

# NAESB Bulletin



November - December 2008 Volume 1, Issue 5

## STANDARDS DEVELOPMENT

[2008 Retail Annual Plan](#)  
[2008 WEQ Annual Plan](#)  
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[NAESB Board of Directors](#)  
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### 2008 Calendar:

#### November 2008

- 11/03 - Retail Glossary Meeting (Richmond, VA)
- 11/03-04 - Retail BPS Meeting (Richmond, VA)
- 11/04 - WEQ Executive Committee Meeting (Richmond, VA)
- 11/04 - WGQ Technical Meeting or Joint IR/Technical Meeting (Richmond, VA)
- 11/05 - Joint WGQ IR/Technical Meeting (Richmond, VA)
- 11/05 - NAESB Workshop on Roles and Responsibilities (Richmond, VA)
- 11/05 - Retail Executive Committee Meeting (Richmond, VA)
- 11/06 - WGQ Executive Committee Meeting (Richmond, VA)
- 11/11-12 - WEQ JISWG Meeting (Houston, TX)
- 11/12-13 - DSM/EE Working Group 2, Retail and Working Group 1, Preamble Conference Call (Baltimore, MD)
- 11/12-13 - WGQ Contracts Standards and Models Course (Houston, TX)
- 11/12-14 - WEQ ESS/ITS Meeting (Houston, TX)
- 11/13 - WGQ BPS Conf. Call
- 11/17 - WEQ BPS Conf. Call
- 11/27-28 - Holiday - Thanksgiving (NAESB Closed)

#### December 2008

- 12/02 - Demand Side Management and Energy Efficiency (DSM/EE) (Birmingham, AL)
- 12/03 - WEQ SRS Conf. Call
- 12/04 - Retail BPS Conf. Call
- 12/04 - WEQ ESS/ITS Conf. Call
- 12/10 - Monthly Update Conf. Call
- 12/10-11 - Joint NERC TLR and NAESB WEQ BPS Meeting (Toronto, Canada)
- 12/15-16 - WEQ ESS/ITS Meeting (New Orleans, LA)
- 12/16 - WGQ Technical or Joint WGQ IR/Technical Meeting (Houston, TX)
- 12/17 - Joint IR/Technical Meeting (Houston, TX)
- 12/17 - WEQ Leadership Meeting (Houston, TX)
- 12/17 - Retail Leadership Meeting (Houston, TX)
- 12/18 - NAESB Board Resources Meeting (Houston, TX)
- 12/18 - NAESB Board of Directors Meeting (Houston, TX)
- 12/24-25 - Holiday - Christmas (NAESB Closed)
- 12/31 - Holiday - New Years Eve (NAESB Closed)

*eTariff (WEQ and WGQ):* The initial meeting was held on February 1, 2007 at the FERC, opened by Chairman Kelliher. Since that initial meeting, we have held 26 days of meetings throughout the year, including meetings to address technical issues for XML schemas and telecommunication protocols. The standards include five definitions, two business practice standards, and a technical implementation guide – all of which are considered NAESB standards. The implementation guide includes instructions on how to electronically submit an eTariff XML filing package for a new, or modified existing or withdrawn/cancelled tariff, rate schedule or service agreement. The standards support a sheet based, section-based or whole document format for filing. The NAESB office forwarded a progress [NAESB Report](#) to the FERC including the record of standards development for the eTariff project. On April 17, 2008 the FERC issued a [Notice of Proposed Rule-making](#) (NOPR) regarding the standards forwarded to them on April 15 with a 30-day comment period after publication in the Federal Register. The FERC issued its final rule, [Order No. 714](#), on September 19 and announced its intent to hold a [technical conference](#), scheduled for December 3. The order specifies that all tariffs and tariff revisions and rate change applications for the public utility, natural gas pipeline, and oil pipeline industries be filed electronically according to a set of standards developed by NAESB. The NAESB standards will enable the Commission to make use of a tariff database which will also provide functionality for the public to view and research tariffs, and also provides companies the flexibility to design or purchase software for making tariff filings that best fits their business needs. NAESB is now holding workshops for the eTariff standards, the schedule of which may be found on the NAESB web site in the [NAESB Primers and Training Courses](#) area. [[Final Action](#), [Implementation Guide](#), and [eTariff Summary](#)]

*Demand Side Management—Energy Efficiency (REQ and WEQ):* The first phase of the project is to address measurement and verification (M&V) standards for the quantity aspects of demand response (DR) programs. For the wholesale electric market, 45 distinct programs administered by ISOs and RTOs

were considered and the M&V aspects of several key characteristics of these DR programs have been identified as possible applications for standardization.

A [draft recommendation](#) of wholesale electric business practices applicable to the M&V characteristics of DR programs will be discussed in the upcoming DSM-EE meeting on December 2 in Birmingham. The comments on the recommendation will be discussed for possible inclusions in the recommendation. The eighteen comments received to date are posted on the NAESB web site for review ([under the October 6 listing](#)) and are considered work papers for the December 2 meeting. At the December 2 meeting, it is likely that the subcommittee may choose to modify the recommendation based on the comments received, and may also vote the recommendation out of committee and on to the formal comment period and Executive Committee action.

For the retail market application, the retail group is determining whether to follow the level of detail provided in the wholesale work product, or provide more specificity. The direction to be taken in the development of the retail work product will also be discussed at the December 2 meeting. [[DSM Summary](#), [DSM Recommendation](#)]

*Order No. 698 Progress Report—Gas-Electric Interdependency (WGQ):* On September 3, the NAESB office submitted a [progress report](#) to the FERC including business practice standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and index-based pricing for capacity releases. The technical implementation standards for index-based pricing for capacity releases will be forwarded separately once completed. It is anticipated that the technical implementation should complete in early second quarter 2009, after which version 1.9 of the WGQ standards will be published. The technical work is being addressed in conjunction with technical development to support [FERC Order No. 717](#).

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## STANDARDS DEVELOPMENT *(continued)*

### **Welcome New Members:**

- Advantage IQ, Inc.** - Contact: Suzanne Figy  
*(Retail Electric Quadrant, End Users Segment)*
- American Wind Energy Association** - Contact: Robert Gramlich  
*(Wholesale Electric Quadrant, Generation Segment, Merchant Sub segment)*
- Black Hills Corporation** - Contact: Larry D. Williamson  
*(Wholesale Electric Quadrant, Transmission Segment, IOU Sub segment)*
- Devon Energy Corporation** - Contact: Bill Green  
*(Wholesale Gas Quadrant, Producer Segment)*
- Goodrich Petroleum Company, L.L.C.** - Contact: Bill Hebenstreit  
*(Wholesale Gas Quadrant, Services Segment)*
- Husky Energy Marketing, Inc.** - Contact: Jan Bindon  
*(Wholesale Gas Quadrant, Producer Segment)*
- Husky Gas Marketing, Inc.** - Contact: Jan Bindon  
*(Wholesale Gas Quadrant, Producer Segment)*
- Husky Marketing and Supply Company** - Contact: Jan Bindon  
*(Wholesale Gas Quadrant, End User Segment)*
- Noble Energy, Inc.** - Contact: Richard D. Smith  
*(Wholesale Gas Quadrant, Producer Segment)*
- North Carolina Advanced Energy Corp.** - Contact: Robert K. Koger  
*(Retail Electric Quadrant, Supplier Segment)*
- Westar Energy, Inc.** - Contact: Shah Hossain  
*(Wholesale Electric Quadrant, Generation Segment, IOU Sub segment)*

NAESB Membership Total 326

Membership by quadrant is:

133 Wholesale Gas Quadrant

23 Retail Electric Quadrant

20 Retail Gas Quadrant

150 Wholesale Electric Quadrant

Net Membership Growth from 2007: -10 members

**Order No. 890 and OATT Reform, Version 2 Published (WEQ):** NAESB WEQ Subcommittees are working diligently to meet FERC deadlines. NAESB was to file Available Transfer Capability (ATC) related standards no later than August 7, 2008, but with a request from NAESB, the FERC granted an extension of the deadline, which was met in the August 29 submittal from NAESB to the FERC. The progress report submitted included the ATC related standards, as well as other standards that now comprise Version 002. The standards outlined in the progress report included modifications of existing standards or new standards to support FERC Order No. 890, FERC Order No. 890-A and FERC Order No. 890-B, including the standards to support conditional firm service which had a deadline of August 29, 2008. The NAESB business practices related to ATC, with the exception of the standards to support the North American Electric Reliability Corporation (NERC) Capacity Benefit Margin (CBM) standards and the ATC Information List standard, have a November 27, 2008 deadline and are not included in the progress report submitted. The NAESB business practices related to the CBM standards will be submitted to the Commission on or before February 19, 2009. In addition, several of the FERC Order No. 890 non-deadline related standards, a maintenance item related to the Manual Time Error Corrections standards (WEQ-006), and an interpretation of the Gas/Electric Coordination standards (WEQ-011) are included in the progress report. The standards provided in the progress report are considered Version 002 of the WEQ work products and carry a publication date of September 30, 2008.

Included in the work plan are the scheduled completion dates of the two time sensitive ATC related items that have not yet been completed, the ATC information list standard, due November 27, 2008 and the CBM standards, due February 19, 2009. These items will be included in subsequent NAESB Order 890 Version 002 filings within the set deadlines. Other standards to be included in a subsequent filing that do not have a FERC Order No. 890 deadline, but are FERC Order No. 890 related include: network service on OASIS; preemption; procedures to implement displacement/interruption terms of the pro forma tariff; rollover rights for redirected transmission service; coordination of transmission requests across multiple transmission systems; rebid of partial service to allow a transmission customer to rebid a counteroffer of partial service; posting of curtailment information on OASIS; redispatch cost posting to allow third party offers of planning redispatch services and submittal windows. Also outstanding that may contribute new or modified standards is a review of WEQ standards as they relate to paragraph 1390 of FERC Order No. 890 to determine if modifications are required.

[[Order No. 890 Work Plan](#), [NAESB Report to the FERC on Version 2.0](#), [FERC Order No. 890](#)]

### **NAESB Primers and Training Courses:**

**November 12-13, 2008** - WGQ Contracts Standards and Models Course  
([Registration Form](#), [Course Flier](#))

**November 21, 2008** - NAESB eTariff Standards - Electronic Tariff Filing Workshop, Austin, TX  
([Registration Form](#), [Course Flier](#))

**January 12, 2009** - NAESB eTariff Standards - Electronic Tariff Filing Workshop, New Orleans, LA

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

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## CALENDAR OF ACTION ITEMS

[Due November 4, 2008](#) - WEQ JISWG Request for Informal Comments on options for addressing the long-standing single reliability profile deficiency in the e-Tag system.

[Due November 5, 2008](#) - WGQ Request for Formal Comments on the following recommendation: R96121-123, R03027, R04001, R04002, R04004, R04012, R04024/R04039/R05024, R04033/R05011/R05023/R05025/R05029, R04041, R05003, R05028, R06013, R06017, R06018, R06018, R06019, R06020, R06021, R06023, R07006, R07012, R07016, R07017 and R08009.

[Due November 10, 2008](#) - WEQ Request for Formal Comments on Recommendation 2008 WEQ Annual Plan Item 6(m)/R07007 – Update the timing table to reflect the categories (On-time, Late, After-the-fact, and Pre-late) used in the latest E-Tag specification with respect to receipt of an arranged interchange (RFI).

[Due November 21, 2008](#) - Ratification ballot for member vote on board actions to change the Certificate.

For updated action items please reference: [Calendar of Action Items](#)

**New Version Standards Publications Expected (All Quadrants):** With the completion of the Texas Registration Model business practices and technical implementation nearing completion and several other customer choice program business practices approaching completion, it is planned that the next version of retail standards should be ready to go to press in early first quarter 2009. Similarly with the efforts on FERC Order No. 717 and the technical implementation of price indexing related to FERC Order No. 698 well in hand, it is expected that the next version of WGQ standards should be ready for publication in second quarter 2009. The WEQ publication for 2.0 may see two sets of revisions — Version 002.1 should include the CBM and ATC Information List standards and Version 002.2 would include the standards related to the remaining Order No. 890 development efforts. Version 002.1 is expected no later than February 2009 and is very likely to be completed sooner than February 2009. Version 002. 2 should be published in late 2009. [[Order 890 Plan](#), [Retail Standards Publication Schedule](#)]

**Recent Board Actions (All Quadrants):** The Board of Directors met on September 25 and took several steps to improve the organization, which are detailed in a letter to the members. The actions were taken to improve the financial health of the organization, to increase the efficiency of standards development, and to address the issue of vacancies in segments as they impact Board and Executive Committee (EC) voting on items requiring super-majority votes.

First, the Board addressed the ongoing financial well being of the organization. Overall, in order to reach the desired degree of financial health and ability to respond to all appropriate challenges, the Board endorsed a three-prong approach, to fund some of the target through dues increases, some through increases in the prices for NAESB products for non-members, and some through aggressive growth targets in membership. As for the first prong, the Board unanimously endorsed an increase of the membership dues from \$5000 to \$6500, effective January 1, 2009. This action was taken to improve the financial well being of the organization with the recognition that NAESB continues to address standards development of an increasingly complex nature. Dues have not been raised since 1996; and to put this in perspective, the change in the dues amount represents a 1.9% increase over the years. Expenses will continue to be scrutinized to support the most cost effective means for standards development. In addressing the second prong and to reflect better the cycle cost of developing the standards, the fees for work products for non-members will see an increase as well, much more substantial in percentage terms. The costs to the non-members for these work products will still be subsidized by membership but not at the current level. The third financial prong, membership, is being aggressively addressed by your Resources Committee, and ideally will be enhanced by expanded and increasingly sophisticated copyright protection for NAESB work product. The Board felt it was particularly important to follow these multiple avenues, rather than simply asking the existing membership to fund 100 percent of the target.

Second, the Board addressed a recommendation of a Board committee regarding the efficiency of standards development in NAESB. As we become more efficient, both the time spent developing standards and the related development cycle costs to NAESB and all of its volunteers will be reduced. The policy was unanimously endorsed by the Parliamentary Committee, the Managing Committee and the Board itself.

Third, the Board addressed the issue of Board or EC vacancies impacting the super majority voting provisions for standards adoption at the EC level and governance issues at the Board level. Changes were made to the NAESB Certificate and Bylaws driven by unanimous recommendations of the Board Committee that proposed the standards efficiency proposals, and were unanimously endorsed by the Parliamentary Committee and the Managing Committee. The changes were also were unanimously supported by those Board members present or returning notational ballots. The ratification of the certificate changes will conclude on November 21, after which the certificate and bylaws modifications will take effect. [[Member Letter](#)]

### NAESB Copyright Policy:

All NAESB Standards are protected under United States Copyright laws. The same copyright protection applies to much of the other materials published by NAESB.

Members of NAESB and persons purchasing NAESB Standards are permitted to make reasonable use of these materials internally for certain limited purposes. However, they may not transfer them outside their own companies nor may they transfer them to affiliates or other third parties without written authorization from the NAESB office.

Duplication of NAESB Standards is not only an infringement of NAESB's copyright but it increases the risk that the duplicated materials may not contain all of the Standards and the like, and may thus be incomplete. Persons in possession of incorrect, incomplete and outdated materials may be under the misconception that they are observing NAESB's Standards even when they are not. This serves no one and only undermines NAESB's purpose to present Standards to support the marketplace. Copyright infringement also undermines NAESB's ability to maintain the economic integrity its members expect so that it may continue its work in the future.

Members and purchasers of NAESB Standards and other NAESB copyrighted materials are cautioned to review their policies regarding use and distribution of our materials to assure that they are not intentionally or inadvertently infringing NAESB's copyright and coming into conflict with federal law.

[NAESB Copyright Policy and Companies with Access to NAESB Standards Under the Copyright Policy](#)