

NAESB Bulletin

January - March 2010

Volume 3, Issue 1

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2010 Calendar:

February 2010

02/02 - WEQ Executive Committee Meeting (Phoenix, AZ)
02/02-03 - Joint WGQ IR/Technical Meeting (Phoenix, AZ)
02/03 - Retail Executive Committee Meeting (Phoenix, AZ)
02/03-04 - WEQ OASIS Meeting (Phoenix, AZ)
02/04 - WEQ Executive Committee Meeting (Phoenix, AZ)
02/05 - Smart Grid Standards Task Force Conf. Call
02/11 - WGQ BPS Conf. Call
02/11 - Smart Grid Standards Task Force Conf. Call
02/13 - NAESB Advisory Council Meeting (Washington, DC)
02/15 - Holiday - President's Day (NAESB Closed)
02/16 - WEQ SRS Conf. Call
02/17 - WEQ OASIS Conf. Call
02/18 - DSM/EE Retail Response Work Group Conf. Call
02/23-24 - WEQ BPS Meeting (Houston, TX)
02/23 - DSM/EE Wholesale /Retail Energy Efficiency Work Group Conf. Call
02/25 - DSM/EE Wholesale Demand Response Work Group Conf. Call

March 2010

03/02-04 - WEQ OASIS Meeting (Houston, TX)
03/05 - Retail BPS Conf. Call
03/10 - NAESB Monthly Update Conf. Call
03/16 - WEQ SRS Conf. Call
03/17-18 - WEQ BPS Meeting (Norristown, PA)
03/23 - WEQ OASIS Conf. Call
03/23-24 - Joint WGQ IR/Technical Meeting (Houston, TX)
03/24 - NAESB Board Reception & Dinner with Guest Speaker (Houston, TX)
03/25 - NAESB Board Resources Meeting (Houston, TX)
03/25 - NASB Board of Directors Meeting (Houston, TX)

April 2010

04/01 - WEQ BPS Meeting (New Orleans, LA)
04/02 - Holiday - Good Friday (NAESB Closed)
04/13 - WEQ SRS Conf. Call
04/13-15 - WEQ OASIS Meeting (Little Rock, AR)
04/13-15 - Joint WGQ IR/Technical Meeting (Colorado Springs, CO)
04/28 - WEQ OASIS Conf. Call

NAESB Membership Total - 300

Membership by quadrant is:

122 Wholesale Gas Quadrant
20 Retail Electric Quadrant
19 Retail Gas Quadrant
139 Wholesale Electric Quadrant

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STANDARDS DEVELOPMENT

Parallel Flow Visualization Transmission Loading Relief (PFV – TLR) Standards Development:

The Parallel Flow Visualization Transmission Loading Relief (PFV – TLR) project addresses three issues: (1) the use of static data in Native and Network Load calculation, (2) Reliability Coordinators in Eastern Interconnection lack visualization as to the source and magnitude of parallel flows when they experience congestion, and (3) priorities of generation to load impacts during firm curtailment.

The PFV-TLR will provide a more accurate and efficient means of curtailing electricity using parallel flow visualization to identify how much and what services should be curtailed. In today's environment, the IDC (Interchange Distribution Calculator) uses static data that may not provide as accurate a picture of the electricity flows depending on how much the data has changed since it was processed in the calculator. The data, resident in System Data Exchange (SDX) files, may be refreshed as often as every 20 minutes, or where it is not expected that the data will change, as infrequently as once a day. The project is a collaboration of NERC and NAESB activities, including:

NERC – Developing standards for upload of data on a more frequent basis, targeting every 15 minutes and making needed changes to the IDC.

NAESB – Developing standards to support curtailment activities in the event of system congestion based on (1) classification of generator usage, (2) allocation rules for curtailing, and (3) standardization of firm and non-firm service.

As you can see, this is a key development project for NAESB and demonstrates the strong relationship NERC and NAESB have in joint developments. The PFV-TLR project will continue its efforts into 2011, including (1) NAESB identification of the generation-to-load flows priorities to be collected for the IDC, (2) working with NERC to have the IDC ready to accommodate the increased frequency and additional granularity of the data in the appropriate priorities – firm or non-firm service, (3) a 12-18 month testing by NERC, and (4) any fine tuning of the IDC and priority assignments by both NERC and NAESB resulting from the tests. The IDC testing should begin in November of this year.

Ed Skiba, Consulting Advisor for Midwest ISO and a key leader for this effort, noted that he is hopeful that the NAESB and NERC standards resulting from the project will provide for a more efficient approach for managing congestion in the Eastern Interconnection.

For more information, please go to ([NAESB WEQ BPS Web Page](#)) or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Network Integration Transmission Services (NITS) Standards Development:

Continuing its support of FERC Order No. 890, the WEQ OASIS subcommittee has had a national discussion focused for the last several months on standards development for Network Integration Transmission Services (NITS), and Marcie Otondo, Regulatory Compliance Advisor for Arizona Public Service Company and a co-leader for the effort, expects to have business practice standards and technical standards to the WEQ Executive Committee in second quarter 2010. The OASIS systems that utilities use to manage the electronic scheduling of wholesale electricity were designed to support point-to-point transmission services and will be revised to support NITS as well – and Paul Sorenson, Vice President of Central Markets Strategy for Open Access Technology International, another co-leader of the effort, noted the considerable number of standards that will be added to NAESB standards WEQ-001, WEQ-002, WEQ-003 and WEQ-013 to support the addition of NITS. J.T Wood, Reliability Standards Project Manager for Southern Company Transmission and the third co-leader of the group, noted that in addition to the considerable body of work to support NITS, accommodating the existing regional differences added complexity to the standards development work. The three co-leaders all expect that the business practices standards under development will add uniformity and transparency for transmission services and provide an overall benefit to the marketplace. Once completed, the business practices standards supporting NITS will be published in Version 002.2 of the WEQ standards, expected in the third quarter 2010. This is a key development effort for the WEQ and one of the more complex standards development activities in support of FERC Order No. 890.

For more information, please go to ([NAESB WEQ BPS Web Page](#)) or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

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

STANDARDS DEVELOPMENT *(continued)*

Smart Grid Activities: For both the wholesale and retail electricity markets, NAESB has a task force working diligently on four priority action plans (PAP) identified by the National Institute of Standards and Technology. The task force is addressing business practices, information requirements, use cases, actor lists and specifications to support: (1) PAP 3 – Common Price Communication Model, (2) PAP 4 – Common Scheduling Mechanism, (3) PAP 9 – Standard Demand Response and Distributed Energy Resources Signals, and most recently, (4) PAP 10 – Energy Usage Information. There are 13 other PAPs identified, for a total of 17. It is expected for the PAPs 3, 4 and 9, the NAESB task force will vote out the first phase of standards in February, after which work will continue to provide more granularity on the business practices and information requirements in phase 2 of the development. Phase 1 of the development will be provided to several other standards and related groups including OASIS, CalConnect, FIX Protocol and IETF, who will use the work as input to their standards development. As can be seen, the development work requires a number of liaisons with other groups and is iterative in nature.

NAESB development is taking the track of developing retail and wholesale standards in tandem, yet separate, so that as differences between the two markets are identified, they can be correctly reflected in either the wholesale standards or the retail standards. The question of how the standards are to be provided to regulatory bodies – either federal or state, has not been clarified as of yet. As such, NAESB is preparing the typical documentation to provide full transparency and accountability for the decisions made – including participants lists, announcements, agendas, meeting minutes, comments, minority positions, transcripts, standards drafts and all related work papers used to draft the standards, voting records – which can be used to determine how decisions were made, who made them and how issues that were raised during deliberation were addressed. Similarly, the NAESB process and the process for change control of not only the standards but for the process itself is documented and provided. Conversations are underway between NAESB, FERC and NIST on how the NAESB standards will be submitted, and to whom they will be submitted.

For more information, please go to ([NAESB Smart Grid SSD Web Page](#), [PAP03](#), [PAP04](#), [PAP09](#), [PAP10](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Demand-Side Management and Energy Efficiency: The first phase of standards for wholesale and retail electric DSM-EE were adopted in 2009 and addressed the measurement and verification standards supportive of the quantity characteristics of demand response products and services (wholesale) and demand response programs (retail). The subcommittee has separated into several single topic work groups to address market specific development items.

To date, the wholesale work group is addressing phase 2 standards for M&V for demand response products and services, which include guidelines to support additional uniformity in performance

evaluation methodologies for new programs and services, additional technical standards to support the business practice standards already adopted in phase 1, and a review of the glossary to ensure greater consistency between the wholesale and retail markets. The draft work products will be reviewed on February 25 by the wholesale work group.

For retail standards development to support M&V for demand response programs, the basis of the phase 2 development can be found in a review of the comments provided for phase 1. On February 18, the retail group will meet to review the work products drafts.

For energy efficiency, also a joint effort between wholesale and retail electric interests, the effort began in January. The retail work group is taking the lead in drafting standards and their first draft should be reviewed on February 23, and the retail and wholesale development for EE in occurring in tandem. The wholesale effort should begin shortly and will be based on the existing wholesale EE programs in effect today. Roy True, Manager of Regulatory and Market Affairs for ACES Power Marketing and a co-chair of the full subcommittee and the lead for the wholesale phase 2 effort, noted that significant work is underway to further the work products that were created as part of phase 1. He added that he expects both the DR standards and the EE standards to provide support to both the states and the federal agencies as they rely more on DR and EE programs to further their policies.

For more information, please go to ([NAESB DSM-EE Web Page](#), [NAESB DSM-EE Distribution List](#), [NAESB Wholesale Final Action](#), [NAESB Retail Final Action](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Wholesale Gas (FERC Order Nos. 712, 712-A and 712-B) - Promotion of a More Efficient Capacity Release: NAESB efforts to support standards development for FERC Order Nos. 712, 712-A and 712-B have been included in Version 1.9 of the WGQ standards. The initial order, issued in 2008, removed the rate cap on short-term capacity release transactions and allowed for asset management arrangements to manage capacity. These orders significantly impacted the NAESB wholesale gas standards for capacity release transactions, requiring many modifications to the data requirements and data sets themselves. These modifications have been incorporated into version 1.9, which was submitted to the FERC September 2009, pending its consideration. A notice of proposed rulemaking on version 1.9 was issued by the FERC in November of 2009.

For more information, please go to ([NAESB WGO Final Actions](#), [NAESB WGO Version 1.9 FERC Filing](#), [FERC NOPR on NAESB WGO Version 1.9](#)) or contact Denise Rager (drager@naesb.org) for additional information.

NAESB Calendar of Action Items: For an update on current action items please reference the [Calendar of Action Items](#).

STANDARDS DEVELOPMENT *(continued)*

NAESB Retail 2010 Annual Plans and the Release of Version 1.2: The Retail Gas and Retail Electric Quadrants published twice in 2009, which is unusual for any quadrant. However, after Version 1.1 was published in June, Version 1.2 was published in December to include work completed for support of demand response projects. These two releases provide for extensive additions to model business practices in support of customer choice programs. In the model business practices, state regulatory and regional differences are accommodated such that, when needed, separate standards are developed. In addition to the practices developed to support retail choice, a significant body of work on measurement and verification standards to support retail demand response programs was developed in tandem with similar efforts for the demand response programs operational in the wholesale markets. As the Retail Quadrants move into 2010, the retail annual plan has tasks outlined that continue the work to support demand response and smart grid projects, but is also expanded to include renewables and energy efficiency related development. Continuing to support the customer choice programs, work is outlined in the annual plan for completion of model business practices and technical standards supportive of billing & payment functions and standards that include registration agent model functions. Phil Precht, Management Consultant for Pricing and Regulatory Services for Baltimore Gas & Electric and the incoming 2010 chair of the Retail Electric Executive Committee, noted that as is demonstrated in the annual plans, the retail gas and electric quadrant members have significant standards development work ahead of them that will prove relevant to the efficient operations of the retail markets.

For more information, please go to ([2010 Retail Annual Plan, NAESB Retail Standards Web Page](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

OASIS versus OASIS: To add further confusion to the Smart Grid work, there is an acronym that is used and has two totally separate meanings. OASIS, the Open Access Same Time Information Systems, is a term coined by FERC in its regulatory proceedings related to non-discriminatory open access to transmission systems in wholesale electric markets (FERC Order No. 889). OASIS the group – is an acronym for the Organization for Advancement of Structured Information Standards. OASIS is a consortium that drives the development, convergence and adoption of open standards for the global information society. As you can tell - quite different meanings for the same acronym!

To ensure that NAESB and OASIS – the organization stay in sync for Smart Grid standards development and for any other

work that would bring us both together, both organizations have provided reciprocal memberships. The Executive Director of OASIS, Laurent Liscia noted "NAESB has been a valued and extraordinarily effective partner for OASIS in our common quest to create the standards that will usher in the North American Smart Grid. Our two organizations have many values in common, not the least of which are a commitment to innovation and cooperation." We look forward to working with OASIS and with Laurent over the next several years as the Smart Grid becomes a reality.

For more information, please go to ([NAESB WEO OASIS Web Page, FERC Order No. 889 Final Rule issued April 24, 1996](#))

Update on NAESB use of EDI (Electronic Data Interchange) and Capacity Release: Like its predecessor the Gas Industry Standards Board, NAESB continues to support EDI as an electronic communication methodology to transact 57 different business processes identified by the wholesale gas quadrant. As NAESB creates the wholesale gas business practices to support regulatory or market policies, the next step in development is to define the information requirements needed to support the transactions identified in the business practices. Once the information requirements are known – the data and data usage, then the means for communicating the data is needed. In many cases, this electronic means for communicating the data is EDI. It can also be online electronic bulletin boards and web based efforts, XML or flat files. When these standards are completely developed – the business practices, information requirements, and electronic means of communication, NAESB considered the standards “fully staffed.” Fully staffed standards allow companies to completely implement policy or market directions. In this manner, we deliver standards that explain and outline the business practices to support policy or market requirements, we provide the information requirements that allow for uniform communication for the transactions related to the business practices, and we provide the telecommunication protocols and technical mapping needed for uniform electronic transactions – is essence, the full package of requirements for implementation.

For EDI, the 2010 wholesale gas annual plan includes an item to review the need for EDI transactions supportive of capacity release uploads. Jim Buccigross, vice president for 8760, Inc. and the chair of the WGQ Executive Committee, noted that to keep current with market needs, it is reasonable to re-evaluate the EDI transaction sets for possible discontinuation of EDI transactions that are not being utilized, yet consume limited resources to maintain. It is not expected that this item will be completed until fourth quarter 2010. This effort is not intended to affect the current capacity release informational downloads or transactional reports.

For more information, please go to ([2010 WGQ Annual Plan, NAESB WGQ Version 1.9 Capacity Release Manual](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Wholesale Electric Quadrant Restructuring: In January, the changes to create a new segment in NAESB for the wholesale electric quadrant were completed. For membership in the new segment, Technology & Services, any entity in North America engaged in providing hardware and software applications and technology related services to the North American wholesale electric market is eligible. For the population of the new Technology & Services Segment in the WEQ, the NAESB office is in the process of contacting those who have expressed interest. Should you or your colleagues have interest in membership in this new segment, or in Board or EC seats in this new segment, please contact Denise Rager at drager@naesb.org or 713-356-0060.

For more information, please contact Denise Rager (drager@naesb.org) for additional information.

Membership: At the last meeting of the Board Resources Committee, Mr. R. Scott Brown of Exelon Corporation and the chair of the committee, asked board members to get involved in outreach to companies involved in demand side management (DSM), smart grid, wind and solar projects, as well as to their colleagues who may not be NAESB members. Board members can forward contact information for prospective members to the NAESB office (Denise Rager at drager@naesb.org or 713-356-0060) for the distribution of membership information packets.

The wholesale electric quadrant of NAESB is seeking members for the new technology & services segment, which allows technology companies currently working with NAESB on smart grid activities to join NAESB. Mr. Brown noted that he is pleased about the addition of the new technology and services segment, looks forward to the success of the wholesale electric quadrant in adding new members to this segment, and feels sure that they will soon be in a position to elect representatives to the NAESB Board of Directors and Executive Committee. If you know of companies that would be interested in membership in NAESB, please contact Denise Rager, drager@naesb.org or 713-356-0060.

For more information, please go to ([NAESB Members, Membership Information](#)) or contact Denise Rager (drager@naesb.org) for additional information.

Advisory Council: The NAESB Advisory Council will meet on February 13 in Washington, DC at the Renaissance Hotel. The meeting is open to all interested parties. During the meeting, a review of development activities and a review of the development process itself will be covered.

For more information, please go to ([Advisory Council](#)) or contact Denise Rager (drager@naesb.org) for additional information.

NAESB Primers and Training Courses: Please monitor the [NAESB Primers and Training Courses](#) web page for scheduling of upcoming courses.



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Certification: NAESB has certification programs defined for the wholesale gas quadrant that have been in use for several versions of the standards. The NAESB WGQ certification program is fully optional and any entity can make their programs available for third party certification to insure that a software solution is compliant with a version of the NAESB WGQ standards. Southern Star, for example, has undertaken V 1.8 certification for their EBB and congratulations are in order. Doug Field, Southern Star Central Gas Pipeline, noted that “the NAESB business standards play a significant role in Southern Star’s FERC compliance. Having a third party audit our NAESB compliance, training our employees on the current version of those standards, and successfully certifying our Customer Services Innovations (CSI) website as NAESB compliant are three tangible steps we have taken to improve our compliance, raise our overall awareness of the NAESB standards and visibly demonstrate our commitment to NAESB compliance.” Meanwhile, the compliance requirements for version 1.9 are nearing completion, and soon certification for version 1.9 will also be available for standards support for web site, data, and EDM certification. Version 1.9 is the subject of a FERC notice of proposed rulemaking. Jim Buccigross, vice president for 8760, Inc. and the chair of the WGQ Executive Committee, noted that the WGQ certification program is a method which allows companies to demonstrate and certify compliance with the applicable NAESB standards.

For more information, please go to ([NAESB Certification Web Page](#)) or contact Denise Rager (drager@naesb.org) for additional information.



Copyright/NAESB Standards Access: As everyone should be aware, NAESB copyrights its work products – a practice used by most standards organizations. The copyrights are considered a subset of intellectual property law, and NAESB retains the rights to publication, reproduction, display and distribution. NAESB members may obtain materials free of charge as part of their benefits, but these benefits do not extend to their agents, affiliates or subsidiaries without prior approval from the NAESB office. Damages for copyright infringement can be significant, including penalties of \$100,000+, injunction, impounding of materials, seizure of property, and award 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. 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.

For more information, please go to ([Copyright, NAESB Material Order Form](#)) or contact Denise Rager (drager@naesb.org) for additional information.