

# NAESB Bulletin

November 2016 - February 2017 Volume 9, Issue 3

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## 2017 Calendar:

### March

3/1 - WGQ BPS Conf. Call  
3/2 - WEQ BPS Conf. Call  
3/9 - NAESB Monthly Update Conf. Call  
3/9 - WEQ OASIS Conf. Call  
3/13 - WEQ CISS Conf. Call  
3/14-16 - WGQ IR/Technical Meeting (Houston, TX)  
3/15 - WEQ Executive Committee GEH Task Force Conf. Call  
3/16 - WEQ SRS Conf. Call  
3/20 - Retail Glossary Conf. Call  
3/20 - Joint Retail BPS and DSM-EE Conf. Call  
3/20 - WGQ EDM Conf. Call  
3/21 - WEQ BPS Conf. Call  
3/22 - WEQ Executive Committee GEH Task Force Conf. Call  
3/28-30 - WEQ OASIS Meeting (Dallas, TX)  
3/29 - WGQ Contracts Conf. Call

### April

4/4-5 - WGQ IR/Technical Meeting (Houston, TX)  
4/5 - Retail Leadership Meeting (Houston, TX)  
4/5 - WEQ Leadership Meeting (Houston, TX)  
4/5 - WGQ Leadership Meeting (Houston, TX)  
4/5 - NAESB Board Reception & Dinner with Guest Speaker  
4/6 - NAESB Board of Directors Meeting (Houston, TX)  
4/13 - WEQ SRS Conf. Call  
4/14 - Holiday - Good Friday (NAESB Closed)  
4/18 - WEQ BPS Conf. Call  
4/19 - Board Strategic Plan Ad Hoc Task Force Conf. Call  
4/19 - Board Parliamentary Committee Conf. Call  
4/19 - Board Revenue Committee Conf. Call  
4/24-25 - Retail BPS Meeting (Carmel, IN)  
4/25-26 - WGQ IR/Technical Meeting (Carmel, IN)  
4/25 - WEQ Executive Committee Meeting (Carmel, IN)  
4/26 - Retail IR/TEIS Meeting (Carmel, IN)  
4/26-27 - WEQ OASIS Meeting (Carmel, IN)  
4/26 - Retail Executive Committee Meeting (Carmel, IN)  
4/27 - WGQ Executive Committee Meeting (Carmel, IN)

### May

5/3 - NAESB Monthly Update Conf. Call  
5/18 - WEQ SRS Conf. Call  
5/23-25 - WEQ OASIS Meeting (Chattanooga, TN)  
5/29 - Holiday - Memorial Day (NAESB Closed)

### June

6/15 - WEQ SRS Conf. Call  
6/20-22 - WEQ OASIS Meeting (Langley, BC)  
6/22 - NAESB Monthly Update Conf. Call

### July

7/3 - Holiday - Day before 4th of July (NAESB Closed)  
7/4 - Holiday - 4th of July (NAESB Closed)  
7/13 - WEQ SRS Conf. Call  
7/18-20 - WEQ OASIS Meeting (Portland, OR)  
(Phoenix, AZ)

**Open Field Message Bus (OpenFMB):** In the coming months, the NAESB OpenFMB Task Force will schedule its first conference call of the year to discuss potential updates to the NAESB OpenFMB Model Business Practices under 2017 Retail Markets Quadrant (RMQ) Annual Plan Item 4.a. The updates to be discussed include aspects of cybersecurity and the incorporation of additional use cases. Last March, the OpenFMB Model Business Practices were included in the Version 3.1 publication of the NAESB RMQ Model Business Practices. The OpenFMB Model Business Practices leverage a non-proprietary and standards-based reference architecture platform to expand interoperability for intelligent field devices on the grid. In other words, it enables grid devices – such as meters, reclosers, and inverters – to efficiently speak to each other.

In parallel efforts, the Smart Grid Interoperability Panel (SGIP) has continued to develop additional use cases concerning seamless microgrid reconnection, microgrid unscheduled islanding, circuit segment optimization, and DER circuit segment management. Additionally, OpenFMB test beds have been set up across the country including Charlotte, NC (Duke Energy), and Golden Colorado (National Renewable Energy Laboratory), and San Antonio, TX (CPS Energy).

This year, the DistribuTECH Conference and Exhibition was held in San Diego, California from January 31- February 2. Visitors were presented with the OpenFMB Collaboration Site, which boasts example code, wikis, use cases, a blog, links, and a community of users to address communication between devices at the grid edge. This follows an OpenFMB expo presented at last year's SGIP Grid Modernization Summit held from November 7 to November 10, 2016. Looking forward, NAESB anticipates that any revisions to the OpenFMB Model Business Practices will be published in a future version of the NAESB RMQ Model Business Practices.

For more information, please go to [2017 RMQ Annual Plan](#), [OpenFMB Collaboration Site](#), [RMQ.26 OpenFMB Model Business Practices](#) and [NAESB Order Materials Form](#).

**Support of the Mexican Markets:** On December 15, 2016, the Wholesale Gas Quadrant (WGQ) Contracts Subcommittee held a kick off conference call to address 2017 WGQ Annual Plan Item 5, calling for the determination of whether there is a need for a Mexican Addendum to the NAESB Base Contract for Sale and Purchase of Natural Gas or an entirely new contract for the Mexican market. During the call the subcommittee reviewed submitted work papers and heard comments from participants concerning the potential standards development effort.

Driven by the requests of several companies interested in conducting business in the newly reformed environment along with inquiries from the Comisión Reguladora de Energía, a verbatim Spanish translation of the NAESB WGQ 6.3.1 - NAESB Base Contract for Sale and Purchase of Natural Gas; the NAESB WGQ 6.3.1.CA - Canadian Addendum; and the NAESB WGQ 6.5.3 - NAESB WGQ Model Credit Support Addendum are now available to NAESB members and for nonmember purchase. In late-March, the WGQ Contracts Subcommittee meeting will hold another conference call to continue to discuss the current efforts to support the Mexican market. Upon completion of this project, NAESB looks forward to supporting future standardization efforts within the Mexican market.

For more information, please go to [2017 WGQ Annual Plan](#), [February 23, 2017 WGQ Executive Committee Meeting Minutes](#), [No Action Recommendation for 2017 WGQ Annual Plan Item 5](#), [Request for Comments on 2017 WGQ Annual Plan Item 5](#), [Spanish Translation of the WGQ 6.3.1 - NAESB Base Contract for Sale and Purchase of Natural Gas](#), [Spanish Translation of the WGQ 6.3.1.CA - Canadian Addendum](#), [Spanish Translation of the WGQ 6.5.3 - NAESB WGQ Model Credit Support Addendum](#), [Meney de la Peza – Board Presentation](#) and [Dr. Samir Succar – Board Presentation](#).

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## STANDARDS DEVELOPMENT

***FERC Order No. 809 and Gas-Electric Coordination:*** During its February 23, 2017 meeting, the WGQ Executive Committee considered eight recommendations voted out of the WGQ Business Practices Subcommittee (BPS) in response to the April 16, 2015 Federal Energy Regulatory Commission (FERC or Commission) Order No. 809, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities* and the subsequent September 17, 2015 Order on Rehearing. After approving four no action recommendations addressing Terminology, Communication Protocols and Critical Information Sharing, Multiple Confirmation Methods, and Special Efforts, the WGQ Executive Committee declined to approve one recommendation on the Nomination of Hourly Quantities and three recommendations addressing Levels of Confirmation. NAESB has notified FERC staff of the failure to gain support at the WGQ Executive Committee and will update the Commission again through a formal status report in mid-March.

Of the eight GEH annual plan items addressed in the recommendations, five were a direct result of the 2016 GEH Forum activities and the other three were standards requests submitted by interested industry participants and placed on the 2016 and 2017 WGQ annual plans. The recommendations include definitions for the terms Shaped Nomination and Ranking across transactions, and several proposed standards addressing the levels of confirmations and the nomination of hourly quantities. Four of the recommendations suggested no action be taken by the subcommittee at this time. All eight recommendations were posted for a formal thirty day industry comment period that concluded on February 20, 2017. Comments were received from the American Gas Association, the Environmental Defense Fund, Macquarie Energy LLC., and Anadarko Energy Services Company.

On December 7, 2016, the NAESB Advisory Council sent a letter to the leadership of the WGQ BPS – Kim Van Pelt, Sylvia Munson, Ben Schoene, Phil Precht, and Willis McCluskey – thanking each for their leadership and efforts as NAESB works to respond to the Commission’s requests in FERC Order No. 809.

As you may remember, in Paragraph 107 of FERC Order No. 809, the Commission requested that the “gas and electric industries, through NAESB, explore the potential for faster, computerized scheduling when shippers and confirming parties all submit electronic nominations and confirmations, including a streamlined confirmation process if necessary.” Through his October 18, 2016 correspondence, Chairman Bay encouraged NAESB to “complete by March 31, 2017 the development of standards or modification to existing standards as needed to support the request of the Commission [in FERC Order No. 809].” In mid-July, the WGQ BPS began the Gas-Electric Harmonization efforts in response to the FERC order. Altogether the subcommittee has held eighteen meetings with over 130 industry members participating.

On December 20, 2016, NAESB filed a status report to the FERC in Docket No. RM14-2-000 detailing the actions taken by the organization in response to FERC Order No. 809. As stated above, NAESB anticipates filing another status report to the Commission in mid-March.

*For more information, please go to [2016 WGO Annual Plan](#), [2017 WGO Annual Plan](#), [April 16, 2015 FERC Order No. 809](#), [September 17, 2015 Order on Rehearing](#), [October 18, 2016 Correspondence to Rae McQuade from Chairman Bay Regarding Gas-Electric Coordination Standards Development](#), [October 26, 2016 Correspondence from Rae McQuade to Chairman Bay regarding Gas-Electric Coordination Standards Development](#), [Letter to the WGQ BPS Leadership from the Advisory Council, February 23, 2017 WGQ Executive Committee Meeting Minutes](#), [February 23, 2017 WGQ Executive Committee Agenda](#), [January 20, 2016 Request for Comments Document](#), [No Action Recommendation for 2016 WGO Annual Plan Item 3.b.i](#), [No Action Recommendation for 2016 WGO Annual Plan Items 3.b.ii-iii](#), [No Action Recommendation for 2016 WGO Annual Plan Item 3.b.iv](#), [Part One Recommendation for 2016 WGO Annual Plan Item 3.b.v](#), [Part Two Recommendation for 2016 WGO Annual Plan Item 3.b.v](#), [Part Three Recommendation for 2016 WGO Annual Plan Item 3.b.v](#), [Part One No Action Recommendation for 2016 WGO Annual Plan Items 3.c.i/R16003](#), [Part Two Recommendation for 2016 WGO Annual Plan Items 3.c.iii/R16007 and 3.c.i/ R16003](#), [December 20, 2016 NAESB Status Report to the Commission Concerning FERC Order No. 809](#), [October 17, 2016 NAESB Status Report to the Commission Concerning FERC Order No. 809](#), [July 29, 2016 NAESB Status Report to the Commission Concerning FERC Order No. 809](#), [GEH Forum Report to the Board of Directors](#) and [March 24, 2016 GEH Forum Survey Full Results](#).*

***NAESB Webcast Courses:*** Now ratified by the NAESB membership, the NAESB Retail Net Metering Model Business Practices will be the subject of a new webcast course to be offered in 2017. The webcast course will include an overview of recent revisions to the RMQ Model Business Practices and Electronic Data Interchange (EDI) transaction standards in order to facilitate Retail Net Metering.

Additionally, NAESB will continue to offer the *Understanding the NAESB WGO Contracts Webcast Course*. Designed to review the NAESB Base Contract for the Sale and Purchase of Natural Gas, the webcast courses provide the attendees with a detailed understanding of the components of the contract and supporting Canadian Addendum. The agenda for the web course will include the Trading Partner Agreement (EDI Overview, Provisions, and Exhibit) as well as, a brief overview of each of the other six WGQ contracts. The web course will conclude with development efforts underway concerning the NAESB contracts.

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

STANDARDS DEVELOPMENT *(continued)*

**RMQ Net Metering Model Business Practices and Technical Implementation Development:** As noted in previous communications, the NAESB Retail Net Metering Model Business Practices have been ratified by the NAESB membership and are now available for the retail electric markets. Since the commencement of the development effort in October of 2013, the RMQ Business Practices Subcommittee (RMQ BPS) and the RMQ Information Requirements and Technical Electronic Implementation Subcommittee (IR/TEIS) have revised four RMQ books. The revisions include Model Business Practices and Electronic Data Interchange (EDI) transaction standards to support Retail Net Metering in the following RMQ books: RXQ.3 – Billing and Payments in Competitive Energy Markets (Book 3), RXQ.8 – Retail Customer Information Model Business Practices (Book 8), RXQ.10 – Customer Enrollment, Drop, and Account Information Change (Book 10), and RXQ.11 – Customer Enrollment, Drop, and Account Information Change Using a Registration Agent (Book 11).

Again, NAESB would like to thank Phil Precht from Baltimore Gas and Electric, Dan Jones from Duke Energy, Mary Do from Latitude Technologies, and Debbie McKeever from Oncor Electric Delivery Company for providing their expertise and time on the Retail Net Metering model business practices development effort.

As we move further into 2017, NAESB anticipates offering a Retail Net Metering Model Business Practices web course. Please contact the NAESB office if you are interested in participating.

*For more information, please go to [2016 RMO Annual Plan](#), [2017 RMO Annual Plan](#), [Recommendation for 2016 RMO Annual Plan Item 3.b.ii \(Book 3 Technical Implementation\)](#), [Attachment 1](#), [Attachment 2](#), [Recommendation for 2015 Annual Plan Items 1.b and 4.b.ii \(Book 8 Technical Implementation\)](#), [Attachment 1](#), [Attachment 2](#), [Attachment 3](#), [Recommendation for 2016 RMO Annual Plan Item 2.b and 3.b.iii \(Book 10 Technical Implementation\)](#), [Attachment 1](#), [Attachment 2](#), [Attachment 3](#), [Recommendation for 2016 RMO Annual Plan Items 2.c and 3.b.iv \(Book 11 Technical Implementation\)](#), [Attachment 1](#), [Attachment 2](#), [2014 RMO Annual Plan Items 7.a and 7.b \(Part 1- Book 8\)](#), [2014 RMO Annual Plan Items 7.a and 7.b \(Part 2- Book 3\)](#), [Recommendation for 2015 RMO Annual Plan Item 4.a.i \(Book 10 MBPs\)](#), [2016 RMO Annual Plan Item 1.a and 3.a.i \(Book 11 MBPs\)](#), [Attachment 1](#), [Attachment 2](#), [Attachment 3](#) and [Attachment 1](#).*

**WEQ Open Access Same-time Information Systems (OASIS) Subcommittee:** During its February 21, 2017 meeting, the members of the WEQ Executive Committee failed to approve a recommendation developed by the WEQ OASIS Subcommittee in response to Standards Request R16011. The request was submitted to the NAESB office by Bonneville Power Administration on September 26, 2016 and appeals the WEQ Executive Committee decision to take no action on the recommendation supporting Long Term Firm Rollover Rights. The recommendation in response to R16011 was voted out of the WEQ OASIS Subcommittee last October and posted for a thirty day formal comment period from October 31, 2016 to November 30, 2016. Seven comments were submitted and reviewed during the WEQ Executive Committee meeting, including comments from Bonneville Power Administration, American Municipal Power, North Carolina Electric Membership Corporation, Municipal Energy Agency of Nebraska, Southern Company, Southwest Power Pool, and the WEQ OASIS Subcommittee.

During its February face-to-face meeting, the WEQ OASIS Subcommittee continued its discussion and review of the informal comments on the draft Short Term Preemption and Right of First Refusal recommendation. The request for informal comments was submitted to the industry on October 6, 2016 and nine comments were submitted by the November 11, 2016 conclusion of the comment period. Developed by the WEQ OASIS Subcommittee, the recommendation supports FERC Order No. 890 and NAESB Standards Request R05019. Once completed, the recommendation will propose modifications and additions to a significant number of the OASIS standards – WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013. The draft Short Term Preemption and Right of First Refusal recommendation is on track to be completed within the second quarter of 2017.

*For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [FERC Order No. 890](#), [FERC Order No. 890-A](#), [FERC Order No. 890-B](#), [February 22-23, 2017 WEQ OASIS Agenda](#), [R05019](#), [R16011](#), [Recommendation for R16011](#), [Request for Comments](#), [February 21, 2017 WEQ Executive Committee Agenda](#), [April 26, 2016 WEQ Executive Committee Final Minutes](#), [Recommendation 2](#), [Notational Ballot on Recommendation 2](#), [Notational Ballot Results for Recommendation 2](#), [February 23, 2016 WEQ Executive Committee Final Minutes](#), [Recommendation 1](#), [Request for Comments on Recommendation 1](#), [Draft Recommendation for 2016 WEQ Annual Plan Item 2.a.i.1 and 5.a](#) and [Request for Informal Comments](#).*

**NAESB New Members**

**Wholesale Gas Quadrant (Segment):**

- Ambit Energy Holdings, LLC (Services)
- Freeport LNG Development L.P. (Pipeline)
- Midcontinent Independent System Operator, Inc. (End Users)

**Wholesale Electric Quadrant (Segment):**

- Morgan, Lewis & Bockius LLP (Transmission)

**Retail Markets Quadrant (Segment):**

- Open Energy Solutions, Inc. (Retail Electric Service Providers/Suppliers)



STANDARDS DEVELOPMENT *(continued)*

***Demand-Side Management and Energy Efficiency (DSM-EE) Update:*** On February 22, 2017, the Retail Markets Quadrant (RMQ) Executive Committee approved a recommendation for a new retail book, RMQ.27 – Enrollment, Drop, and Account Information Change in Demand Response Programs Model Business Practices in a Registration Agent Marketplace (Book 27). Developed through joint meetings of the WEQ/RMQ DSM-EE Subcommittee and the RMQ Business Practices Subcommittee (BPS), the recommendation is the response to 2017 RMQ Annual Plan Item 1.i. No comments on the recommendation were submitted during the thirty day formal industry comment period that began on January 10, 2017 and concluded on February 8, 2017.

As a background, in the process of reviewing RMQ.24 – Enrollment, Drop, and Account Information Change in Demand Response Programs Model Business Practices (Book 24), the subcommittees uncovered marked differences between the processes in the Registration Agent marketplace and other markets. Therefore, Book 27 was developed to focus on the unique Registration Agent marketplace aspects of drops, enrollments, and account information changes. Book 27 does not address the situation where an individual Retail Customer contacts either the Registration Agent or Distribution Company to enroll in a Demand Response program, rather, it addresses the processes for a Demand Response Service Provider to enroll or drop a Retail Customer from their Demand Response program. In addition to the Model Business Practices, process flows have also been developed for Book 27.

As reflected on the 2017 RMQ Annual Plan, the subcommittees anticipate completing the recommendation for Book 24, focusing on aspects of the non-Registration Agent marketplace before the close of 2017. The next joint RMQ BPS and DSM-EE conference call is scheduled for March 20, 2017.

*For more information, please go to [2016 RMO Annual Plan](#), [2017 RMO Annual Plan](#), [February 22, 2017 RMO Executive Committee Agenda](#), [February 20-21, 2017 RMO BPS and WEQ/RMQ DSMEE Meeting Agenda](#), [Recommendation for 2017 RMO Annual Plan Item 1.i](#), [Attachment 1](#), [Attachment 2](#), [Request for Comments](#), [Book 24 Model Business Practices as Revised during the January 11, 2017 RMO BPS/DSM-EE Meeting](#) and [Book 24 Process Flows as Revised During the January 11, 2017 RMO BPS/DSM-EE Meeting](#).*

***Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR):*** Filed with the Commission on October 17, 2016 in Docket No. EL14-82-000, the NAESB PFV Status Report updated the Commission on several aspects of the PFV efforts. Currently, the PFV project is on schedule with the field trial expected to begin in August 2017.

Under the umbrella of the Eastern Interconnection Data Sharing Network (EIDSN), the Interchange Distribution Calculator (IDC) Steering Committee and the IDC Working Group (IDCWG) are continuing the preparations for the upcoming field trial of the PFV-related modifications to the IDC tool. This effort will support any proposed PFV-related modifications to the NAESB WEQ Business Practice Standards. As stated in the October status report, the reliability metrics were developed last year by the NERC Operating Reliability Subcommittee (ORS) and were subsequently shared with the IDCWG.

With a goal of enabling real-time data to the IDC, the PFV project will further the congestion management process of the Eastern Interconnection by enhancing the visibility of the source and magnitude of parallel interchange flows in the bulk electric system. In February 2015, the WEQ Executive Committee approved the PFV-related standards modifications and voted to initiate a full-staffing period. During this full-staffing period, the standards are being held in abeyance to allow for the field trial to be conducted. The IDC Steering Committee and IDCWG are responsible for managing IDC activities related to the field trial. NAESB, NERC, the IDC Steering Committee, and IDCWG have committed to continuing their coordination relationship throughout the remainder of this effort.

*For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [October 17, 2016 PFV Status report to FERC](#), [January 29, 2016 PFV Status Report to FERC](#), [March 25, 2015 NAESB PFV Report to FERC](#), [January 28, 2015 PFV Status Report to FERC](#), [July 11, 2014 PFV Status Report to FERC](#), [Recommendation approved by the NAESB WEQ Executive Committee on February 24, 2015 to initiate the full staffing process \(Redline\)](#) and [February 24, 2015 WEQ Executive Committee Meeting Notes](#).*

**Electronic Filing Protocols for Commission Forms (eForms):** On December 2, 2016, the WGQ/WEQ FERC Forms Subcommittee held a conference call to continue efforts in response to the FERC Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms issued on April 16, 2015 in Docket No. AD15-11-000. In the Order, the Commission explained that Microsoft is no longer supporting Visual FoxPro and requested that the industry consider the transition of certain forms from Visual FoxPro to XML, Forms 1, 1-F, 2, 2-A, 3-Q electric, 3-Q gas, 6, 6-Q, FERC-60 and FERC-714.

Per the direction of FERC staff, the subcommittee has been focusing its efforts on FERC Form 1. Recently, the subcommittee has discussed issues related to validations and business rules as well as other related XML design issues. FERC staff has committed to providing the XML and XSD documents for this project and, based on the current schedule, should finish their efforts to complete these documents by the end of the second quarter of 2017. The FERC Forms Subcommittee will subsequently evaluate the documents and develop business practice standards, including a data dictionary. After the completion of the documentation for FERC Form 1, the work on the remaining forms will quickly fall into place as most of the XML foundational work will have been resolved.

The WGQ/WEQ FERC Forms Subcommittee conference calls and meetings, as all NAESB meetings and conference calls, are open to any interested party.

For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [2016 WGO Annual Plan](#),

[2017 WGO Annual Plan](#), [April 16, 2015 FERC Order Instituting Proceeding](#), [May 1, 2015 Notice of Conference with NAESB](#), [May 29, 2015 Supplemental Notice of Conference with NAESB](#), [June 10, 2015 Technical Conference Transcript](#), [December 2, 2016 WGQ/WEQ FERC Forms Subcommittee Draft Minutes](#), [XML Developer Instructions Revised December 2, 2016](#), [Updated Form 1 Fields Business Rules Work Paper](#), [FERC Form 1, NAESB eForms Subcommittee Topics Revised 11/8/16](#) and [July 16, 2015 FERC Notice of NAESB Meeting](#).

**Cybersecurity:** Within the third quarter of 2017, the WEQ Cybersecurity Subcommittee (CSS) will develop recommendations for two annually reoccurring items listed on the 2017 WEQ Annual Plan. First, 2017 WEQ Annual Plan Item 4.a calls for the subcommittee to conduct a review of the WEQ-012 Public Key Infrastructure (PKI) Business Practice Standards and the accreditation requirements for Authorized Certification Authorities at least once a year. During this review the subcommittee will determine if any changes are needed to meet market conditions. The second annual plan item, 2017 WEQ Annual Plan Item 4.b, tasks the WEQ CSS with an evaluation of the current NERC Critical Infrastructure Protection (CIP) Reliability Standards and any other activities of NERC and FERC that are related to cybersecurity. The WEQ CSS will modify the WEQ Business Practice Standards to support and/or complement the NERC CIP Reliability Standards and any other efforts coming from FERC or NERC, if necessary.

As part of 2017 WEQ Annual Plan Item 4.b, the WEQ CSS will continue to follow any developments regarding the July 21, 2016 FERC Notice of Inquiry issued in Docket No. 16-18-000. The Notice of Inquiry, *Cyber Systems in Control Centers*, sought comments from the industry on potential modifications to the NERC CIP Reliability Standards.

On December 8, 2016, the Board of Directors approved a revision to the NAESB Authorized Certification Authority Process document to respond to a security concern with foreign entities seeking digital certificates to access the NAESB Electric Industry Registry (EIR). The NAESB office brought this matter to the attention of FERC, and following their direction, worked with others to develop the proposed modifications to the NAESB ACA Process Document that will help to identify when an entity outside of North America is seeking a digital certificate. The proposed language requires ACAs to notify NAESB when an entity seeking a digital certificate is not incorporated within, or does not own assets in, or does not conduct business in the United States, Canada, or Mexico.

For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [December 8, 2016 Board of Directors Meeting Minutes](#), [Approved Revisions to the ACA Process Document](#), [WEQ-012 PKI Business Practice Standards](#), [Application for NAESB Certification Program for Accredited Certification Authorities](#), [Board Certification Committee Authorized Certification Authority Process](#), [NAESB Accreditation Requirements for Authorized Certification Authorities](#), [List of Authorized Certification Authorities](#) and [FERC Notice of Inquiry](#).

**NAESB Quadrant/Segment Membership Analysis:**

<b>Wholesale Gas Quadrant</b>	<b>123 Members</b>
End Users Segment	15
Distributors/LDC Segment	22
Pipelines Segment	41
Producers Segment	13
Services Segment	32
<b>Retail Markets Quadrant</b>	<b>44 Members</b>
Retail Electric End Users/Public	16
Agencies Segment	
Retail Gas Market Interests Segment	9
Retail Electric Utilities Segment	8
Retail Electric Service Providers/Suppliers Segment	11
<b>Wholesale Electric Quadrant</b>	<b>133 Members</b>
End Users Segment	11
Distributors Segment	19
Transmission Segment	42
Generation Segment	22
Marketers/Brokers Segment	22
Non Specified	1
Independent Grid Operators/Planners Segment	9
Technology & Services Segment	7
<b>Total Membership</b>	<b>300 Members</b>

**Smart Grid Update:** In 2017, NAESB and the Green Button Alliance (GBA) will continue to foster the strong working relationship between the two organizations. The GBA promotes the expansion and adoption of Green Button implementation by utilities. Recently, the GBA launched the Green Button Download My Data Testing and Certification Program. Both efforts are designed to support the progress, utilization, and adoption of standardized, interoperable Green Button solutions. As a requirement for certification through the Green Button Alliance, all candidates who are not NAESB members are required to purchase the copyrighted NAESB REQ.21 Energy Service Provider Interface (ESPI) Model Business Practices, the critical foundation for the Green Button.

As a reminder, the Green Button Initiative, launched in 2012, is a response to a White House call to action, challenging utilities to provide their customers with easy and secure access to their energy usage data in a computer- and consumer-friendly format via a “Green Button” on electric utility websites. The Green Button Initiative now supports more than 150 service providers and utilities that provide more than 60 million U.S. households, altogether 100 million people, access to their own Green Button energy data.

Additionally, the GBA has offered to provide subject matter expertise as the RMQ considers revisions to the ESPI Model Business Practices. As you may remember, ESPI has a common XML format for energy usage information and a data exchange protocol which allows for the automatic transfer of data from a utility to a third party based on customer authorization. NAESB looks forward to continuing a relationship with the GBA as they move forward with their efforts to empower utility customers through the Green Button Initiative.

*For more information, please go to [2017 RMO Annual Plan](#), [REQ.21 ESPI Model Business Practices](#), [Green Button Alliance Page](#), [NARUC Resolution on Smart Grid Principles](#) and [Green Button Page](#).*

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**Update on the Electric Industry Registry (EIR) and e-Tagging Specification:** As announced earlier this year, the NAESB Electric Industry Registry (EIR) released several updates as part of routine maintenance to increase the registry performance and enhance user experience on January 11, 2017. On November 30, 2016, the EIR released an upgrade for the graphical user interface (GUI). While this upgrade consisted of routine maintenance, multiple browser compatibility is in the long-term plans for the GUI.

On January 9, 2017 and February 13, 2017, the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) began its review of two identical EIR Enhancement Requests submitted to the NAESB office in December. Enhancement Requests ER16002 and ER16003 were submitted by the Sacramento Municipal Utility District and the Transmission Agency of Northern California, respectively. As the enhancement requests explain, although WECC entities have been buying and/or selling non-firm annual transmission via the OASIS since 2015, those entities have created an interim solution when utilizing the product code. Both enhancement requests seek to add a product code for a “Non-Firm Yearly” option to take the place of the interim solution.

Approved by the WEQ Executive Committee last August, the NAESB WEQ Electronic Tagging – Functional Specification, Version 1.8.3 is now in the implementation planning phase. The WEQ CISS will continue to discuss the test and implementation dates, along with the two submitted enhancement requests during its March 13, 2017 conference call.

As you may know, in 2012, the NAESB EIR replaced the NERC Transmission System Information Networks (TSIN) as the industry registry tool. Now, the NAESB managed EIR serves as the central repository for information utilized by the electric industry. OATI is the system administrator for the EIR and manages the tool as OATI webRegistry.

*For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [January 10, 2017 NAESB Press Release](#), [November 18, 2016 NAESB Press Release](#), [EIR Enhancement Request Process](#), [EIR Enhancement Request Form](#), [EIR Enhancement Recommendation Form](#), [Enhancement Request ER16002](#), [EIR Enhancement Request ER16003](#), [December 12, 2016 ER16002 Announcement](#), [December 23, 2016 ER16003 Announcement](#), [August 16, 2016 WEQ Executive Committee Final Minutes](#), [NAESB WEQ Electronic Tagging Functional Specification, Version 1.8.3 \(as approved by the WEQ Executive Committee\)](#), [February 13, 2017 WEQ CISS Agenda](#), [WEQ CISS Action Item List as Revised on January 9, 2017](#) and [Proposed e-Tag Version 1.8.3 Test Steps as Revised on January 9, 2017](#).*

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



**Filings:** In mid-March, NAESB anticipates filing a status report concerning the failure to gain support on several GEH annual plan items during the WGQ Executive Committee meeting and detailing the steps taken to address FERC Order No 809. On February 23, 2017, after approving four no action recommendations addressing Terminology, Communication Protocols and Critical Information Sharing, Multiple Confirmation Methods, and Special Efforts, the WGQ Executive Committee declined to approve one recommendation on the Nomination of Hourly Quantities, and three recommendations addressing Levels of Confirmation.

Additionally, on December 20, 2016, NAESB submitted the *NAESB Status Report for Submittal to the Commission Concerning FERC Order No. 809, Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities* to the Commission. Filed in Docket No. RM14-2-000, the status report provides an overview of the actions taken in response to the April 16, 2015 FERC Order No. 809, the subsequent September 17, 2015 Order on Rehearing, and the exchange of correspondence dated October 18, 2016 and October 26, 2016 between Chairman Bay and NAESB President, Rae McQuade.

As you know, the Order on Rehearing asked that the “natural gas and electric industries, through NAESB, begin considering the development of standards related to faster, computerized scheduling...” In his October 18, 2016 letter, Chairman Bay encouraged “NAESB to complete by March 31, 2017 the development of standards or modification to existing standards as needed to support the request of the Commission and to provide opportunities for faster and more frequent scheduling.” On October 26, 2016, NAESB President and COO Rae McQuade thanked the Chairman for providing his guidance and stated that NAESB will complete the standards by March 2017.

On January 18, 2017, FERC issued a letter order in Docket No. RD17-1-000 approving the retirement of the NERC BAL-004-0 Time Error Correction Reliability Standard. The letter order acknowledged that the NAESB effort regarding the proposed retirement of NAESB WEQ-006 – Manual Time Error Correction is underway and that NAESB will submit an informational filing following the completion of its standards development process.

*For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [2016 WGQ Annual Plan](#), [2017 WEQ Annual Plan](#), [December 20, 2016 NAESB Status Report to the Commission Concerning FERC Order No. 809](#), [October 18, 2016 Correspondence to Rae McQuade from Chairman Bay Regarding Gas-Electric Coordination Standards Development](#), [October 26, 2016 Correspondence from Rae McQuade to Chairman Bay regarding Gas-Electric Coordination Standards Development](#), [October 17, 2016 NAESB Status Report to the Commission Concerning FERC Order No. 809](#), [July 29, 2016 NAESB Status Report Concerning FERC Order No. 809](#) and [FERC Letter Order on the NERC Reliability Standard BAL-004-0](#).*

***NAESB Board Meeting and Board Committees Update:***

In preparation for the April 5, 2017 Board of Directors meeting, three Board Committees held their first conference calls of the year on February 16, 2017. During the February Board Strategic Plan Ad Hoc Task Force call, the participants continued to work toward developing metrics to address the 2017-2019 NAESB Strategic Plan. Also on February 16, 2017, the Parliamentary Committee conference call discussed the next steps for the term “majority” in the NAESB governance documents. Finally, the February 16, 2017 Board Revenue Committee conference call focused on a review the proposed publication cycle of the NAESB standards, the communications activities underway at NAESB, and the end of the year revenue reports from 2016. Additional agenda items included the review of the membership report, the status of Executive Committee and Board vacancies, and the membership prospect list, among other items.

On February 7, 2017, the NAESB Office hosted a *NAESB Executive Committee Member and Alternates Webinar*. Back in July, the Managing Committee members discussed the benefits of providing training to all new executive committee members. The idea was soon expanded into a webinar for all Executive Committee members and alternates that offered an overview of the NAESB standards development process, Executive Committee responsibilities, and the NAESB voting procedures, among other issues. The next Managing Committee conference call will be announced by the NAESB office.

NAESB held its annual Advisory Council meeting on Saturday, February 11, 2017 at the Renaissance Washington Hotel, 999 9th Street, Washington, DC. Through its work to define the direction of the organization every year, the Advisory Council, chaired by Bruce Ellsworth, has served as the origin of many of our standards development activities to date. This year, the meeting will focused on the key issues facing NAESB in 2017 and beyond.

*For more information, please go to [2017 RMO Annual Plan](#), [2017 WEQ Annual Plan](#), [2017 WGQ Annual Plan](#), [February 16, 2017 Board Strategic Planning Ad Hoc Task Force Agenda](#), [Metrics Development Work Paper](#), [February 16, 2017 Parliamentary Committee Agenda](#), [Parliamentary Committee Majority/majority Governance Documents Work Paper](#), [Board Revenue Committee Agenda](#), [Publication Work Paper](#), [NAESB Communication Strategy](#), [End of Year 2016 Revenue Reports](#), [Membership Report](#), [Membership Prospects List](#), [February 7, 2017 Executive Committee Members and Alternates Webinar Announcement](#), [February 7, 2017 Executive Committee Members and Alternates Webinar Presentation](#), [NAESB Advisory Council Agenda](#), [NAESB Operating Practices](#), [NAESB Bylaws](#) and [NAESB Certificate of Incorporation](#).*

***NAESB and NERC Continuing Coordination:*** Monthly coordination calls between NERC staff, NAESB staff, and the NAESB WEQ leadership continue to ensure that the two organizations remain coordinated on industry efforts. One frequent agenda item is the NERC BAL-004-0 Time Error Corrections Reliability Standards (BAL-004-0) that were retired by the NERC Board of Trustees last November. On January 18, 2017, FERC issued a letter order approving NERC’s petition to retire BAL-004-0 conditioned upon the retirement of the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards to avoid any uncoordinated manual time error correction.

During its February 21, 2017 meeting, the WEQ Executive Committee approved a recommendation from the WEQ Business Practices Subcommittee (BPS) in response to 2016 WEQ Annual Plan Item 1.d/Standards Request R16002. R16002 was submitted to NAESB from NERC in February of last year and asked that NAESB consider retiring the WEQ-006 Manual Time Error Correction Business Practice Standards in light of the NERC retirement of BAL-004-0. On November 9, 2016, the WEQ BPS voted out a recommendation proposing the reservation of the WEQ-006 Manual Time Error Correction Business Practice Standards and made complimentary changes to the WEQ-000 Abbreviations, Acronyms, and Definition of Terms. During the thirty-day formal comment period that concluded on December 9, 2016, one comment was submitted by MISO to propose non-substantive consistency modifications. In response, the WEQ BPS submitted late formal comments incorporating the proposed modifications.

The recommendation is currently posted for ratification by the NAESB membership through March 24, 2017. At the conclusion of the ratification period, NAESB will make a filing with the Commission regarding the reservation of the WEQ-006 Manual Time Error Correction Business Practice Standards. NAESB and NERC staffs sought informal guidance from FERC staff so as to best coordinate any filings informing the Commission of the respective actions of each organization.

*For more information, please go to [2016 WEQ Annual Plan](#), [2017 WEQ Annual Plan](#), [FERC Letter Order on the NERC Reliability Standard BAL-004-0](#), [WEQ-006 Manual Time Error Correction Business Practice Standards, February 21, 2017 WEQ Executive Committee Agenda](#), [Recommendation WEQ 2016 Annual Plan Item 1.d/R16002 as approved by the WEQ Executive Committee on February 21, 2017](#), [Ratification Ballot for 2016 WEQ Annual Plan Item 1.d, November 9, 2017 WEQ BPS Draft Minutes](#), [Recommendation for 2016 WEQ Annual Plan Item 1.d/R16002](#), [Attachment 1](#), [Request for Comments Document](#), [MISO Comments](#) and [WGO BPS Comments](#).*

***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 Materials Order Form](#) or contact Denise Rager ([drager@naesb.org](mailto:drager@naesb.org)) for additional information.*