



North American Energy Standards Board

1415 Louisiana, Suite 3460, Houston, Texas 77002
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Home Page: www.naesb.org

April 28, 2021

NAESB UPDATE CONFERENCE CALL

PRESENTATION ON CFTC RENEWABLE ENERGY CERTIFICATE EFFORTS: Mr. Pullen, Acting Assistant Director of the U.S. Commodity Futures Trading Commission (CFTC), delivered the presentation on recent renewable energy certificate (REC) efforts and other Environmental, Social, and Governance (ESG) efforts. As a regulator that oversees futures and derivatives markets, the CFTC has noted an increase in REC contracts along with the size and amount of ESG types of products in the renewable markets. Mr. Pullen explained that, in September of 2020, a report entitled *Managing Climate Risk in the U.S. Financial System* was adopted by the Market Risk Advisory Committee (MRAC), sponsored by CFTC Commissioner Rostin Behnem. The report focused on providing policy makers and regulators with the tools to build climate resilient financial systems. Mr. Pullen stated that the report ties in with RECs and carbon markets and reviewed the major areas of the report. Mr. Booe asked whether Mr. Pullen saw an area where NAESB could provide more support beyond the NAESB Base Contract for Voluntary RECs. Mr. Pullen stated that transparency is needed in processes where state entities establish procedures for certificates. He stated that he has found that the supply of credit to the state may be high but tracking the trades only reveals a fraction of the MWh or capacity installed. He stated that a window into the markets, as occurs within natural gas, is needed and explained that supporting that effort may be a good fit for NAESB. Mr. Pullen stated that transactions via smart contracts could lead to automatic reporting with records in a standardized format and that would lead to benefits for all facets of the industries.

WEQ: ENERGY STORAGE & DISTRIBUTED ENERGY RESOURCES ACTIVITIES: Mr. Brooks delivered the update. He stated that the NAESB Board of Directors tasked the Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS) to develop standards to define an index/registry, information and reporting requirements for the qualified energy storage resources and distributed energy resources participating in the wholesale markets. The subcommittee is in the process of developing use cases to help identify the information exchange interactions that could benefit from standardization, such as data communicated between energy storage asset owners or distributed energy resource aggregators and the ISOs/RTOs.

WEQ: COORDINATION ACTIVITIES WITH NERC: Ms. Trum, NAESB Deputy Director, delivered the update. She stated that NAESB and NERC continue to coordinate on several issues, including Time Error Correction, Cybersecurity, the NERC Reliability Standards Development Plan, and guidance documents related to the reliability guidelines. She noted that the WEQ Cybersecurity Subcommittee will hold a meeting on May 4, 2021, to begin addressing its recurring annual plan items, including a review of the NERC Critical Infrastructure Protection (CIP) Reliability Standards and any other NERC-related cybersecurity activities to determine if supporting or complementary changes are needed to the WEQ Business Practice Standards. As part of this review, the subcommittee will be reviewing the NERC CIP Reliability Standards approved by the NERC Board of Directors in November 2020, including the revisions to NERC CIP-005, CIP-010, and CIP-013 to address supply chain cybersecurity risk management.

RMQ & WEQ: RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Do, Co-Chair of Retail Markets Quadrant (RMQ) Business Practices Subcommittee (BPS), stated that the RMQ Information Requirements and Technical Electronic Implementation Subcommittee (IR/TEIS) is currently working with the Wholesale Electric Quadrant (WEQ) BPS to develop a Renewable Energy Certificate (REC) Contract for the voluntary markets. In 2019, Tennessee Valley Authority submitted a standards development request to consider the drafting of a smart contract for voluntary RECs. Throughout this effort, the subcommittees will leverage the WGQ work on the digital *NAESB Base Contract for Sale and Purchase of Natural Gas* and its technical implementation as a template.

WGQ: RENEWABLE NATURAL GAS CONTRACT ACTIVITIES: Mr. Sappenfield, Chair of the Wholesale Gas Quadrant (WGQ) Contracts Subcommittee delivered the update. He stated that, on April 28, 2021, the subcommittee will hold its third meeting to evaluate the existing NAESB Base Contract for Sale and Purchase of



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Natural Gas (NAESB Base Contract) and develop modifications or a new standardized contract to support renewable natural gas sale and purchase transactions. This February, the subcommittee held a kick-off meeting with numerous participants from every segment of the wholesale gas markets in attendance. During that first call, the participants were provided with a brief presentation on the NAESB standards development process, discussed a proposed path for the new standards development effort, and reviewed a Chair's work paper that provided a draft addendum as a starting point for discussion within the subcommittee. Several other posted work papers were examined, including white papers, example gas agreements, and a definition for "biomethane." Additionally, a determination was made that the wholesale gas industry would find the development of an addendum to the NAESB Base Contract that facilitates renewable natural gas beneficial.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe delivered the Regulatory Activities update. The NAESB Board of Directors recently held a virtual meeting with over 100 participants in attendance. He stated that the speakers for the meeting focused on Winter Storm Uri.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for June 16, 2021 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update 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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NAESB Update Conference Call, Participant List	
April 28, 2020 1:00 PM Central	
Name	Organization
Farrokh Albuyeh	OATI
Rebecca Berdahl	Bonneville Power Administration
Jonathan Booe	North American Energy Standards Board
Michelle Brocklesby	Latitude Technologies
Dick Brooks	Reliable Energy Analytics
Christopher Burden	Enbridge
Donald Coffin	Green Button Alliance
Michelle Coon	OATI
David Crabtree	TECO Energy
Valerie Crockett	Tennessee Valley Authority
Jay Dibble	Calpine Energy Services, L.P.
Mary Do	Znalytics
Blaire Fink	Georgia Public Service
Patrick Foley	NV Energy
Leonard Grove	SSL.com
Cory Herbolzheimer	NV Energy
Jesse Pierre-Jack	Williams
Bryan Kelly	Power Costs, Inc.
Michael Langston	Energy Trade
Tomasz Lange	Tenaska
Nichole Lopez	Kinder Morgan
Elizabeth Mallett	North American Energy Standards Board
Steven McCord	TransCanada Pipelines USA, Ltd
Melissa McGoogan	Northwest Natural Gas
Crystal Mitchell	Sask Power
Frank O'Connor	NorthWestern Energy
George Pullen	Commodity Futures Trading Commission
Ken Quimby	Southwest Power Pool



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Nicholas Quinata	Bonneville Power Administration
Farrokh Rahimi	OATI
Lisa Russo	Natural Fuel Gas
Keith Sappenfield	Cheniere Corpus Christi Liquefaction
Jeremy Scheetz	Western Area Power Administration
Eric Schultz	Georgia Transmission
Arnold Singleton	Santee Cooper
Carolyn Stone	Cascade Natural Gas Corporation
Caroline Trum	North American Energy Standards Board
Karen Utt	Tennessee Valley Authority
Jason Williams	Southern Company