the development of the contract. In addition to the contract, NAESB has developed an optional NAESB Conditions Precedent (CP) Addendum, which allows distribution utilities to specify requirements that must be met before transactions can occur under the Base Contract. This addendum streamlines contract implementation by establishing mutually agreed-upon milestones, dates, and deadlines that must be met during the completion of the registration process for DER aggregators.

With the contract now available, NAESB participants recently shifted their focus to considering cybersecurity requirements for DER communications under an annual plan item that was put on hold for the development of the contract requested by the DOE. Since October 2024, the Business Practice Subcommittee (BPS) has been discussing the need for business practice standards that could enhance the security of electronic exchanges between DER aggregators, utilities, and system operators. Initial discussions took place between October and December 2023 and potential gaps were identified in existing cybersecurity best practices areas that support DER-related communications.

To facilitate the work, participants reviewed key industry and regulatory documents, including the NARUC-U.S. DOE Cybersecurity Baselines for Electric Distribution Systems and DERs, the NIST Cybersecurity Framework, and the NARUC Grid Data Sharing Playbook. Additionally, a DER Aggregator-Distribution Utility Bidirectional Market-Based Communication Exchange Use Case was created to outline cybersecurity goals, considerations, and communication standards for secure exchanges. However, after several months of evaluating interactions between DER aggregators and ISOs/RTOs, it was determined that existing wholesale electric market rules likely already address these exchanges, and that developing additional standards by NAESB would not be beneficial at this time.

WEQ Activities Supporting OASIS and e-Tag Transactions:

NAESB continues to advance WEQ Business Practice Standards to align with evolving industry needs for OASIS and e-Tag transactions, focusing on improving efficiency, transparency, and coordination in transmission service and interchange scheduling.

The WEQ OASIS Subcommittee recently considered a request to modify standards to allow transmission customers to designate an agent for point-to-point transmission service transactions within OASIS. After industry discussions, the subcommittee voted on January 14, 2025, to issue a no-action recommendation, concluding that the existing framework meets industry needs. The comment period closed on February 13, 2025, with no comments received. The recommendation will be reviewed at the March 24, 2025, WEQ Executive Committee meeting.

Meanwhile, the WEQ CISS is exploring potential modifications to the WEQ Business Practice Standards and the NAESB WEQ Electronic Tagging (e-Tag) Functional Specification to better accommodate bidirectional resources like battery storage. At its February 6, 2025 meeting, the subcommittee reviewed a proposal to streamline e-Tagging for resources capable of both charging and discharging energy, by consolidating both functions into a single tag.

Discussions highlighted operational challenges with using multiple e-Tags, including increased workload, data complexity, and potential impacts on scheduling, ATC calculations, and congestion management. While perspectives on this change vary among market operators, the subcommittee plans to develop a problem statement to assess regional and system-wide impacts. Further discussions are scheduled for April 2025 to explore potential solutions and next steps.

NERC Coordination:

NAESB and NERC continue to collaborate on key industry priorities, such as DERs, IBRs, cybersecurity, and gas-electric coordination. Both organizations hold regular discussions to align standards development efforts that impact commercial operations and reliability within the wholesale electric sector.

A key initiative in preparation stages is the development of business practices to support congestion management across the Western Interconnection, as part of Standards Request R24005. If adopted, these practices would complement the existing Western Interconnection Unscheduled Flow Mitigation Plan, supported by NERC Reliability Standard IRO-006-WECC-3. While no direct reliability impacts are anticipated, NAESB maintains close communication with NERC and WECC staff, who are committed to the standards development process.

Additionally, the WEQ Standards Review Subcommittee (SRS) is monitoring NERC projects related to gas-electric coordination, cybersecurity, and IBR integration. Recent efforts include Project 2023-09 on Risk Management for Third-Party Cloud Services, for which the NERC Standards Committee approved a Standard Authorization Request (SAR) on December 10, 2024. The SRS is also tracking updates to NERC's Critical Infrastructure Protection (CIP) Reliability Standards, filed with FERC in December 2024. Furthermore, the subcommittee is engaged in NERC's ongoing work to revise EOP-012 Extreme Cold Weather Preparedness and Operations and implement FERC Order No. 901 directives related to IBRs, covering both utility-scale and behind-the-meter resources.

Cybersecurity:

Cybersecurity remains a critical focus for ensuring a secure and reliable commercial market in the natural gas and electric industries. To address evolving risks, NAESB has planned several standards development efforts for 2025.

Each year, the WGQ, RMQ, and WEQ assess their cybersecurity standards to align with industry needs and the latest guidance from the U.S. Department of Energy and the National Institute of Standards and Technology (NIST). This includes reviewing communication and encryption methodologies, eliminating legacy functionalities that may pose vulnerabilities, and ensuring hardware and software alignment for customer activities and informational postings by interstate natural gas pipelines.

As noted in the Distributed Energy Resources Activities section, the WEQ, RMQ Business Practices, and Cybersecurity Subcommittees reviewed the DER Aggregator-Distribution Utility Bidirectional Market Communications Use Case at the February 18, 2025 meeting. Following the review, a no-action recommendation was adopted, with future standards development dependent on proposals from industry or state regulators.

For WEQ, the annual review also includes aligning with recent FERC and NERC cybersecurity updates, particularly regarding NERC Critical Infrastructure Protection (CIP) Reliability Standards. The WEQ assesses and updates the NAESB Accreditation Requirements for Authorized Certification Authorities (ACAs) to ensure compliance with the WEQ Public Key Infrastructure (PKI) Standards. Additionally, the WEQ monitors external efforts, such as those by the Certificate Authority/Browser (CAB) Forum, which develops best practices for securing PKI digital certificates and mitigating software supply chain risks.

In 2024, FERC adopted NAESB WEQ Version 004 and WGQ Version 4.0, consolidating cybersecurity standards into a single section for easier revisions. This reorganization is also reflected in RMQ Version 4.0, facilitating faster updates to keep pace with cybersecurity advancements.

Helpful links on the NAESB Home Page:

- [NAESB Bulletin](#)
- [What's Hot](#)
- [NAESB Standards and Implementation](#)

Gas-Electric Coordination:

On December 3, 2024, NAESB submitted an informational filing to the Federal Energy Regulatory Commission (FERC) outlining updates to the NAESB WGQ Business Practice Standards that were made in response to Recommendation 5 of the *Winter Storm Elliott Report*. These updates aim to enhance access to market coordination data and improve the geographic locational information included in pipeline notices to support situational awareness during extreme weather events.

The updates include the creation of a dedicated "Gas Electric Coordination" section on interstate natural gas pipelines' Informational Postings websites, streamlining access to public data that may be needed by RTOs, ISOs, and other market participants. Additionally, the new requirements ensure that Critical Notices issued by pipelines include geographic details of the facilities that are referenced in the notice to help stakeholders assess potential impacts system wide.

These changes are part of NAESB's ongoing efforts to improve gas-electric market coordination and were the result of ten joint meetings that included the participation of over 150 individuals from all sectors of the supply chain. During the meetings, the participants identified communication challenges and discussed solutions to those challenges in an effort to enhance data accessibility and transparency that may improve communication among gas and electric market participants.

While the cross-market effort only resulted in new and modified WGQ Business Practice Standards, a scenario-based communications gap analysis work paper was developed to assist in discussions. Over the course of these meetings, the participants identified several categories of potential standards development. In addition to the two proposals that led to the drafting of the modifications to the WGQ Business Practices Standards, other areas of discussion included (1) local distribution company, end user, and pipeline forecast information sharing, (2) communication protocols for upstream natural gas entities, and (3) the types of data that could enhance the level of awareness industry tools may provide. While standards proposal expanding on these efforts were not offered by participants, there was recognition that this would not preclude future development efforts in these areas.

Although, no specific gas-electric market coordination activities are currently ongoing, NAESB has included items as part of the 2025 Annual Plans to develop and/or modify business practices standards to support gas-electric market coordination as requested or directed by the NAESB Board of Directors or through standards requests.

FERC Action on NAESB Business Practice Standards:

At the end of last year, FERC issued two final orders adopting the latest NAESB Business Practice Standards for the natural gas and electric industries that will enhance market efficiency and cybersecurity protections, among other things.

On February 19, 2024, FERC issued Order No. 676-K, incorporating WEQ Version 004 into its regulations. This update strengthens cybersecurity protections, streamlines commercial scheduling, and enhances coordination with FERC's pro forma Open Access Transmission Tariff (OATT). Public utilities must submit compliance filings within 120 days of publication in the Federal Register, with cybersecurity requirements taking effect 12 months after publication, and all other standards 18 months thereafter.

On November 22, 2024, FERC issued Order No. 587-AA, adopting WGQ Version 4.0 to improve cybersecurity and operational efficiency in the wholesale gas market. Key updates include multi-factor authentication, whitelisting guidance, streamlined reporting for capacity release and invoicing, and new addendums for certified gas and renewable natural gas transactions. Compliance filings for interstate natural gas pipelines are due by February 3, 2025, with implementation required by August 1, 2025.

Both orders will take effect 60 days after publication in the Federal Register.



Distributed Ledger Technologies:

NAESB, in coordination with the U.S. Department of Energy (DoE) and the Tennessee Valley Authority (TVA), continues advancing the implementation testing of the NAESB Distributed Ledger Technology (DLT) Business Practice Standards. These standards provide a digital framework for executing transactions under the NAESB Base Contract for the Sale and Purchase of Natural Gas and the NAESB Certified Gas Addendum.

Following two phases of testing, which demonstrated efficiency gains in settlement processes and potential cybersecurity benefits, TVA and the DoE are considering a third phase. This phase will further evaluate the role the NAESB standards may play in enhancing the cybersecurity of natural gas transactions through mutual authentication and improved confidentiality protections. After completing the testing, NAESB will assess the need for additional standards to support cybersecurity in distributed ledger transactions.

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.

Advisory Council Meeting

The Advisory Council met on February 22, 2025, in Washington, D.C., to discuss the future of the energy markets and emerging trends that will impact the industry. The meeting served as a platform for strategic discussions and future recommendations for the NAESB Board of Directors to consider, and during the meeting, Council members reviewed NAESB’s ongoing initiatives, particularly in gas-electric coordination, an area gaining importance following recent impacts from winter storms. NAESB’s leadership in fostering collaboration between the gas and electric sectors was highlighted, with new studies and commissions advancing efforts toward improved coordination. The council also reviewed NAESB’s activities related to the development of a standardized hydrogen contract, standards for integrating Distributed Energy Resources, planned cybersecurity efforts for 2025, and TVA’s test of NAESB WGQ Distributed Ledger Technology Standards.

A specific item was included on the agenda to discuss a recommendation from the 2024 National Petroleum Council Greenhouse Gas Study endorsing the need for standards that support the market mechanisms driving the certified natural gas market. Representatives from the Study participated in the meeting and the Council members supported continuing the discussion on potential activities NAESB could consider in response to the NPC recommendation through the NAESB Strategy Committee.

Additionally, the Advisory Council members made several recommendations of areas that they believe should continue to be on the organization’s radar, including artificial intelligence, natural gas storage, and the electric load growth that is being driven by data centers across the country. Recommendations were also made that the organization should continue to support and coordinate with state commission activities through NARUC. As noted, the results of the meeting will be reviewed by the NAESB Strategy Committee at an upcoming meeting.

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NAESB Board and Board Committees Update:

The NAESB Board and its committees continue to address key industry topics, regulatory developments, and strategic planning efforts.

The Revenue Committee met on December 4, 2024, to review agenda items for the upcoming Board meeting, including external communications, standards publication cycles, and revenue and membership reports. The committee also endorsed the proposed 2025 budget for Board approval.

The Strategy Committee met on November 12 and December 4, 2024, to discuss the National Petroleum Council’s studies on greenhouse gas emissions reduction and hydrogen, and to review the process for updating the Strategic Plan. A draft of the plan is expected for Board consideration of the new plan is expected later this year. The committee also plans to continue monitoring developments in the hydrogen market and reviewing certified natural gas contracting processes in 2025.

The Board met on December 12, 2024, with presentations from Camilo Serna (NERC) on gas and electric market coordination and Joe Paladino (DOE Office of Electricity) on distributed energy resources. Looking ahead, both the Strategy and Revenue Committees are scheduled to meet in March in preparation for the April Board meeting.

NAESB Quadrant Membership Analysis:

Wholesale Gas Quadrant (WGQ)	117
Retail Markets Quadrant (RMQ)	34
Wholesale Electric Quadrant (WEQ)	129
Total Membership	280

NAESB New Members: **North Carolina Electric Membership Corporation** (WEQ, Distributor)
KS Energy Consultant (WEQ, End User)
KS Energy Consultant (WGQ, End User)
DT Midstream, Inc (WGQ, Pipeline)
Holland & Knight, LLP (WGQ, Service)
The Vessel Group (RMQ, Gas Market Interests)

Upcoming NAESB Courses:

In 2025, NAESB plans to offer additional educational opportunities to help industry participants, regulators, and stakeholders better understand its standards development process and ongoing initiatives.

In late 2024, NAESB hosted two NAESB 101 Webinars: one on November 4, open to all industry participants, and another on December 4, specifically for state Commissioners, commission staff, and members of the National Council on Electricity Policy. The state commission focused webinar is coordinated through NARUC and has been offered for over a decade. Both webinars provided an introduction to NAESB’s ANSI-accredited standards development process and an overview of how its business practice standards support the natural gas and electric industries. Additionally, the December session, tailored for NARUC members, focused on standardized contracts for renewable natural gas, certified natural gas, hydrogen, distribution grid services as well as cybersecurity-related standards, and gas-electric market coordination efforts.

Looking ahead, NAESB will continue to offer training opportunities throughout 2025. Future webinars will be announced on the NAESB meeting calendar and the Primers and Training Courses page of the website as dates are confirmed. NAESB has announced that a webinar course, *Understanding the NAESB Wholesale Gas Quadrant (WGQ) Contracts*, will be held on April 2, 2025. This course is designed to review the NAESB Base contract for the Sale and Purchase of Natural Gas and provide attendees with a detailed understanding of the components of the contract and supporting Canadian, Mexican, Renewable Natural Gas, and Certified Gas Addendums.

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Copyright/NAESB Standards Access:

NAESB copyrights its work products – a practice used by most standards organizations. As such, NAESB retains its rights to publication, reproduction, display, and distribution. As part of their benefits, NAESB members may obtain materials free of charge, but those 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 fines, injunctions, the impounding of materials, the seizure of property, and awards 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.

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Resources for Additional Information: The following hyperlinks provide more information on standards development efforts and other activities within NAESB. Please log into the NAESB website to access the members only links.

Regulatory Orders and Reports: [November 21, 2024 - FERC Final Rule - Standards for Business Practices and Communication Protocols for Public Utilities \(Docket No. RM05-5-31; Order No. 676-K\)](#), [February 19, 2025 - FERC Final Rule - Standards for Business Practices and Communication Protocols for Public Utilities \(Docket No. RM05-5-31; Order No. 676-K\)](#),

NAESB Filings: [December 3, 2024 - NAESB Report to FERC concerning WGQ Gas Electric Coordination Business Practices Standards \(Docket No. RM96-1\)](#)

NAESB Press Releases, Notices, and Correspondence: [January 9, 2025 - NAESB Releases Standard Distribution Grid Services Contract](#), [December 11, 2024 - NAESB Electric Industry Registry Update Announcement](#), [November 1, 2024 - NAESB RMQ Member Ratification of Standards Adopted by the RMQ Executive Committee - Ballots due December 2, 2024](#), [November 4, 2024 - NAESB 101 Webinar](#), [November 5, 2024 - NAESB Electric Industry Registry Update Announcement](#), [November 5, 2024 - NAESB Electric Industry Registry Update Announcement](#), [November 21, 2024 - Correspondence from Michael Desselle regarding FERC Order 676-K action on WEQ Version 004 Standards](#), [November 22, 2024 - Correspondence from Michael Desselle regarding FERC Order 587-AA action on WGQ Version 4.0 Standards](#)

NAESB Mail Subscriptions: Registration in the NAESB e-mail information distribution system (NAESB Mail) is a benefit of membership. By electing to participate in NAESB Mail, members will receive targeted e-mail messages from the NAESB Office about relevant NAESB events, including conference-calling information, as well as important documents. What you won’t receive are duplicate messages – no matter how many groups you subscribe to, when the same message is sent to multiple groups, you’ll receive only one copy.