

NAESB Bulletin

April - July 2010

Volume 3, Issue 2

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2010 Calendar:

August 2010

08/03 - Smart Grid Standards Subcommittee on PAP10 Conf. Call
08/04 - WEQ OASIS Conf. Call
08/05 - Smart Grid Standards Task Force Conf. Call
08/06 - WEQ BPS Conf. Call
08/06 - Smart Grid Standards Subcommittee on PAP10 Special Meeting - WEQ Review Conf. Call
08/10 - WEQ SRS Conf. Call
08/10 - Smart Grid Standards Subcommittee on PAP10 Conf. Call
08/11 - DSM/EE Retail Demand Response Work Group Conf. Call
08/12 - DSM/EE Retail Energy Efficiency Work Group Conf. Call
08/12 - WGO EDM Conf. Call
08/12 - Smart Grid Standards Task Force Conf. Call
08/13 - Smart Grid Standards Subcommittee on PAP10 Special Meeting - REQ Review Conf. Call
08/16 - Retail Glossary Meeting (Colorado Springs, CO)
08/16-17 - Retail BPS Meeting (Colorado Springs, CO)
08/17-18 - Joint WGO IR/Technical Meeting (Colorado Springs, CO)
08/17 - WEQ Executive Committee Meeting (Colorado Springs, CO)
08/18 - Retail Executive Committee Meeting (Colorado Springs, CO)
08/18-19 - WEQ OASIS Meeting (Colorado Springs, CO)
08/19 - WGO Executive Committee Meeting (Colorado Springs, CO)
08/19 - Smart Grid Standards Task Force Conf. Call
08/20 - Smart Grid Standards Subcommittee on PAP10 Conf. Call
08/24 - WEQ OASIS Conf. Call
08/24 - Smart Grid Standards Subcommittee on PAP10 Conf. Call
08/25 - WEQ SRS Meeting (Houston, TX)
08/26 - Smart Grid Standards Task Force Conf. Call
08/26 - DSM/EE Joint Wholesale DR Work Group, Retail DR Work Group and Retail Glossary Subcommittee Conf. Call
08/30-31 - WEQ OASIS Conf. Call
08/31 - Smart Grid Standards Subcommittee on PAP10 Conf. Call

September 2010

09/01 - NAESB Monthly Update Conf. Call
09/01 - DSM/EE Retail Demand Response Work Group Conf. Call
09/02 - DSM/EE Retail Energy Efficiency Work Group Conf. Call
09/06 - Holiday - Labor Day (NAESB Closed)
09/08-10 - WEQ OASIS Meeting (Houston, TX)
09/13 - Retail BPS Conf. Call
09/15-16 - WEQ BPS Meeting (Philadelphia, PA)
09/20 - Retail BPS Conf. Call
09/21 - WEQ SRS Conf. Call
09/21-22 - Joint WGO IR/Technical Meeting (Houston, TX)
09/22 - Retail Leadership Meeting (Houston, TX)
09/22 - WEQ Leadership Meeting (Houston, TX)
09/22 - WGO Leadership Meeting (Houston, TX)
09/22 - NAESB Board Reception & Dinner with Guest Speaker (Houston, TX)
09/23 - NAESB Board Resources Meeting (Houston, TX)
09/23 - NAESB Board of Directors Meeting, Meeting of the Members & Strategic Session (Houston, TX)
09/28 - DSM/EE Demand Side Management and Energy Efficiency Meeting (Austin, TX)
09/29 - WEQ OASIS Conf. Call
09/30 - Board Critical Infrastructure Committee Conf. Call

STANDARDS DEVELOPMENT

Parallel Flow Visualization - Transmission Loading Relief (PFV-TLR) Standards Development: NERC and NAESB have been working closely together to create a more efficient approach for managing transmission congestion in the Eastern Interconnection. The PFV-TLR project, known as the Generation to Load (GTL) project at NERC, addresses three issues: (1) the use of static data by the Interchange Distribution Calculator (IDC) in its curtailment calculations, (2) the lack of visualization as to the source and magnitude of parallel flows during congestion periods, and (3) the lack of visualization of generation-to-load priorities during firm curtailment.

With NERC IDC Change Order 283 squarely addressing the first issue, the NAESB effort has been primarily focused on the identification of the generation-to-load priorities to be collected for use by the IDC. The resulting PFV-TLR process will enter into a parallel testing phase in November 2010 – it will not be used in providing calculated results to the production IDC. The test IDC will, however, provide a perspective on what curtailment decisions would have been made had the new process been in production. During this 12-18 month test period, the results will be compared to the existing production IDC calculations, with the hope that any lessons learned will be ultimately incorporated into an improved production IDC.

The WEQ Business Practices subcommittee has been actively developing draft standards to support this effort through the identification of firm and non-firm flows within a Balancing Authority. In April, the subcommittee formed three task forces assigned to explore alternatives for reporting generation-to-load flows to the IDC and report back to the full subcommittee with their findings. The members who volunteered to contribute their expertise to the flowgate allocation, generator prioritization, and tagging task forces expended considerable energy and time in this effort, providing detailed reports in late June.

In consideration of the certainty of NERC's November 2010 parallel test launch date, the subcommittee decided to develop supporting

NAESB standards in two stages, consisting of an interim solution and a permanent solution. The interim solution recommendation, which provides NERC the functionality needed to initiate its test, is currently being circulated for formal comments prior to NAESB WEQ Executive Committee consideration. In recognition of the differing structural approaches currently being used across the Eastern Interconnection, this set of standards does not prescribe a particular methodology for identifying and reporting firm and non-firm flows to the IDC. The second phase of this PLV-TLR project, to be initiated once the interim solution standards have been finalized, is intended to standardize how firm and non-firm flows are identified and reported to the IDC.

For more information, please go to [\(WEQ 2010 Annual Plan Item 1.a.i Recommendation, NERC Letter to NAESB, WEQ BPS Web Page\)](#) or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Cybersecurity: The Critical Infrastructure Committee functions as an advisory group to the NAESB Board of Directors concerning the commercial aspects of cybersecurity and critical infrastructure issues. The committee has primarily been focusing on closely monitoring emerging legislative initiatives, such as the Lieberman bill in the Senate and the Harmon bill in the House, for their potential impact on NAESB standards. The group is also tracking a second source of potential influence: the National Institute of Standards and Technology's Interagency Report, which forms part of the Smart Grid effort. Although these emerging initiatives are ostensibly focused on the electric industry, the committee is also paying close attention to potential natural gas industry ramifications.

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

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STANDARDS DEVELOPMENT *(continued)*

Smart Grid Activities: The Smart Grid Interoperability Panel (SGIP), formed under the auspices of the National Institute of Standards and Technology (NIST), asked for NAESB's assistance in developing four of the existing 17 priority action plans, or PAPs. The Board formed a Smart Grid Standards, Strategies and Development task force to address the first three: PAP03 (Common Price Communication Model); PAP04 (Common Scheduling Mechanism); and, PAP09 (Standard Demand Response and Distributed Energy Resources Signals). The group, which reports to both the Board and the REQ and WEQ Executive Committees and is now a subcommittee, agreed to develop the work in two phases: Phase 1 would develop use cases and initial data requirement standards, and Phase 2 would create expanded data requirement standards.

From the outset, the subcommittee recognized that it was critical to create uniform standards, spanning both retail and wholesale markets, whenever practicable. The group met weekly for several months, and by early July 2010, Phase 1 of the development had been completed for both retail and wholesale markets. These work products have since been submitted to other standards development organizations, as identified by the SGIP, for further refinement. The subcommittee is currently working on Phase 2, currently on target for a 3Q 2010 completion date.

In late June, the WEQ formed a new subcommittee to address PAP10 (Energy Usage Information Model). Since its inception, this Smart Grid Standards PAP10 Subcommittee has been holding very productive weekly meetings and has already produced a draft work product. In early August, the subcommittee posted a draft recommendation, which treated the retail and wholesale markets identically, for an informal industry comment period. The PAP10 effort is currently on target to submit a NAESB-ratified Model to the SGIP by early December 2010. The work products developed through NAESB's process by both the Smart Grid Standards Development subcommittee and PAP10 subcommittee will be submitted to both federal and state regulators.

In a separate but related development activity, the Open ADE Task Force, operating within the UCA International User's Group, submitted a standards request to NAESB for the standardization of the exchange of energy usage information that is intended to facilitate the transfer of information between designated parties. This request will build upon the OpenADE 1.0 Requirements document. The request was triaged and assigned to the Smart Grid Standards Development Subcommittee for PAP10 and will likely be assigned to a separate task force within the subcommittee. This relationship between the

UCA International User's Group and NAESB is evidence of the close ties that NAESB has developed with external organizations commonly pursuing the Smart Grid initiative.

For more information, please go to ([PAP03](#), [PAP04](#), [PAP09](#), [PAP10](#), [WEQ PAP03 Phase 1](#), [WEQ PAP04 Phase 1](#), [WEQ PAP09 Phase 1](#), [REQ PAP03 Phase 1](#), [REQ PAP04 Phase 1](#), [REQ PAP09 Phase 1](#), [Draft WEQ PAP10 Recommendation](#), [Draft REQ PAP10 Recommendation](#), [WEQ/REQ Request No. RI0008](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Wholesale Electric Service Across Multiple Transmission Systems: Currently, a transmission customer hoping to move energy across multiple transmission provider systems could be left with a financial obligation to pay for committed capacity on one system without a guarantee that the energy will be able to reach its intended destination. This partly due to the fact that transmission providers make capacity allocations independently of one another (and often according to different decision-making timelines), partly due to strict confirmation deadlines, and partly due to the fact that such a point-to-point reservation may not be rescinded or modified once confirmed.

In February, the WEQ Executive Committee established a task force to provide guidance regarding the scope of work to be performed by the WEQ OASIS subcommittee on standards to facilitate service across multiple transmission systems (SAMTS). Led by Alan Pritchard of Duke Energy, the task force considered several methodologies by which coordination could be accomplished. The group focused on addressing the key issues raised in relevant FERC proceedings, with the goals of providing transparency to the market and offering flexibility to transmission customers.

The task force recommendation, completed in late June 2010, proposes that each affected transmission provider independently evaluate its portion of the linked request, with the opportunity for a true-up by the transmission customer once all evaluations are completed. Thus, the transmission customer, after submitting and monitoring requests on multiple systems, would communicate true-up information to each of the affected transmission providers. Mr. Pritchard will present the task force's findings to the WEQ EC in mid-August for consideration; if approved, the project will be undertaken by the WEQ OASIS subcommittee with a targeted completion date of late 4Q 2010.

For more information, please go to ([SAMTS Progress Report filed with FERC](#), [SAMTS Cover Letter](#), or [SAMTS Scope Recommendation](#)) 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)*

Demand-Side Management and Energy Efficiency: The WEQ Demand-Side Management efforts at NAESB are divided into two areas: Demand Response (DR) and Energy Efficiency (EE), each with a wholesale and retail component. DR efforts have been focused on creating a uniform methodology to measure reduction in energy usage during a demand response event. On April 15, 2010, FERC issued its final rule adopting the WEQ Phase 1 Demand Response (DR) Measurement and Verification (M&V) standards. In the final rule, the Commission noted that NAESB was best suited to develop the Phase 2 standards, noting that “additional substantive standards would appear beneficial in creating transparent and consistent measurement and verification of demand response products and services in wholesale electric markets. The measurement and verification standards needed to accomplish this goal should be a focus of NAESB’s Phase II M&V Standards development efforts.” The Commission also set a one-year deadline to either complete the Phase 2 standards, or report the progress made in the Phase 2 efforts.

The Wholesale DR work group created three task forces (glossary, model business practices and performance evaluation methods) to accomplish this Phase 2 work. The glossary task force has reviewed and synchronized the wholesale and retail DR glossary terms and presented their work product to the Wholesale DR work group. The model business practices and performance evaluation methods task force work is ongoing, with a targeted completion date of early September 2010.

The Retail DR work group is also working on completing its own Phase 2 efforts, having recently submitted its proposed standards (minus the glossary) for an informal industry comment period. Once the glossary work is completed, the Phase 2 draft standards will go out for another informal industry comment period prior to submission to the DSM-EE subcommittee for consideration.

The NAESB Board of Directors recently assigned the DSM-EE subcommittee a new request. Although it finds its origin in Smart Grid efforts, R10002 concerns the standardization of customer enrollment procedures for DR programs. Impacting both the both the wholesale and retail DR markets, to date the Retail DR work group is in the preliminary stages of drafting a recommendation for the subcommittee.

The EE efforts at NAESB develop standards to measure and verify reductions in energy and demand from energy efficiency in both wholesale and retail markets, including standards to measure and verify energy reductions that are made to comply with either a Renewable Portfolio Standard that included energy efficiency, or a stand-alone Energy Efficiency Portfolio Standard. The Retail EE group has been considering phasing the standards development in a manner similar to the DR work. The Retail EE work group has finished its scope document and has begun to draft its recommendation to the DSM-EE subcommittee, while the Wholesale EE work group is also currently drafting its recommendation, based on EE efforts

underway at ISO-NE and PJM.

For more information, please go to ([FERC Final Rule - Order No. 676-E NAESB Report to FERC](#), [WEQ Request No. R10002](#), [Retail EE Scope Document](#), [Retail DR Phase 2 Draft Recommendation](#)) or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Network Integration Transmission Services (NITS) Standards Development: The OASIS systems that manage the electronic scheduling of wholesale electricity were initially designed to support point-to-point transmission services. For several years, the WEQ OASIS subcommittee has been working diligently to establish standards permitting OASIS to accommodate network integration transmission service, or NITS, as mandated by FERC in Order No. 890. Although differing operational structures throughout the country have made the standards development work quite complex, the subcommittee has worked tirelessly to harmonize these realities into a single set of standards. Once this project is complete, it is hoped that the marketplace will benefit greatly from increased uniformity and transparency for transmission services.

A substantial number of standards will be integrated into WEQ-001, WEQ-002, WEQ-003 and WEQ-013 to support NITS on OASIS. The subcommittee is currently evaluating the informal comments it received from the industry in mid-July 2010 for incorporation into the final proposed business practice standards. It is hoped that final proposed standards will be approved by the subcommittee in late August 2010. In addition, a technical team is currently nearing completion of draft supporting technical standards to permit the seamless implementation of the new standards. The final draft standards will be sent out for a formal 30-day industry comment period by early September 2010. The WEQ Executive Committee will review the draft standards and comments received before voting to publish the NITS standards as part of WEQ Version 2.2 in early 4Q 2010.

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

Wholesale Gas Customer Information Security Access: The WGQ Business Practices subcommittee has recently approved a standard that provides a tool for pipeline customers to manage, control, and verify who has access to company proprietary information that may be contained on a pipeline (or gas storage service provider’s) website. This new standard, which will be considered by the WGQ Executive Committee in mid-August, proposes to assist shippers in performing their security administration function by allowing a designated representative to request a report from a pipeline, to be furnished within five days. It is hoped that this communication standard will make the sharing of security administration information more efficient for both pipelines and customers.

For more information, please go to ([WGQ Recommendation No. R08008](#), [WGQ BPS Web Page](#)) or contact Denise Rager (drager@naesb.org) for additional information.

Natural Gas Intersection with Smart Grid/Renewables:

NAESB is pleased to announce that Annie McIntyre of Sandia National Laboratories will provide a presentation on how Smart Grid and greater renewable energy integration will impact upstream and midstream natural gas operations at the upcoming Board meeting in Houston, Texas on September 23, 2010. Please open the following link for a presentation primer provided by Ms. McIntyre: http://www.naesb.org/misc/sandia_outline_061610.doc.

Ms. McIntyre is a Principal Member of the Technical Staff at Sandia National Laboratories in Albuquerque, NM. In the Energy Systems Analysis organization, her primary areas of research include threats, vulnerabilities, and protection of critical infrastructure systems, and cyber security for fossil and renewable energy systems. Ms. McIntyre is the Program Manager for the Sandia-Forest City Strategic Partnership, and has participated in research programs such as the Institute for Infrastructure Information Protection (I3P), National SCADA Test Bed, and Renewable Systems Integration. She works closely with the oil, gas, and renewable sectors on the topics of cyber security in technology and industry standards. Prior to work in critical infrastructure, Ms. McIntyre worked extensively in the defense sector on information warfare and survivability, serving as IO Laboratory Chief and Information Warfare Lead for Future Combat Systems Assessments at the Army Research Laboratory. She previously served as New Mexico Regional Manager for Concurrent Technologies Corporation, a defense and energy contractor, and performed systems analysis and engineering in the bioinformatics field for Molecular Informatics. She holds a Bachelor of Science from New Mexico Tech, a Master of Science from Troy State University, and is a member of the American Association of Petroleum Geologists.

e-Tariff Implementation Guide: The e-Tariff Implementation Guide, developed at NAESB and adopted by FERC, is used by electric, natural gas, and oil entities to assist in the filing of electronic tariffs with the Commission. As implementation approaches, the Commission has made certain adjustments to this Implementation Guide which will require minor corrections to ensure that the NAESB standard is consistent.

With this issue in mind, NAESB leadership and FERC staff members held a meeting in late June where it was determined that the most efficient way to accomplish consistency would be through the use of the NAESB minor correction process. In the event that the Commission makes a non-substantive change to the Guide, NAESB staff will initiate the minor correction process, which can be addressed either notationally, or with a meeting. Should a change be substantive, conference calls or face-to-face meetings will be held to process the change.

For more information, please go to ([e-Tariff Implementation Guide](#) or [e-Tariff Minor Correction](#)), or contact Denise Rager (drager@naesb.org).

Certification: NAESB is pleased to announce that the compliance requirements for WGQ Version 1.9 are nearing completion, with certification for WGQ Version 1.9 to be made available in August 2010. NAESB WGQ Version 1.9 is the subject of a FERC notice of proposed rulemaking. NAESB has certification programs defined for the Wholesale Gas Quadrant that have been in use for several versions of the standards. The NAESB certification program is fully optional, and any entity can make their programs available for third party certification to ensure that a software solution is compliant with the appropriate version of the NAESB standards.

For more information, please go to ([NAESB Certification Web Page](#)) 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.



[LDC Gas Forums](#)

Announcements: It is with mixed feelings that NAESB announces the retirement of two long-time industry participants, Dona Gussow and Barbara Rehman. NAESB and its member organizations have benefited greatly throughout the years from their subject-matter expertise and unflinching professionalism.

Ms. Gussow, of Florida Power & Light Company (FPL), began participating in NAESB activities representing the end user segment in September 1996 as a WGQ Executive Committee Alternate. She continued to represent the end user segment as a WGQ Executive Committee Member from September 1997 through July 2010. Ms. Gussow retired from FPL on July 2, 2010 at which time she also resigned her seat on the WGQ Executive Committee. Having been involved in NAESB almost from its inception, her vast experience and perspective will be greatly missed.

Ms. Rehman, of Bonneville Power Administration (BPA), began participating at NAESB in September of 2002. She also represented the transmission segment (federal/state/provincial subsegment) as a WEQ Executive Committee Alternate from May 2003 to August 2010. Having already stepped down from her NAESB leadership role in August 2010, Ms. Rehman plans to retire from BPA and her subcommittee work by the end of the year. In addition to her leadership perspective, her tireless efforts to craft the most perfect standards possible for the OASIS subcommittee will be sorely missed.

Please join NAESB in thanking Barbara and Dona for their years of outstanding service to NAESB and in wishing them well as they enter retirement.

Membership: As a result of the outreach made by the Board Resources Committee, chaired by Mr. R. Scott Brown of Exelon Corporation, NAESB has gained nine new members. We would like to welcome the following new members: Comverge, Inc. (REQ, service providers/suppliers), Eastern Shore Natural Gas Company (WGQ, pipeline), Energy Curtailment Specialists, Inc. (WEQ, end users, end use), Nebraska Public Power District (WEQ, transmission, muni/coop), Progress Energy (WEQ, marketers/brokers, iou), Sempra Pipeline & Storage Corp. (WGQ, pipeline), Sierra Southwest Cooperative Services, Inc. (RGQ, service providers/suppliers), SNL Financial (WGQ, services) and Utility Integration Solutions, Inc. (WEQ, technology/services). We want to thank the board members for their continued outreach to companies involved in demand side management (DSM), smart grid, wind and solar projects, as well as 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.

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

NAESB Course: NAESB has scheduled a WGQ Contracts course entitled "Understanding the NAESB WGQ Contract" to be held October 6, 2010 from 9am to 5pm Central time and October 7, 2010 from 8:30am to 12:00pm Central time. The course will be held at the NAESB office located at 801 Travis, Suite 1675, Houston, TX 77002. The office phone number is 713-356-0060.

For more information, please go to ([NAESB Primers](#), [Registration Form](#), or [Seminar Flier](#)) or contact Denise Rager (drager@naesb.org) for additional information.

<i>NAESB Quadrant/Segment Membership Analysis:</i>	
Wholesale Gas Quadrant	122 Members
End Users Segment	16
Distributors Segment	19
Pipelines Segment	44
Producers Segment	13
Services Segment	30
Retail Electric Quadrant	21 Members
End Users/Public Agencies Segment	5
Utilities Segment	7
Service Providers/Suppliers Segment	9
Retail Gas Quadrant	19 Members
End Users/Public Agencies Segment	1
Distributors Segment	6
Service Providers/Suppliers Segment	12
Wholesale Electric Quadrant	142 Members
End Users Segment	10
Distributors Segment	20
Transmission Segment	47
Generation Segment	24
Marketers/Brokers Segment	27
Non Specified	1
Independent Grid Operators/Planners Segment	9
Technology & Services Segment	4
Total Membership	304 Members



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