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April 26, 2023

NAESB UPDATE CONFERENCE CALL

PRESENTATION BY MIKE LEVY WITH FIRST ENVIRONMENT: Mr. Levy with First Environment provided a presentation on life cycle assessments (LCAs). Mr. Levy stated that the American Center for Life Cycle Assessment (ACLCA) is a nonprofit membership organization providing education, awareness, advocacy and communications to build capacity and knowledge of environmental LCA. He explained that LCAs are a process to evaluate effects a product has on the environment over its entire lifecycle. Commonly used metrics include energy demand, global warming, ozone depletion, and land use. Use of LCAs can promote a better understanding of product manufacture and delivery systems and provide a benchmark to track progress and support environmental claims. Mr. Levy stated that standard methods to measure, assess, and report circularity performance are essential to enable fair comparisons between products when using LCAs. He noted that international standards guiding the LCA process were recently revised to include life cycle based environmental, social, economic and technical assessments, the use of which can help provide input in decision making processes to prevent or minimize adverse impacts. The International Standards Organization, which developed the standards, is also in the process of updating related technical specifications. The intent is to combine LCAs for environmental, social, and economic impact to create a more holistic view of the sustainability impacts. Mr. Levy noted that there are a number of state, federal, and international policy activities that relate to and support LCAs, such as the EPA Renewable Fuel Standard Program, the FTC Green Guides, and the International Industrial Deep Decarbonization Initiative.

WEQ COORDINATION ACTIVITIES WITH NERC: Ms. Trum, NAESB Director of Wholesale Electric Activities, provided the update. NAESB, at the request of FERC and NERC and to address Key Recommendation 7 in the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and South Central United States, is working to develop recommendations that could improve upon the reliability of the natural gas infrastructure in support of the bulk electric system through the NAESB Gas-Electric Harmonization (GEH) Forum. NAESB has been engaging with NERC as well as FERC staff throughout this effort and will continue to do so as the forum works to towards identifying concrete actions that can be taken and plans for implementing those actions. GEH Forum leadership anticipates completing the development of a report that can be submitted to FERC and NERC early-to-mid summer. Related to gas-electric coordination, the WEQ included a provisional item on its 2023 Annual Plan to develop and/or modify business practice standards, as needed to support the NERC effort to develop reliability standards in response to recommendations made in the above noted report. Other recent topics of coordination discussions between staffs include activities related to Area Control Error, batteries and DERs, and cybersecurity.

WEQ/RMQ DISTRIBUTED ENERGY RESOURCES (DER) AND GRID SERVICES DEVELOPMENTS: Mr. Phillips, chair of the WEQ Executive Committee, provided the update. In April, the RMQ held a kick-off meeting to begin addressing a request jointly submitted by the U.S. Department of Energy (DoE), Lawrence Berkeley National Laboratory, and Pacific Northwest National Laboratory to support a part of the DoE's Grid Modernization Laboratory Consortium (GMLC). Specifically, the request proposes a similar set of standards, a common terminology, to apply to distribution-level services and the system operators terminology in the wholesale electric market that will build a foundation to support greater consistency in the integration of grid-edge resources. To expedite its efforts, the RMQ BPS will leverage the language within the WEQ recommendation under the same standards request. The WEQ Executive Committee approved a recommendation during its March 2023 meeting to adopt a new suite of standards that identifies six categories of operationally-based grid services are identified and the attributes to be used to define the services are laid out – attributes such as location, timing, and performance determinations.

RMQ ENERGY SERVICES PROVIDER INTERFACE/GREEN BUTTON UPDATE: Mr. Roberts, chair of the RMQ ESPI Task Force, provided the update. The RMQ ESPI Task Force currently is meeting to discuss the annual plan item calling for a review of the cybersecurity aspects within the REQ.21 ESPI Model Business Practices and make any necessary changes. The task force has held previous meetings to discuss this item and made initial revisions to the model business practices. Subsequently, a National Institute of Standards and Technology (NIST) cybersecurity team reviewed those revisions and provided some additional feedback which the ESPI Task Force will consider during its next meeting. As part of the meeting, the task force will also review a request for minor correction that proposes minor changes to the Energy Usage Model and Retail Customer Information Model included in the model business



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practices.

WEO/WGO/RMO CYBERSECURITY: Mr. Burden, co-chair of the WGO EDM Subcommittee, provided the update. The WEQ, WGQ, and RMQ have all completed work to establish a new suite of NAESB Business Practice Standards, one for each quadrant, for cybersecurity-related standards. As part of this effort, each quadrant also took action to move all existing cybersecurity-related standards into the new books. This standards development effort was undertaken by the WEQ, WGQ, and RMQ at the request of the NAESB Board of Directors and is supportive of an informal recommendation made as part of the 2019 Surety Assessment by the U.S. Department of Energy and Sandia National Laboratories. NAESB staff has kept FERC staff informed throughout this process, with FERC staff indicating support for NAESB to move forward in this manner. NAESB has also informed the FERC Commissioners of the forthcoming changes to the WEQ and WGQ Business Practice Standards as part of the next version of the publications. Additionally, during the March 28 - 30, 2023 meetings of the NAESB Executive Committees, the WGQ approved revisions to its standards to clarify the ability to utilize multi-factor authentication as part of user authentication for accessing pipeline customer activities websites. Both the WEQ and RMQ developed no action recommendations for similar annual plan assignments. The WEQ identified that, through the use of the NAESB Public Key Infrastructure (PKI) framework, the WEQ Business Standards already incorporate MFA requirements for electronic tagging as well as accessing a transmission provider's OASIS node and the NAESB Electric Industry Registry (EIR). The RMQ pursued a no action recommendation after determining that changes are not necessary at this time as MFA requirements are specifically applicable to human-facing interfaces, which the current standards do not address.

WGQ CONTRACTS SUBCOMMITTEE RNG AND CG ADDENDA UPDATE: Mr. Sappenfield, chair of the WGQ Contracts Subcommittee, provided the update. In early-February, the NAESB membership ratified two recommendations containing addendums to the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) – NAESB Renewable Natural Gas Addendum (NAESB RNG Addendum) and the NAESB Certified Gas Addendum (NAESB CG Addendum). Following the February single-topic WGQ Executive Committee meeting in which the addendums were adopted, the WGQ Contracts Subcommittee kicked off a series of joint meetings with the WGQ Business Practices Subcommittee (BPS) and the WGQ Electronic Delivery Mechanisms (EDM) Subcommittee to begin development on the technical implementation and any needed modifications to the NAESB Base Contract to support the use of each of the addendums on digital technologies, including blockchain. As discussed during the March WGQ Executive Committee meeting, the subcommittees will first complete the supporting standards for the NAESB CG Addendum and subsequently address standards to support the NAESB RNG Addendum.

BOARD AND REGULATORY ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and Chief Operating Officer, provided the update. The NAESB Board of Directors last met on April 13, 2023. Guest speakers for the meeting were Leslie Biddle with the U.S. Department of Energy (DoE) who provided an overview of the DoE's Hydrogen Hub programs, and Jay Costan with Denton's Global Energy Practice who provided his perspective on the recent Supreme Court decision in West Virginia v. Environmental Protection Agency and how that may impact FERC activities moving forward. The Board Revenue Committee met most recently on April 6, 2023

NEXT CONFERENCE CALL: The next NAESB Update Call is scheduled for June 14, 2023 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.

NAESB Monthly Update Conference Call, Participant List April 26, 2023 1:00 – 2:00 PM Central		
Name	Organization	
Wes Barber	Southern Company	
Jonathan Booe	NAESB	



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Joshua Phillips Southwest Power Pool	Joshua Phillips	Southwest Power Pool
Ken Quimby Southwest Power Pool	Ken Quimby	Southwest Power Pool
Jeremy Roberts Green Button Alliance	Jeremy Roberts	Green Button Alliance
Lisa Russo National Fuel	Lisa Russo	National Fuel
Keith Sappenfield Corpus Christi Liquefaction	Keith Sappenfield	Corpus Christi Liquefaction
Sarah Shaffer Equitrans	Sarah Shaffer	Equitrans
Aparna Sharma Portland General Electric	Aparna Sharma	Portland General Electric
Sara Shepherd Northwestern Corporation	Sara Shepherd	Northwestern Corporation
Lisa Simpkins Constellation	Lisa Simpkins	Constellation
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