



North American Energy Standards Board

1415 Louisiana Street, Suite 3460, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

February 23, 2022

NAESB UPDATE CONFERENCE CALL

CYBERSECURITY ACTIVITIES: Mr. Buccigross, Co-chair of the Wholesale Gas Quadrant (WGQ) Executive Committee and Chair of the Wholesale Electric Quadrant (WEQ) Cybersecurity Subcommittee, stated that cybersecurity efforts are ongoing within all of the NAESB quadrants. The WEQ conducts an annual review of the NAESB WEQ-012 Public Key Infrastructure (PKI) Business Practices, the *NAESB Accreditation Requirements for Authorized Certification Authorities*, and the ongoing cybersecurity activities within NERC and FERC. The Retail Markets Quadrant (RMQ) cybersecurity annual plan item calls for a review of the data fields used in the NAESB RMQ Internet Electronic Transport specification to determine whether fields that are no longer removed may be removed. Additionally, in response to discussions with Sandia National Laboratories, NAESB will consider assembling the cybersecurity standards from each quadrant into separate books to facilitate off schedule filings with regulatory agencies, if needed, in exigent circumstances. Mr. Buccigross stated that the WEQ Cybersecurity Subcommittee will hold a meeting next month.

WEQ/RMQ/WGQ GAS ELECTRIC HARMONIZATION EFFORTS: Mr. Phillips, Chair of the WEQ Executive Committee and Co-Chair of the WEQ Business Practices Subcommittee delivered the update. On February 17, 2022, the WEQ, WGQ, and RMQ Business Practices Subcommittees (BPS), held a kick-off meeting to begin standard development efforts to address Standards Request R21006. Submitted by Southwest Power Pool, the request is intended to support enhanced communication practices between the natural gas and electric markets during impending extreme weather-related emergency operation conditions. The first standard development item of the request, assigned jointly to the WEQ, WGQ, and RMQ BPS, will be to define a standard for the declaration of an impending extreme weather-related emergency operating condition, including defining what might constitute such an event. Once completed, the subcommittees will move on to address other items proposed in the request. These include creating standard designations of critical electric and natural gas infrastructures during impending extreme weather-related emergency operating conditions and defining standards and communication protocols that support commercial information sharing between necessary parties during such events.

WEQ/RMQ RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Do, Chair of the RMQ Business Practices Subcommittee provided the update. On November 2, 2021, the NAESB membership ratified the *NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates* (NAESB REC Base Contract). Since that time, the WEQ and RMQ BPS have worked to develop the technical implementation for the contract, including standards that allow for the use of the agreement on blockchains. During the upcoming meetings - scheduled for March 15, 2022 and April 5, 2022 - the subcommittees will continue work on the Invoice and Invoice Response technical standards. To date, the participants have completed the data dictionary for the Invoice data set and have made substantial progress on the Transaction Confirmation data sets and code values. Where possible, the subcommittees are leveraging the standards created by the Wholesale Gas Quadrant efforts to digitalize the *NAESB Base Contract for Sale and Purchase of Natural Gas*. The subcommittees are on track to complete this joint effort next year.

WEQ COORDINATION ACTIVITIES WITH NERC: Ms. Mallett, NAESB Director, delivered the update. NERC and NAESB staff continue to coordinate on numerous topics within the wholesale electric industry. Recent topics have included cybersecurity and area control error, natural gas-electric market coordination activities, as well as distributed energy resources, including energy storage and batteries. NAESB is closely following the NERC efforts to address NERC Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination and the NERC effort to consider potential revisions to the definitions for ACE and Reporting ACE as part of NERC Project 2022-01. Also, the WEQ recently ratified modifications to the WEQ-005 Standards to ensure consistency in the use of defined terms, abbreviations and acronyms as well as align terminology used within the standards with that used in the NERC Dynamic Transfer Reference Document Version 4. The WEQ BPS participants have noted that there may be areas of overlap in the reliability and commercial parts of the distributed energy resources and



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energy storage efforts. In response, NERC staff has provided a list of applicable terms and definitions that were created by the NERC System Planning Impacts from the Distributed Energy Resources Working Group. NAESB will continue to closely follow these efforts to remain in lockstep with NERC.

WEQ OASIS SUBCOMMITTEE UPDATE: Mr. Wood, Co-chair of the WEQ OASIS Subcommittee, provided the update. The WEQ OASIS Subcommittee has completed items that have enhanced the redirect examples, included additional variables for query responses in OASIS, and developed standards to define the treatment of rollover rights within the Network Integration Transmission Service standards. Now, the participants are developing of a cross-reference table that will enable users to better understand how each standard in the suite of OASIS Business Practice Standards interacts with the other. Additionally, the subcommittee is working to improve the profiles in the preemption process on OASIS and reviewing the Consolidation and Concomitant standards.

WEQ ENERGY STORAGE & DISTRIBUTED ENERGY RESOURCES ACTIVITIES: Ms. Trum, NAESB Director of the Wholesale Electric Quadrant, provided the update. In support of the effort within the wholesale electric industry to implement FERC Order Nos. 841 and 2222, the WEQ BPS continues to meet to develop standards to support distributed energy resources. Over the past several meetings, the subcommittee has focused its efforts on the identification of a common set of information requirements to support the registration of distributed energy resources and distributed energy resource aggregations with an ISO/RTO. Subsequent to an informal comment period on a use case that identified potentially relevant data elements related to locational information and operational characteristics, the WEQ BPS participants have now started defining those data elements and intend to draft standards to support the communication of such data between relevant parties. Following the completion of the draft standards in this area, the WEQ BPS participants will evaluate if there are other use cases regarding commercial interactions relevant to the participation of distributed energy resources and battery/energy storage within the wholesale electric marketplace that could be supported through the development of business practices.

WGQ: RENEWABLE NATURAL GAS CONTRACT ACTIVITIES: Mr. Sappenfield, Chair of the WGQ Contracts Subcommittee provided the update. The WGQ Contracts Subcommittee has held a series of meetings to develop a Renewable Natural Gas Addendum to the *NAESB Base Contract for Sale and Purchase of Natural Gas*. The addendum, which will address both voluntary and regulated markets, contains the terms and conditions specific to RNG transactions and also the technical implementation to transact using distributed ledger technologies, such as blockchains. This process began with the participants identifying and developing standardized terms and definitions applicable to renewable natural gas transactions and has progressed to the development of the general terms and conditions. Subsequent to the completion of the general terms and conditions, the participants will develop technical standards to enable the digitalization of the renewable natural gas addendum. Throughout this standards development process, the subcommittee is leveraging the previous standards development effort to digitalize the *NAESB Base Contract for the Sale and Purchase of Natural Gas* in order to expedite the work. The WGQ Contracts Subcommittee has scheduled its next meeting for February 23, 2022 and is in the process of scheduling additional meetings for 2022. The participants anticipate completing the recommendation for this effort in 2022.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and Chief Administrative Operator, provided the Regulatory and Board Activities update. He stated that the Board Digital Committee met on January 6th to review its report, *North American Energy Standards Board Digital Committee Inaugural Report*, and the recommendations to update the report with recent activities. As part of this effort, the committee asked NAESB Staff to review the Infrastructure and Jobs Act (Nov. 15, 2021) to determine whether its provisions could be supported by NAESB standardization. Ms. Trum completed that review and included her findings in the draft report. The Digital Committee anticipates finalizing the updates before the next NAESB Board of Directors meeting. The NAESB Advisory Council met in early February to discuss gas electric harmonization, cybersecurity, renewable natural gas (RNG) and renewable energy certificate transactions. During that discussion, the participants focused on renewable natural gas outside the contracting mechanisms. Next, the Board Strategy Committee will review the Advisory Council recommendations and complete the NAESB Standards Development Survey which is expected to be distributed this Summer. On April 14, 2021, NAESB will hold its next virtual Board



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of Directors meeting. In March, the quadrant Executive Committee meetings have been scheduled and are on the calendar.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for April 27, 2022 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update Call page of the NAESB website, accessible at the following link: http://www.naesb.org/monthly_update.asp. We hope you can join us. If there are particular topics you would like to see covered or if you would like to receive additional information, please contact the NAESB Office by phone at (713) 356-0060 or email at naesb@naesb.org.



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February 23, 2022 1:00 PM Central	
Name	Organization
Denise Adams	ONEOK
Matthew Agen	American Gas Association
Craig Blume	UGI Energy Services
Jonathan Booe	North American Energy Standards Board
Michelle Brocklesby	ESG Global
Jim Buccigross	8760
Christopher Burden	Enbridge
Zachary Buus	Bonneville Power Administration
Mark Capano	New York ISO
Chuck Cook	Chevron
Michelle Coon	OATI
Valerie Crockett	Tennessee Valley Authority
Mary Do	Znalytics
Brandon Hajek	Northern Natural Gas
Lila Kee	Globalsign
Alan Kilpatrick	Southern Company
Mike Kraft	Brazos Electric Power Cooperative
Tom Kraft	ONEOK
Thomasz Lange	Tenaska
Derrick MacDonald	TECO Energy
Elizabeth Mallett	North American Energy Standards Board
Patti Metro	National Rural Electric Cooperative Association
Patrick Mulloy	Power Costs Inc.
Vohn Peeler	Duke Energy
Sheldan Perry	OATI
Joshua Phillips	Southwest Power Pool
Chris Plante	WEC Energy Group
Ken Quimby	Southwest Power Pool



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Farrokh Rahimi	OATI
Ron Robinson	Tennessee Valley Authority
Lisa Russo	National Fuel Gas
Debbie Santolin	Southern Company
Keith Sappenfield	Cheniere Corpus Christi Liquefaction
Benjamin Smith	TECO Energy
Carolyn Stone	Cascade Natural Gas Corporation
Caroline Trum	North American Energy Standards Board
David Wollman	National Institute of Standards and Technology
JT Wood	Southern Company Gas
Kenneth Yagelski	Southern Company Gas