

NAESB Bulletin

October 2013 - January 2014

Volume 6, Issue 3

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2013-2014 Calendar:

December 2013

12/02 - WEQ BPS Task Force on Tag Impacts Conf. Call
12/03 - WEQ OASIS Conf. Call
12/03 - Board Certification Program Committee Conf. Call
12/04 - Retail Glossary Conf. Call
12/04 - Retail BPS Conf. Call
12/04 - Board Strategic Plan Task Force Conf. Call
12/04-05 - WEQ BPS Meeting (Houston, TX)
12/05 - WGQ BPS Conf. Call
12/05 - NAESB Monthly Update Conf. Call
12/09 - DSM-EE Specifications Task Force Conf. Call
12/09-10 - WGQ IR/Technical Meeting (Washington, DC)
12/11 - Retail Leadership Meeting (Houston, TX)
12/11 - WEQ Leadership Meeting (Houston, TX)
12/11 - WGQ Leadership Meeting (Houston, TX)
12/11 - NAESB Board Reception & Dinner with Guest Speaker (Houston, TX)
12/12 - NAESB Board of Directors Meeting (Houston, TX)
12/12 - WEQ CSS Meeting (Houston, TX)
12/16-17 - WEQ Business Practice Standards: Updates and Changes to Version 003 Course
12/17 - WEQ SRS Conf. Call
12/17 - Retail IR/TEIS Conf. Call
12/18 - DSM-EE Specifications Task Force Conf. Call
12/18-19 - WEQ JESS Meeting (Houston, TX)
12/19 - Board Revenue Committee Conf. Call
12/25-26 - Holiday - Christmas (NAESB Closed)
12/31 - Holiday - New Year's (NAESB Closed)

January 2014

01/01 - Holiday - New Year's (NAESB Closed)
01/06 - Retail IR/TEIS Conf. Call
01/07-08 - WEQ BPS Meeting (Houston, TX)
01/09 - WEQ OASIS Conf. Call
01/09 - WGQ BPS Conf. Call
01/10 - WEQ JESS Conf. Call
01/14-16 - WEQ OASIS Meeting (Charlotte, NC)
01/14-16 - WGQ IR/Technical Meeting (Salt Lake City, UT)
01/14 - Retail BPS Conf. Call
01/15 - Board Certification Program Committee Conf. Call
01/20 - Holiday - Martin Luther King (NAESB Closed)
01/22 - NAESB Monthly Update Conf. Call
01/23 - Board Revenue Committee Conf. Call
01/29 - Board Strategic Plan Task Force Conf. Call
01/30 - WEQ OASIS Conf. Call

February 2014

02/04 - WEQ SRS Conf. Call
02/05-06 - WEQ BPS Meeting (Redwood City, CA)
02/08 - Advisory Council Meeting (Washington, DC)
02/12 - WEQ JESS Conf. Call
02/17-18 - Retail BPS Meeting (Phoenix, AZ)
02/18 - WEQ Executive Committee Meeting (Phoenix, AZ)
02/18-19 - WGQ IR/Technical Meeting (Phoenix, AZ)
02/19 - Retail Executive Committee Meeting (Phoenix, AZ)
02/19 - Retail IR/TEIS Meeting (Phoenix, AZ)
02/19-20 - WEQ OASIS Meeting (Phoenix, AZ)
02/20 - WGQ Executive Committee Meeting (Phoenix, AZ)
02/25-26 - WEQ JESS Meeting (Location TBD)
02/26 - Board Strategic Plan Task Force Conf. Call
02/27 - WEQ OASIS Conf. Call

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STANDARDS DEVELOPMENT

Update on the Electric Industry Registry (EIR): NAESB is pleased to announce the successful transition of the Western Electric Coordinating Council (WECC) registry into the NAESB Electric Industry Registry (EIR)/webRegistry. At midnight on Tuesday, October 29, 2013, parallel operations between the EIR/webRegistry and the WECC registry ceased and the EIR/webRegistry replaced the WECC Interchange Tool (WIT) as the official source of registry data. This transition marks the completion of the first task in Phase 3 of the EIR project. To support the transition, NAESB and Open Access Technology International, Inc. (OATI) hosted nine online information sessions from May 21, 2013 to June 24, 2013 to provide the industry an opportunity to learn more about the Phase 3 activities. In addition to the information sessions, on June 4, 2013, parallel operations were initiated with the EIR for WECC registry users. As previously announced, the end of the parallel operations between the EIR/webRegistry and the WECC registry was originally scheduled for October 15, 2013, but was delayed until October 29, 2013 to provide entities additional time to register data.

The second Phase 3 activity, the retirement of the Comma-Separated Values (.csv) and Microsoft Database (.mdb) publication file formats, was completed on November 12, 2013. On this date, the EIR began to publish registry publications in the Extensible Markup Language (XML) file format exclusively. Under the Transmission System Information Network (TSIN), the registry publications utilized the .csv and .mdb file formats. When the TSIN transitioned to the EIR, the registry also began publishing in a newer file format, XML. The .csv and .mdb file formats are static in nature and did not allow for the registry publication to be expanded to include additional data formats or new functionalities. Their retirement and the publication of the registry in the XML file format exclusively will provide increased flexibility and let the registry publication respond to the needs of the industry.

The third activity of Phase 3 will be the retirement of several user interface functionalities that are not currently being utilized by EIR users. The majority of the functionalities to be retired are legacy items carried over during the original transition of the North American Electric Reliability Corporation (NERC) TSIN to the NAESB EIR in November 2012, and the retirement of these functionalities will serve to streamline and improve the efficiency of the EIR/webRegistry. The legacy items are scheduled to be retired in the first quarter of 2014.

Separate from the Phase 3 activities, on December 3, 2013, the online emergency publication request functionality was made available in the EIR as requested by industry participants. Previously, OATI and NAESB have been operating under an interim solution, the manual emergency publication procedure, which requires entities to contact the OATI Help Desk and make a verbal request for an emergency publication. The new functionality will allow users to make an electronic request for an emergency publication twenty-four hours a day – increasing efficiency and enhancing support for users needing emergency publications. As discussed during the September 5, 2013 Board of Directors meeting, the cost of the enhanced functionality will be borne by entities making the emergency publication requests, as a processing fee must be remitted at the time the request is submitted.

On August 26, 2013, the NAESB office received the second EIR enhancement request, ER13002, from Northwestern Energy Corporation. The request proposes that the effective stop date for a Purchase Selling Entity's objects within the EIR/webRegistry match that entity's annual renewal date within the EIR/webRegistry. The objective of the request is to provide notice to entities regarding the potential removal from the registry publication of objects and data points due to an entity failing to annually re-register within the EIR/webRegistry. Per the NAESB EIR Enhancement Request Process, this request was assigned to the NERC/NAESB Joint Electric Scheduling Subcommittee (JESS) which began preliminary review of the request during its September 10-11, 2013 conference call. The request was discussed again during the October 29-30, 2013 face-to-face meeting where the participants developed a work paper detailing four different methods for achieving the overall objective of the request. A more in-depth explanation of the four methods will be provided to the subcommittee for consideration and possible vote during the December 18-19, 2013 meeting.

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

STANDARDS DEVELOPMENT *(continued)*

Update on the Electric Industry Registry (EIR) (continued): The first EIR enhancement request - ER13001, received by NAESB on June 13, 2013 from the NERC Coordinate Interchange Standards Drafting Team, proposes to add a new object to the EIR that allows Balancing Authorities to create pseudo-tie transactions between Source and Sink Balancing Authorities and the affected Transmission Service Provider. Per the NAESB EIR Enhancement Request Process, the request was assigned to the WEQ JESS. During its July 9-10, 2013 meeting, the WEQ JESS determined that an evaluation of ER13001 was premature, as the NERC standard driving the request (NERC Interchange Standard INT-004-3) had not been finalized. The subcommittee will review the enhancement request again after the NERC Board of Trustees approves Project 2008-12 Coordinate Interchange Standards, the NERC project modifying NERC Interchange Standard INT-004-3.

Approximately one year after the WEQ Executive Committee approval of the recommendation, Version 1.8.1.1 of the Electronic Tagging (e-Tag) Specification was successfully implemented into the EIR on November 7, 2013. Version 1.8.1.1 supports the implementation of the NAESB Public Key Infrastructure (PKI) Business Practice Standards applicable to electric tagging, which requires the use of a digital certificate for all e-Tag communications within the EIR. The modifications to Version 1.8.1.1 require the use of digital certificates issued by NAESB Authorized Certification Authorities (ACAs) to secure the communications between tagging agents, tagging authorities, tagging approval services, and tagging reliability authority services. After approving the recommendation, the JESS spent several months developing an implementation plan for Version 1.8.1.1, setting the initial cutover date for October 1, 2013. That cutover date was rescheduled to November 5, 2013 in order to allow tagging vendors additional time to resolve unforeseen issues that arose during the initial attempt to implement the specification. However, due to a complication with California ISO's tagging recovery process related to certificate configuration, the rescheduled date was again delayed until November 7, 2013 before the specification was implemented.

In order to ensure NAESB standards are complementary to the EIR application and to define business requirements for those entities that maintain data within the application, the NAESB membership ratified the recommendation for 2013 Annual Plan Item 3.d – Develop Electric Industry Registry Business Practice Standards on September 23, 2013. The development effort for the recommendation spanned fifteen WEQ JESS meetings from January 10, 2012 to July 10, 2013 and resulted in modifications to WEQ-000 Abbreviations, Acronyms, and Definition of Terms in addition to the standards suite. The ratification followed the WEQ Executive Committee review of the formal comments received during the industry comment period and its adoption of the recommendation during its August 20, 2013 meeting. The standards will be included in the next version of the WEQ Business Practice Standards.

For more information, please go to [NAESB EIR Web Page](#), [WEQ JESS Web Page](#), [October 30, 2013 Phase 3 Successful Cutover Announcement](#), [October 11, 2013 Cutover Date Rescheduled Announcement](#), [September 26, 2013 Phase 3 Announcement](#), [May 24, 2013 NAESB Phase 3 Announcement](#), [April 22, 2013 NAESB Phase 3 Announcement](#), [October 18, 2012 NAESB EIR Transition Press Release](#), [Phase 3 Information Session Presentation](#), [ER13001](#), [ER13002](#), [ER13002 Options WEQ JESS Work Paper](#), [NAESB EIR Enhancement Request Process](#), [Request Form for Enhancement to NAESB EIR](#), [JESS EIR Recommendation as Revised and Approved by the WEQ Executive Committee on August 20, 2013](#), [JESS EIR Request for Comments](#), [Comments Submitted by We Energies](#), [Comments Submitted by OATI](#), [Comments Submitted by IESO](#), [ISO New England](#), [MISO](#), [NY ISO](#), [PJM](#), and [SPP](#), [Comments Submitted by Southern Company](#), [Redline Comments Submitted by Southern Company](#), [Comments Submitted by BPA](#), [Late Comments Submitted by the WEQ JESS](#) and [2013 WEQ Annual Plan](#).

Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR): The WEQ Business Practices Subcommittee (BPS) is continuing work to resolve all issues raised by the seventeen comments submitted during the informal comment period in an effort to move forward with a formal recommendation for PFV. The subcommittee has almost completed updating the PFV White Paper. The white paper revisions are meant to reconcile the document with the most current version of the recommendation and include the addition of examples and calculations for relief obligations meant to further enhance the big picture overview of the project. The subcommittee anticipates a formal recommendation to be voted out during the first or second quarter of 2014, at which time the subcommittee will recommend to the WEQ Executive Committee that these standards utilize the full staffing approach. After the proposed business practice standards are approved by the WEQ EC, the Interchange Distribution Calculator (IDC) Association will initiate a 12-18 month phase for software development and testing needed for the IDC to implement the field test. The field test will begin once software development is complete and is expected to last 12-18 months. The chair of the IDC Working Group (IDCWG) invited the WEQ BPS to attend a portion of the October 9, 2013 IDCWG meeting to discuss coordination efforts on the project and to develop a roadmap for the field test.

During the October 22, 2013 WEQ Executive Committee meeting, the WEQ BPS co-chairs gave a presentation that highlighted the key objectives achieved by the draft PFV recommendation: the reporting of generation to load impacts to the IDC on a real-time basis and a more accurate assignment of relief obligations to entities causing congestion. The presentation also provided a detailed timeline that included the completion of the draft recommendation, a potential second round of informal comments early next year, and the ensuing software development and testing and field test. The draft recommendation includes modifications to WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-008, WEQ-013, and other documents which have been developed or modified in

Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR) (continued): coordination with members of NERC, the IDCWG, and the Association as part of the PFV effort [the NERC Support Document, the IDC User's Manual and the NERC System Data Exchange (SDX) User's Manual]. The subcommittee held the last meeting of the year at the NAESB office in Houston, TX on December 4-5, 2013.

For more information, please go to [WEQ BPS Web Page, October 22, 2013 WEQ BPS Presentation, PFV Draft Recommendation as Revised on November 14, 2013, PFV White Paper as Revised on November 14, 2013, Informal Comments Status Work Paper, Action Items Work Paper, Parking Lot, Motions, NERC Support Document, IDC User's Manual and NERC SDX User's Manual.](#)

Smart Grid and Data Privacy Update: As previously mentioned, the FERC released a July 18, 2013 NOPR that proposed to incorporate by reference the NAESB WEQ Business Practice Standards Version 003, including the NAESB Smart Grid Standards. The NAESB WEQ Smart Grid Standards were developed at the request of the National Institute of Standards and Technology (NIST) to support their smart grid effort and are comprised of five separate standard sets (WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020). In addition to standards developed to support the NIST effort, NAESB has developed two smart grid-related standards at the request of the energy industry for the retail market. The NAESB Data Privacy Standards provide model business practices that should be employed by utilities and third-party service providers when maintaining and communicating smart meter information. The NAESB Energy Service Providers Interface Standard (ESPI Standard) provides a process and interface for the exchange of a retail customer's energy usage information between their designated data custodian, i.e. utility, and an authorized third-party service provider. The standard provides a consistent method for the authorization of third-party access to retail consumer's usage information and a standardized interface for the exchange of the information that will support the development of innovative products. The NAESB ESPI Standard has been endorsed by the DoE as part of their Green Button initiative to encourage utilities in the U.S. to provide their customers with easy access to their energy usage data in a computer- and consumer-friendly format via a "Green Button" on electric utility web sites.

The ESPI Standard has also garnered attention outside the U.S., as NAESB was recently contacted by the Ontario Ministry of Energy regarding use of the ESPI Standard in its jurisdiction to support the Green Button "Download My Data" and "Connect My Data" initiatives. The ESPI Standard will be used within a reference architecture guidance document outlining an implementation of the Green Button application. NAESB has helped facilitate the participation of seventy-seven Ontarian utility companies in the Ontario Green Button program and is now supporting the Ministry in a Green Button application contest within the province to help develop new and interesting tools to utilize energy usage data.

Since the last Data Privacy Task Force meeting, held on February 25, 2013 in Austin, TX, the task force has remained inactive as it awaits the results of the joint DoE Office of Electricity Delivery and Energy Reliability (DoE OE) Federal Smart Grid Task Force to develop a Voluntary Code of Conduct (VCC) related to data privacy. The VCC will focus on data privacy for utilities and third parties providing consumer energy use services. The third meeting addressing the VCC took place on November 22, 2013 where the draft principles were presented and discussed. As the NAESB Data Privacy Model Business Practices are applicable to both distribution companies and third parties that maintain and distribute smart meter-based information, there is opportunity for significant overlap between the NAESB Standard and the VCC. NAESB staff has continued to monitor the progress of the VCC and plans to reactivate the Data Privacy Task Force upon further development.

For more information, please go to [July 18, 2013 FERC NOPR Docket No. RM05-5-022, ESPI Standard Web Page, White House Call-to-Action, NARUC Resolution on Smart Grid Principles, Smart Grid Data Privacy Task Force Web Page, Federal Smart Grid Task Force Web Page and 2013 Retail Annual Plan.](#)

WEQ Business Practice Standards Updates and Changes Version 003 Course: The NAESB *WEQ Business Practice Standards: Updates and Changes Version 003 Course* will be held December 16-17, 2013 in Houston, TX at the NAESB office. The purpose of the course is to provide a general overview of Version 003 of the NAESB Business Practice Standards for the WEQ, highlighting changes from the previous version. Version 003 and the recent modifications to the PKI Standards are the subject of the July 18, 2013 FERC NOPR, *Standards for Business Practices and Communication Protocols for Public Utilities*. The course will cover standards development undertaken in support of (1) regulatory action - OASIS, (2) smart grid, (3) cybersecurity, (4) demand response and energy efficiency, (5) gas-electric coordination, and (6) complementary to NERC's reliability standards. A brief outline of the NAESB process for standards development will also be covered. Interested parties can obtain information from the NAESB web site or can contact the NAESB office. Continuing Legal Education (CLE) credits are available. Version 003 is now available for industry purchase and use. NAESB members have access to NAESB work products as part of the benefits of membership. Non-members may purchase the standards by visiting the NAESB web page, www.naesb.org, or completing the [NAESB Material Order Form](#).

For more information, please go to [July 18, 2013 FERC NOPR Docket No. RM05-5-022, Registration Form for the NAESB WEQ Business Practice Standards: Updates and Changes Version 003 Course, WEQ Course Brochure, NAESB WEQ Business Practice Standards Version 003, September 18, 2012 Version 003 Filing Docket Nos. RM05-5 et al, Final Actions to Create Version 003 and Houston Downtown Hotels Near the NAESB Office.](#)

STANDARDS DEVELOPMENT *(continued)*

Gas-Electric Harmonization: On November 15, 2013, the Federal Energy Regulatory Commission (FERC) released Order No. 787, *Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*, to support the reliability of pipelines and public utility transmission service by permitting increased information sharing between transmission operators. The Order follows a July 18, 2013 Notice of Proposed Rulemaking (NOPR), and amends FERC regulations to expressly authorize the exchange of non-public, operational information between electric transmission operators and interstate natural gas pipelines. In addition, the Order adopts a No-Conduit Rule to prohibit recipients of the non-public operational information from subsequently disclosing, or being a conduit for subsequently disclosing, the information to another entity.

In response to the July 18, 2013 NOPR, the co-chairs of the NAESB Wholesale Electric Quadrant (WEQ) and Wholesale Gas Quadrant (WGQ) Executive Committees formed a joint task force to conduct an informal, proactive review to determine if any aspects of the NOPR may impact the NAESB WEQ Gas-Electric Coordination Standards or the NAESB WGQ Gas/Electric Operational Communications Standards. At the conclusion of the review, the task force found no inconsistencies between the NAESB standards and the July 18, 2013 NOPR and presented a work paper during the October WEQ and WGQ Executive Committee meetings that detailed the task force's analysis. The task force will reconvene to review the final Order and determine if any further action should be recommended.

In addition to the continuous internal gas-electric harmonization activities, NAESB has also been actively monitoring the activities of external groups and recently participated in the first face-to-face Eastern Interconnection States' Planning Council (EISPC) industry coordination meeting held on August 26-27, 2013 in Chicago, IL and the follow-up meeting on October 28-29, 2013 in Washington, D.C. EISPC represents the thirty-nine states, the District of Columbia, the City of New Orleans, and eight Canadian Provinces located within the Eastern Interconnection electric transmission grid. These entities are working together, supported by funding from the Department of Energy (DoE), to evaluate transmission development options throughout the Eastern Interconnection.

The FERC recently met in open session on October 17, 2013 to hear updates on gas-electric activities from Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) among other agenda topics. The updates focused on coordination initiatives with pipeline operators heading into the winter of 2013-2014 and next coordination steps for the gas and electric industries. Several ISOs and RTOs are working with their stakeholder groups to determine the best courses of action to ensure that the interdependencies of the two markets are addressed. As NAESB has several sets of standards specific to the coordination of the two markets, it will continue to monitor and participate in the efforts of the industries in order to achieve a seamless marketplace for wholesale and retail natural gas and electricity.

For more information, please go to [FERC Order No. 787 Docket No. RM13-17-000, July 18, 2013 FERC NOPR Docket No. RM13-17-000, October 22, 2013 WEQ Executive Committee Draft Minutes, October 24, 2013 WGQ Executive Committee Draft Minutes, Comments Submitted on FERC NOPR under Docket No. RM13-17-000, FERC Natural Gas-Electric Coordination Web Page, October 15, 2013 NAESB GEH Executive Committee Task Force Work Paper, EISPC Web Page, NAESB GEH Committee Report September 2012, NAESB GEH Press Release and NARUC Resolution.](#)

Retail Net Metering Model Business Practices Development:

During the development of the recommendation to support technical aspects of NAESB Retail Book 3– Billing and Payment Model Business Practices, a question was raised concerning the inclusion of Electronic Data Interchange (EDI) transaction standards to support net metering. As NAESB has not developed any model business practices that directly address or support net metering, guidance was requested from the RXQ Executive Committee. Ultimately, the decision was made to include the development of new standards and/or modifications to existing standards to support net metering on the 2013 RXQ Annual Plan. As there are a myriad of differing implementations of net metering arrangements and variations in policy decisions by state commissions on the subject, the RXQ Executive Committee limited the scope of the annual plan item to metering data in competitive markets where net metering is available. The annual plan item was carried over to the 2014 RXQ Annual Plan and is scheduled to be completed in the second quarter of 2014. To initiate the effort, the RXQ BPS developed a definition for Retail Net Metering during its October 21-22, 2013 meeting that will be reviewed by the Glossary Subcommittee and presented at the February Executive Committee meeting. To facilitate the dialogue on net metering among industry participants, including state commission staff, NAESB has included discussion on the topic as an item on the Board Leadership, Executive Committee, and Monthly Update agendas as well as in discussions with FERC and state commission staff members. The RXQ BPS scheduled a conference call for January 14, 2014 and the subcommittee's next face-to-face meeting will be hosted by Salt River Project in Phoenix, AZ on February 17-18, 2014.

For more information, please go to [2013 Retail Annual Plan, Retail 2014 Proposed Annual Plan as approved by the Retail EC \(Clean\), Retail 2014 Proposed Annual Plan as approved by the Retail EC \(Redline\), Draft Definitions for Net Metering Work Paper, RXQ BPS Web Page and October 21-22, 2013 RXQ BPS Draft Minutes.](#)

NAESB Primers and Training Courses:

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

[LDC Gas Forums](#)



STANDARDS DEVELOPMENT *(continued)*

WEQ Cybersecurity Subcommittee (CSS) Update: Since the proposed adoption of the NAESB WEQ Business Practice Standards Version 003, including the WEQ-012 PKI Standards, into the FERC regulations through the July 18, 2013 NOPR, the WEQ CSS, formerly known as the PKI Subcommittee, has continued to meet and address their assigned annual plan items. Currently, the subcommittee is addressing 2013 WEQ Annual Plan Item 4.a.iii, a standing annual plan item, calling for the review of the NAESB Accreditation Requirements for Authorized Certification Authorities (ACA) (Accreditation Specification) and the requirements for ACAs to determine if changes are needed to meet market conditions. A recommendation of proposed modifications is expected to be voted upon during the subcommittee's upcoming face-to-face meeting on December 12, 2013 in conjunction with the NAESB Board of Directors meeting. The recommendation proposes modifications to the Accreditation Specification that will allow for certificates to be granted to servers within the current assurance levels and parameters of the current accreditation requirements. In addition, the subcommittee will begin work on WEQ 2014 Annual Plan Item 4.a.i, which requires a review of the standards to support adequate session encryption - Secure Sockets Layer and Transport Layer Security (SSL/TLS). Upon conclusion of that effort, the subcommittee will review the WEQ standards and functional specifications for any impact of XML vulnerability exploits.

As was previously noted, the July 18, 2013 FERC NOPR, *Standards for Business Practices and Communication Protocols for Public Utilities*, proposes to incorporate by reference the NAESB WEQ Business Practice Standards Version 003, including the WEQ-012 PKI Standards, into the FERC regulations. The PKI Standards address the security structure for commercial transactions in the electric industry, such as e-Tagging, the EIR, and scheduling on the Open Access Same-time Information Systems (OASIS). These standards are supported by the NAESB Certification Program for Authorized Certification Authorities by creating a mechanism to accredit certificate authorities seeking to issue certificates in coordination with the NAESB PKI standards. The program is buttressed by the Accreditation Specification – managed by the CSS and the NAESB Board ACA Process – managed by the Board Certification Program Committee. Ultimately, the two documents work together with the standards to encapsulate the NAESB Certification Program for ACAs.

For more information, please go to [July 18, 2013 FERC NOPR Docket No. RM05-5-022](#), [September 18, 2012 WEQ Version 003 FERC Filing Docket No. RM 05-5 et al](#), [NAESB Status Report to FERC, January 29, 2013 Supplemental FERC Filing, US-Cert Vulnerability Note VU#864643](#), [2013 WEQ Annual Plan](#), [2014 WEQ Proposed Annual Plan as approved by the WEQ EC \(Clean\)](#), [2014 WEQ Proposed Annual Plan as approved by the WEQ EC \(Redline\)](#), [August 20, 2013 WEQ EC Draft Meeting Minutes](#), [PKI Subcommittee Final Action](#), [WEQ CSS Subcommittee Web Page](#), [FERC Report on Use of North American Energy Standards Board PKI](#), [WEQ CSS Work Paper for 2013 Annual Plan Item 4.a.ii](#), [WEQ CSS Request for Informal Comments on 2013 Annual Plan Item 4.a.ii](#), [Informal Comments Received by OATI](#), [Request for Formal Comments on 2013 Annual Plan Item 4.a.ii](#), [WEQ CSS Recommendation on 2013 Annual Plan Item 4.a.ii](#), [NAESB Authorized Certification Authority Process](#), [Board Certification Program Committee Web Page](#), [NAESB Accreditation Requirements for ACAs](#), [Independent Authorized Certification Authorities](#), [NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet](#), [NIST Request for Information](#), [NAESB Response to NIST Request for Information and Notification to NERC](#).

NAESB and NERC Continuing Coordination: NAESB and NERC continue to remain coordinated on all projects underway that may impact either or both organizations. Ongoing monthly coordination calls between NERC and NAESB staff typically focus on the EIR, the status of the Parallel Flow Visualization (PFV) project, the items identified for accelerated development in the NERC Reliability Standards Development Plan, and any other coordination issues identified by the NERC project managers or the NAESB subcommittee co-chairs.

A frequent topic of discussion has been NERC Project 2012-05 ATC Revisions (MOD A). The NERC project is focused on closing out directives from FERC Order No. 729 related to the reliability standards for the calculation of Available Transfer Capability (ATC), Capacity Benefit Margins (CBM), Transmission Reliability Margins (TRM), Total Transfer Capability (TTC), and Existing Transmissions Commitments (ETC). The NERC informal MOD A group, comprised of industry subject matter experts and NERC staff, examined whether certain modeling requirements were appropriately addressed through the NERC Reliability Standards. That group proposed to reorient the MOD standards to focus on the reliability-related aspects of the standards, and consequently, a Standards Authorization Request was developed that proposes to condense MOD-001, MOD-004, MOD-008, MOD-028, MOD-029 and MOD-030 into a single standard addressing the aspects identified as solely reliability-related. If approved by the NERC Board of Trustees, an official standards development request may be submitted to NAESB from NERC in order to ensure that the commercial aspects of the MOD standards are maintained. If submitted, NAESB will address the request through the normal standards development process, which may result in the development of new OASIS standards or modifications to existing standards. To ensure coordination in the event that the request is submitted to NAESB, NERC and NAESB staff have been in frequent communication to update each other on any developments related to the project.

In addition to the activities of the staff, the NERC and NAESB executive leadership will continue to meet periodically to evaluate the status of their development efforts, including gas-electric coordination, demand response and energy efficiency, cybersecurity and the existing structures of the organizations.

For more information, please go to [2013 WEQ Annual Plan](#), [FERC Order No. 729 Docket No. RM08-19-000 et al](#), [WEQ Standards Review Subcommittee Web Page](#), [WEQ Business Practices Subcommittee Web Page](#) and [WEQ OASIS Web Page](#).

STANDARDS DEVELOPMENT (continued)

Cybersecurity: In light of the rapidly evolving cybersecurity landscape, NAESB has continued to monitor the activities of NIST as they address Executive Order 13636, *Improving Critical Infrastructure Cybersecurity*. The Executive Order instructed the Director of NIST to “lead the development of a framework to reduce cyber risks to critical infrastructure.” NIST released the *Preliminary Cybersecurity Framework* on October 22, 2013, followed by a Federal Register Notice announcing NIST’s Request for Comments on the document. The official Cybersecurity Framework, scheduled to be released in February of 2014, is a voluntary guide that will help critical infrastructure owners and operators reduce cybersecurity risks in industries such as power generation and transportation. The *Preliminary Cybersecurity Framework* is the culmination of responses to the February 26, 2013 NIST Request for Information and the input received from the series of open public workshops hosted by NIST throughout 2013. NAESB submitted general comments on April 8, 2013 in response to the NIST Request for Information, which included two NAESB documents - one for the wholesale electric market and one for the wholesale natural gas market - that explicate the NAESB cybersecurity-related standards, their purpose, and to which market based transactions they are intended to apply. The NAESB WEQ Cybersecurity Subcommittee (CSS) reviewed the release of the *Preliminary Cybersecurity Framework* during its October 31, 2013 conference call and encouraged all interested participants to submit comments on the document.

In addition, NIST is also seeking comments on the first revision to its guidelines for secure implementation of smart grid technology, draft NISTIR 7628 Revision 1, *Guidelines for Smart Grid Cybersecurity*. The comment period will be open from October 25, 2013 through December 24, 2013. The draft NISTIR 7628 Revision 1 was completed by the NIST-led Smart Grid Cybersecurity Committee (formerly the Cybersecurity Working Group) of the Smart Grid Interoperability Panel. The document has been updated to address changes in technologies and implementations since the release of NISTIR 7628 in September 2010. In addition, the document development strategy, cryptography and key management, privacy, vulnerability classes, research and development topics, standards review, and key power system use cases have been updated and expanded to reflect changes in the smart grid environment since 2010. The final version is expected to be posted in the spring of 2014.

NAESB was pleased to participate in the 4th NIST Cybersecurity Framework Workshop in Dallas, TX on September 11-13, 2013. The 5th NIST Cybersecurity Framework Workshop was held November 14-15, 2013 at North Carolina State University in Raleigh, NC and focused on implementation aspects of the Framework and the comments received during the 45-day comment period.

For more information, please go to [Preliminary Cybersecurity Framework Released October 22, 2013](#), [Executive Order 13636-Improving Critical Infrastructure Cybersecurity, October 29, 2013 NIST Request for Comments, October 22, 2013 NIST Announcement](#), [NIST Cybersecurity Framework Web Page](#), [April 8, 2013 NAESB Response to NIST Request for Information](#),

[NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet](#), [NAESB Wholesale Natural Gas Market Cybersecurity Standards Fact Sheet, February 26, 2013 NIST Request for Information, October 25, 2013 NIST Request for Comments, Draft NISTIR 7628 Rev. 1, Vol. 1, Draft NISTIR 7628 Rev. 1, Vol. 2 and Draft NISTIR 7628 Rev. 1, Vol. 3.](#)

Preemption and Competition: Following its completion of standards supporting the Service Across Multiple Transmission Systems (SAMTS), the WEQ OASIS Subcommittee kicked back into full gear for 2013 Annual Plan Items 2.a.i.1-2 and 5.c – Preemption and Competition. The subcommittee’s effort is underway to support FERC Order No. 890 and NAESB standards request R05019. The completed recommendation will propose modifications to a significant number of the OASIS standards (WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013). The preemption process is defined as the act of displacing all or a portion of the transmission capacity of an existing reservation or pending request to accommodate a higher priority (e.g., longer duration, higher price, etc.) request for service with or without the right of first refusal. The competition process addresses the right of first refusal, which allows for, in certain instances, the holder of an existing reservation, known as a Defender, to modify its transmission reservation to match the characteristics of the Challenger’s higher priority request in order to avoid preemption.

The WEQ OASIS Subcommittee has identified over 147 transaction processing issues and requirements for its careful consideration in the formulation of the preemption and competition processes. The focus of the development effort now rests on short-term firm transmission service, but will quickly shift to short-term nonfirm and long-term firm applications as well. The completion of the annual plan items serve as a lynchpin for the publication date of the NAESB WEQ Version 003.1 Business Practice Standards, now scheduled for the third quarter of 2014.

The subcommittee has revamped its 2014 meeting schedule to extend meeting times and fast-track the completion of the recommendation for preemption and competition. The draft recommendation is scheduled to be the subject of an informational presentation to NAESB members to facilitate the submission of comments during the informal comment period beginning in late March to early April. The duration of the informal comment period, open to all interested parties, has yet to be determined, as it will depend on the complexity of the draft recommendation. After informal comments are reviewed, a formal recommendation is expected to be submitted to the WEQ Executive Committee in the second quarter of 2014. The subcommittee will hold its next face-to-face meeting on January 14-16, 2014. All interested parties are welcome to attend.

For more information, please go to the [FERC Order No. 890 Docket Nos. RM05-17-000 and RM05-25-000, R05019, WEQ OASIS Subcommittee Web Page, 2013 WEQ Annual Plan and October 22, 2013 WEQ OASIS Update Presentation](#).

NAESB Board of Directors Update: As the NAESB Board of Directors actively plans and prepares for the organization's future, it has undertaken to reevaluate the current structure which was instituted in the late 1990's when the Gas Industry Standards Board added the retail and wholesale electric quadrants. The September 5, 2013 NAESB Board of Directors Meeting included the annual Meeting of Members and a board strategic session to examine whether the current structure of NAESB meets the goal of developing standards in support of future policy and market needs. A panel of industry frontrunners, including Pat Wood, Timothy Simon, Marc Spitzer, Bob Gee, Terry Thorn, Gerry Cauley, Emil Pena, Christine Tezak, Sheila Hollis and Annie McIntyre, provided their input to the Board regarding NAESB's direction for the next five to ten years. The discussion focused on the evolution of the industries over the last thirteen years which brought new market interests that may not be adequately represented in the existing structure.

As a result of the strategy session, NAESB Chairman, Michael Desselle, created the Board Strategic Plan Task Force and charged the group with identifying NAESB strategies and supporting organizational structures, and making recommendations to the full board for its consideration. To date, the task force has held two conference calls on October 15, 2013 and November 14, 2013, and is already well underway in developing a series of recommendations for strategies that could see NAESB through the next several years. Two threshold questions lead the dialogue during the calls: "What is our vision of NAESB in the next three to five years?" and "What resources will be required to achieve it?" The draft outline of the report includes procedural considerations for the life of the task force, identifies present and possible future strengths of the organization, and recognizes cautions to take into consideration that could prove to be barriers to success, risks that should be managed, and current and possible developments in the market that could impact NAESB's standards development activities. The task force includes several former state commissioners and DoE Officers as well as other leading voices of the industry. The report and set of recommendations to the Board is expected to be completed in 2014. Upcoming Board Strategic Plan Task Force conference calls are scheduled for January 29, 2014 and February 26, 2014. All interested parties are welcome to participate.

In response to a written request made by Dominion Voltage, Inc. on August 6, 2013 and considered by the Board at the September 5, 2013 meeting, NAESB has initiated the development of a program for the certification of Demand Side Management and Energy Efficiency (DSM-EE) measurement and verification products and services that support the NAESB WEQ and Retail Energy Quadrant (RXQ) demand response and energy efficiency standards. The proposed DSM-EE certification program will be similar to the PKI certification program by mirroring the three-legged stool approach in which the program is supported by the NAESB Business Practice Standards and Model Business Practices, a specification document that details the requirements an entity must meet to become certified, and a certification program developed by the NAESB Board Certification Committee which outlines the process an entity must follow to become accredited. At the request of the NAESB Chairman, Michael Desselle, the co-chairs of the WEQ and RXQ have reactivated the WEQ/RXQ DSM-EE Subcommittee and a task force has been created to develop the specification document. Over the course of three meetings, the DSM-EE Specification Task Force has developed the *Draft NAESB Accreditation Requirements for Certification of Energy Efficiency Measurement and Verification Products and Services* and posted the document for an informal comment period concluding on December 5, 2013. The document was voted out of the task force during its third conference call on November 21, 2013 and provides the technical and managerial details that an entity seeking certification through the NAESB Energy Efficiency Measurement and Verification Certification Program must demonstrate. The requirements contained within the document are intended to support the NAESB WEQ Business Practice Standards WEQ-021 and REQ.19 Model Business Practices for Energy Efficiency. The related efforts of the Board Certification Committee have been focused on developing a process for the certification program that interested entities must follow in order to become certified. An update on the effort is scheduled to be given at the December 12, 2013 NAESB Board of Directors Meeting and the program is slated to be complete in 2014.

The September Board meeting saw the unanimous adoption of the proposed amendment to the NAESB Bylaws developed by the Board Parliamentary Committee and endorsed by the Managing Committee. Since its inception, NAESB's business model and policies have been based upon the copyright of its standards and business practices developed through the NAESB collaboration process. As a way to further protect NAESB's copyright, NAESB staff has been working with outside intellectual property counsel who has developed recommendations to strengthen the NAESB policies and practices moving forward. The Parliamentary Committee reviewed the recommendations over the course of three meetings which resulted in modifications to the Bylaws – namely, the addition of the definition of "contribution" and the addition of a section on assignment of rights of contributions that are present in the adopted NAESB standards. After voting to approve the proposed language on June 28, 2013, the Parliamentary Committee sought and received the endorsement of the Managing Committee during its August 16, 2013 meeting.

A result of discussion at its March meeting, the Board Revenue Committee met in November to review a work paper regarding the pricing of NAESB Standards and related materials, as compared with other similarly situated standards development organizations. The analysis of the cost of standards, products, and services in comparison to NAESB's charges is informational in nature and no recommendations are contained therein. The Board Revenue Committee hopes that the information can be used to determine whether NAESB should change the current cost structure and, if changes are needed, the document can serve as the basis for a recommendation to the Board of Directors. It is important to note that the analysis does not take into effect NAESB discounted pricing for affiliates – except where specially noted in tables, however including that data would likely result in a wide negative gap between NAESB pricing and the average pricing across standards organizations. As you may know, NAESB affiliate pricing discounts certification by 87.5% and standards sets by 83.7%. The Board Revenue Committee has scheduled a second conference call

NAESB Board of Directors Update (continued): to continue the review of the analysis on December 19, 2013. This meeting is open to all interested parties.

For more information, please go to [Notes from the September 5, 2013 Board of Directors Meeting](#), [August 7, 2013 Correspondence from Michael Desselle](#), [October 15, 2013 Board Strategic Plan Task Force Meeting Notes](#), [October 22, 2013 Correspondence from Michael Desselle](#), [November 14, 2013 Board Strategic Plan Task Force Meeting Notes](#), [Dominion Voltage Request Letter](#), [DSM-EE Certification Work Paper for NAESB Board Certification Program Committee](#), [DSM-EE Certification Process Document for December 3, 2013 Meeting](#), [Draft DSM-EE Measurement and Verification Specification - November 21, 2013](#), [NAESB Bylaws, Parliamentary Committee's Proposed Changes to NAESB Bylaws, June 28, 2013 Parliamentary Committee Meeting Notes](#), [June 13, 2013 Parliamentary Committee Notes](#), [May 15, 2013 Parliamentary Committee Notes](#), [Board Revenue Committee Web Page](#), [August 16, 2013 Managing Committee Notes](#), [March 27, 2013 Board Revenue Committee Notes](#), [November 12, 2013 Board Revenue Committee Notes](#) and [Standards Pricing Analysis](#).

Filings: The July 18, 2013 FERC NOPR, *Standards for Business Practices and Communication Protocols for Public Utilities*, proposes to incorporate by reference certain NAESB WEQ Version 003 Business Practice Standards, including the most recent set of PKI (WEQ-012) and Smart Grid Standards (WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020). NAESB submitted Version 003 to the FERC on September 18, 2012, followed by subsequent updates to the WEQ-012 PKI Standards submitted on January 29, 2013. The standards contained within the two filings marked a development period from March 2009 to July 2012.

Published on July 30, 2012, Version 003 contains close to one thousand new standards and many modified standards. The work product supports actions identified in FERC Order Nos. 890, 890-A, 890-B, and 890-C, including the standards to support Network Integration Transmission Service (NITS) on OASIS and the previously filed standards to support SAMTS. Also included are the modifications to the OASIS Standards that support FERC Order Nos. 676, 676-A, 676-E, and 713. The Coordinate Interchange Standards are integrated to complement the updates to the e-Tag Specifications and modifications were made to the gas-electric coordination standards to provide consistency between the two markets. The NAESB DSM-EE Standards are also encompassed in the new version. The FERC requested industry comments regarding NAESB WEQ Standard Nos. WEQ-001-14.1.3 and WEQ-001-15.1.2, related to the time period for posting ATC narratives be submitted by September 24, 2013. Acknowledging the March 21, 2013 membership ratification of modifications consistent with the Green Button initiative within WEQ-019 Customer Energy Usage Information Communication, the FERC invited comment from the industry on whether Version 003 or the most recent version should be incorporated by reference into its regulations. Since the release of the NOPR, several minor corrections and errata have been applied and have been submitted to FERC.

When errata are discovered in standards, NAESB uses the minor correction process to achieve industry consensus on the need for modification. In contrast to the standards development process, requests identified as minor corrections follow an abbreviated process that permits industry consensus to form, yet bypasses the lengthier procedures designed to permit issues that carry the potential for controversy to be fully vetted. When a minor correction affects standards that have already been submitted to the Commission, NAESB submits the modifications to FERC in the

form of an Errata Filing. For publications submitted, yet not adopted, such as Wholesale Electric Quadrant Version 003, there is no rulemaking necessary, as the Commission may choose to act upon the revised set of standards. The following six minor corrections, impacting standards and data elements found in WEQ Version 003 were filed with the Commission in November on behalf of the WEQ: MC13013 (correcting WEQ-002-3.4.i to comply with 18 CFR 37.7(b)), MC13015 (modifying several proposed standards for consistency purposes), MC13017 (correcting cross-referenced standards in WEQ-001-11.1.6), MC13019 (correcting the NAESB WEQ/WGQ Implementation Guide for Electronic Tariff Filing to correspond to modifications made by FERC), MC13024 (clarifying inconsistencies in data definitions within the OASIS Standards), and MC13025 (modifying WEQ-000, WEQ-001, WEQ-002, and WEQ-013 for consistency).

For more information, please go to [July 18, 2013 FERC NOPR Docket No. RM05-5-022](#), [September 18, 2012 Version 003 Filing Docket No. RM05-5 et al](#), [January 29, 2013 FERC Filing Docket No. RM05-5, et al](#), [Federal Register Notice of Version 003 NOPR, WEQ-019 Final Action, FERC Order No. 890 Docket Nos. RM05-17-000 and RM05-25-000](#), [FERC Order No. 676 Docket No. RM05-5-000](#), [FERC Order No. 713 Docket No. RM08-7-000](#), [MC13013](#), [MC13013 as approved by the WEQ Executive Committee on August 20, 2013](#), [MC13015](#), [MC13015 as approved by the WEQ Executive Committee on August 20, 2013](#), [MC13017](#), [MC13017 as approved by the WEQ Executive Committee on August 20, 2013](#), [MC13019](#), [MC13019 as approved by the WEQ Executive Committee on October 22, 2013](#), [Recommendation for MC13019](#), [MC13024](#), [MC13024 as approved by the WEQ Executive Committee on October 22, 2013](#), [MC13025](#), [MC13025 as approved by the WEQ Executive Committee on October 22, 2013](#) and [NAESB Government Activities Web Page](#).

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[NAESB Membership Information](#)

2014 Annual Plan Adoption: The 2014 annual planning process began on October 17th and 18th through conference calls open to all NAESB members and interested industry participants to propose and discuss items that should be included on the 2014 annual plans for the retail, wholesale electric and wholesale gas quadrants. Drafts of the 2014 annual plans were developed and subsequently considered by the quadrants executive committees during their meetings the week of October 21, 2013. All plans, as adopted by the executive committees, will be reviewed for adoption by the Board of Directors during the December 12, 2013 board meeting.

LockLizard Software: To support non-member access to protected NAESB work products, NAESB offers LockLizard, a document viewer software which will allow evaluations of the work products at no cost to the requestors. We provide this access in recognition that either: (1) non-members may need an abbreviated review of work products prior to purchase, or (2) non-members would review the standards as they prepare comments to regulated entities, although the non-members would not use the standards for any commercial purposes, or as they operate in the wholesale or retail natural gas or electric markets.

Non-member requests for evaluation are governed by the following rules:

- The review, considered a limited waiver, extends for three or sixty business days based on the purpose of the review, and the request for a limited waiver cannot be repeated for a given company and requested set of standards or final actions.
- The limited waiver is granted for evaluation or commenting purposes only.
- Once access to the protected documents is established, the access is restricted to viewing – it does not extend to printing or copying.
- The protected work products provided under the waiver should not be reproduced, adapted, displayed, distributed or shared in any manner.

To access the work product(s):

- Contact the NAESB office and request the specific version of standards or final actions.
- In order to evaluate the requested set of standards or final actions, there are two steps: (1) installing the PDF Secure Viewer, and (2) registering.
- Ms. Rager (drager@naesb.org, 713-356-0060) from the NAESB office can provide support in both steps.

If you are not a member of NAESB and would like to use NAESB final actions or published standards for other than the purposes noted above, please contact the NAESB office at 713-356-0060 or naesb@naesb.org for permission. Of course, non-members can [purchase the work products](#). As stated earlier, members have access to the work products as part of the benefits of membership.

NAESB Quadrant/Segment Membership Analysis:

<u>Wholesale Gas Quadrant</u>	121 Members
End Users Segment	15
Distributors Segment	16
Pipelines Segment	46
Producers Segment	14
Services Segment	30
<u>Retail Energy Quadrant</u>	43 Members
Retail Electric End Users/Public Agencies Segment	15
Retail Gas Market Interests Segment	13
Retail Electric Utilities Segment	7
Retail Electric Service Providers/Suppliers Segment	8
<u>Wholesale Electric Quadrant</u>	140 Members
End Users Segment	9
Distributors Segment	20
Transmission Segment	42
Generation Segment	25
Marketers/Brokers Segment	25
Non Specified	1
Independent Grid Operators/Planners Segment	9
Technology & Services Segment	9
Total Membership	304 Members

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 and waivers 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. 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.

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