



North American Energy Standards Board

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August 28, 2014

NAESB MONTHLY UPDATE CONFERENCE CALL

BOARD CRITICAL INFRASTRUCTURE COMMITTEE: Mr. Hurley, Co-Chair of the Board Critical Infrastructure Committee, began the update with a review of a recent Department of Homeland Security report. Ms. McQuade stated that, if needed, the Board could request that an assessment of the standards be performed by the Board Critical Infrastructure Committee. Mr. Booe stated that the committee, headed by Cade Burks and Jesse Hurley, will hold their first conference call of the year on September 5, 2014 from 2:00 pm to 3:00 pm Central. All interested parties are welcomed to attend.

GAS-ELECTRIC HARMONIZATION ACTIVITIES: Mr. Booe, Vice President of NAESB, delivered the update. The NAESB GEH Forum provided a platform whereby the industries could consider consensus-based alternatives that vary from the March 20, 2014 Federal Energy Regulatory (FERC) Notice of Proposed Rulemaking (NOPR).¹ Although consensus on an alternative package incorporating all aspects of the proposals included in the NOPR was not reached at the forum, the process resulted in commonalities that allowed the Board to move the process forward. On June 4, 2014, the Board held a single-topic meeting to modify the Wholesale Gas Quadrant (WGQ) Annual Plan to include 2014 WGQ Annual Plan 11.c, an item calling for the WGQ to develop new standards and modify existing standards to support the enhanced timeline, while excluding gas day start times. NAESB filed a report to FERC in response to the NOPR on June 18, 2014.² During the August WGQ Executive Committee meeting, the WGQ BPS, WGQ Information Requirements, and WGQ Technical Subcommittee recommendation for the annual plan item was approved and sent out for member ratification. Fifteen industry comments were submitted during the thirty-day formal industry comment period. Mr. Booe stated that the standards will be ratified on September 22, 2014 and filed with the FERC on September 29, 2014, in order to meet the 180-day deadline provided by the FERC. He noted that sixty days later the comment period on the NOPR will close. The standards will be filed as a final action and will be included in Version 3.0 of the NAESB WGQ Business Practice Standards, scheduled to be published on October 31, 2014.

PARALLEL FLOW VISUALIZATION PROJECT: Mr. Saini, Co-Chair of the Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS) delivered the update on the Parallel Flow Visualization (PFV) project. The WEQ BPS is expected to vote out the PFV standards during its next meeting on September 3-4, 2014. The subcommittee made significant modifications to the draft standards following the first round of informal comments in February of 2013 and the second round of informal comments in January of 2014. Monthly face-to-face meetings have been held, in addition to individual assignments, in order to finalize the draft recommendation. Ongoing coordination is maintained between NAESB, NERC, and the Interchange Distribution Calculator Working Group (IDCWG)/IDC Association. The WEQ BPS will propose that the WEQ Executive Committee utilize the NAESB full-staffing process for the project. After the standards are approved by the WEQ Executive Committee, there will be a 12-18 month field test conducted by the IDC Association. Prior to the field test, the IDC Association has reserved 12-18 months to develop requirements and make modifications to support the PFV Business Practice Standards. The IDCWG will be responsible for developing a test plan for the field test and will coordinate the development of commercial and reliability testing criteria with NAESB and the NERC Operating Reliability Subcommittee (ORS). Additionally, NERC is working on the modification of the NERC IRO reliability standards, a project that will be necessary for the PFV project.

NAESB/NERC/IDC COORDINATION: Mr. Booe, Vice President of NAESB, delivered the update on coordination with external organizations. NAESB filed a status report to the FERC on PFV on July 11, 2014.³ The

¹ Notice of Proposed Rulemaking, *Coordination of the Scheduling Process of Interstate Natural Gas Pipelines and Public Utilities*, 146 FERC ¶ 61,201 (March 20, 2014) is available in Docket No. RP14-2-000 and at the following hyperlink:

http://www.naesb.org/pdf4/ferc032014_nopr_coord_scheduling_process_interstate_ngps_public_utilities.pdf.

² NAESB Report to FERC, *Coordination of the Scheduling Process of Interstate Natural Gas Pipelines and Public Utilities*, is available in Docket No. RM14-2-000 and at the following hyperlink: https://www.naesb.org/pdf4/ferc061814_naesb_geh_report_nopr032014.pdf.

³ NAESB Status Report to FERC, *Parallel Flow Visualization Project Status*, is available in Docket No. EL14-82-000 and at the following link: https://www.naesb.org/pdf4/ferc071114_pf_v_status_report.pdf.



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report was drafted with the coordination of NAESB, NERC, and the IDC Association - the organization which owns and manages the IDC tool - and gives a history of the PFV project and the upcoming coordination to be maintained during the field test of the standards. NAESB continues to hold monthly conference calls to discuss NERC MOD A Standards, PFV, and any additional coordination issues identified by NERC project managers or the NAESB WEQ subcommittee co-chairs. The WEQ Standards Review Subcommittee (SRS) held a conference call on July 17, 2014 to review the 2015-2017 NERC Reliability Standards Development Plan and ensure coordination with the 2014 WEQ Annual Plan. During the August 19, 2014 WEQ Executive Committee meeting, two recommendations for no action were approved related to the NERC Voltage and Reactive Planning and Control standards and the Demand Data (MOD C) projects.

UPDATE ON WEQ EXECUTIVE COMMITTEE MOD STANDARD SCOPING TASK FORCE: Mr. Harshbarger, Co-Chair of the WEQ Executive Committee Modeling (MOD) Standard Scoping Task Force, delivered the update. The task force was formed by the WEQ Executive Committee in response to standards request R14002 submitted by the NERC standards development team for NERC Project 2012-05 ATC, also known as MOD A. The task force created a work paper and solicited industry comments before recommending that the WEQ Executive Committee assign the work load to the WEQ BPS, which occurred during the August WEQ Executive Committee meeting. On June 19, 2014, FERC issued a NOPR,⁴ requesting industry comments on the NERC proposal to consolidate the MOD requirements and the filing of the MOD standards. The NOPR also asked whether the proposal provides adequate time for NAESB to develop the related standards and what specific actions NERC could take to create synchronization. NAESB filed comments in response to the MOD NOPR on August 25, 2014.⁵ The comments respond to specific FERC inquiries regarding the timeline for the development of related business practice standards and coordination with NERC.

WEQ OPEN ACCESS SAME-TIME INFORMATION SYSTEM UPDATE: Mr. Pritchard, Co-Chair of the WEQ Open Access Same-time Information System (OASIS) Subcommittee, delivered the update. For the past two years the WEQ OASIS Subcommittee has been developing standards to facilitate preemption and competition on OASIS. The preemption and competition processes take place when there is insufficient capacity to meet all of the submitted requests and, in certain situations, a queued request has the ability to take capacity from another reservation. FERC Order No. 890 implemented multiple reservations competing in matching capacity for the term of the longer duration. This simultaneous matching is a new concept that the subcommittee has been addressing. Additionally, the subcommittee is resolving what conditions are necessary to start a competition, communications requirements, and long-term competition for capacity held by rollover rights. The WEQ OASIS Subcommittee is currently in the process of preparing the draft recommendation for the project. The standards development effort will be completed within the fourth quarter of 2014. Mr. Booe noted that the publication date for the NAESB WEQ Business Practice Standards, Version 003.0 is dependent upon the completion of the individual WEQ OASIS standards development efforts.

RETAIL NET METERING STANDARDS DEVELOPMENT EFFORT: Mr. Jones, Co-Chair of the Retail Energy Quadrant (RXQ) Business Practices Subcommittee (BPS), delivered the update. During the August 18-19, 2014 face-to-face meeting hosted by Oncor in Dallas, Texas, the RXQ BPS voted out the Model Business Practices addressing Retail Net Metering in Book 8 as part of 2014 RXQ Annual Plan Item 7.b.ii. The recommendation has been posted for a thirty-day formal industry comment period which ends on September 25, 2014. The scope of the recommendation is limited to metering data in competitive markets where net metering is available. The subcommittee is currently revising Book 3 – Billing and Payments under 2014 RXQ Annual Plan Item 7b.i. That recommendation will be closely followed by revisions to Book 10 – Customer Enrollment, Drop and Account Information Change and Book 11 – Customer Enrollment, Drop and Account Information Change Using a

⁴ Notice of Proposed Rulemaking, *Modeling, Data, Analysis Reliability Standards*, 147 FERC P 61, 208 (June 19, 2014) is available in Docket No. RM14-7-000 and at the following link: <http://www.ferc.gov/whats-new/comm-meet/2014/061914/E-17.pdf>.

⁵ NAESB Comments to FERC, *Federal Energy Regulatory Commission Modeling, Data, and Analysis Reliability Standards Notice of Proposed Rulemaking*, is available in Docket No. RM14-7-000 and at the following link: https://www.naesb.org/pdf4/ferc082514_naesb_mod_nopr_comments.pdf.



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Registration Agent with projected completion dates during the first quarter of 2015. The next RXQ BPS conference call will be held on September 17, 2014.

DATA PRIVACY CERTIFICATION PROGRAM: Ms. Mallett, NAESB Staff Attorney, delivered the update on the Data Privacy Certification. On August 25, 2014, the Board Certification Program Committee approved the Third Party Data Privacy Practices Certification Process. That process will be used to create the NAESB Certification Program for Third Party Data Privacy Practices. The certification program will be supported by three items– the process document, which outlines the requirements for certification; REQ.22 Model Business Practices; and the Specification for Data Privacy Governing Third Party Access. The RXQ Data Privacy Task Force, chaired by Christine Wright of the Public Utility Commission of Texas, was assigned the task of investigating the necessity for a specification and, if one is needed, to develop a recommendation. That recommendation on the specification was completed during the June 25, 2014 task force meeting and revised and adopted by the Executive Committee on August 20, 2014.

REGULATORY AND BOARD OF DIRECTORS ACTIVITIES: Mr. Booe, Vice President of NAESB, provided the regulatory update. The next Board of Directors meeting will be held in Houston, Texas on September 11, 2014. The Board Strategic Plan Task Force met on August 28, 2014 to review the Draft Board Strategic Plan Task Force Report to be submitted to the Board for consideration on September 11, 2014. The report contains four proposed recommendations to the Board– the adoption of a NAESB Strategic Plan for 2015-217; the creation of the NAESB Board Strategic Plan Committee; the adoption of a NAESB Communication Strategy; and the adoption of three recommendations regarding standards development and segment structure. Those three recommendations are that the Board of Directors: 1.) approve that NAESB will consider standards development in the existing nine areas identified in the survey; 2.) approve that the organization will not pursue standards development in twelve potential areas identified in the survey; and 3.) take no action regarding modifications to the current quadrant and segment structure. The Board Revenue Committee also met on August 28, 2014 to review the generation of revenue for the organization and discuss membership and publication cycles. Additionally, the Parliamentary Committee met on August 28, 2014 to extend the Sunset Provision of the NAESB Certificate of Incorporation to December 31, 2024. The committee also approved the merger of the two retail quadrants, which will be proposed at the December Board meeting. The Parliamentary Committee agreed to move forward with modifications to the NAESB Operating Practices and Bylaws in order to provide language for the removal of Board members in cases of misfeasance and/or malfeasance.

NEXT CONFERENCE CALL: The next Monthly Update conference call is scheduled for October 8, 2014 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the Monthly 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 Monthly Update Conference Call, Participant List | |
|---|--|
| August 28, 2014 1:00 PM Central | |
| Name | Organization |
| Travis Allen | Enbridge (U.S.) Inc. |
| Johanna Bell | Idaho Public Utilities Commission |
| Rebecca Berdahl | Bonneville Power Administration |
| Tom Bissette | Massachusetts Department of Public Utilities |
| Jonathan Booe | North American Energy Standards Board |
| Chris Brown | Western Area Power Administration |
| Pete Connor | American Gas Association |
| Chuck Cook | Chevron Natural Gas |
| David Crabtree | TECO/Peoples Gas System |
| Valerie Crockett | Tennessee Valley Authority |
| Becky Davis | PPL EnergyPlus, LLC |
| Michael Desselle | Southwest Power Pool |
| Jeremy Faulkner | BP Pipelines (North America) Inc. |
| Chuck Feagans | Tennessee Valley Authority |
| Marilyn Franz | NV Energy Inc |
| Cecile Frazier | Massachusetts Department of Public Utilities |
| Chris Gowder | Florida Municipal Power Agency |
| Bob Harshbarger | Puget Sound Energy |
| Sherry Hill | TransCanada Pipelines |
| Linda Horn | We Energies |
| Jesse Hurley | Shift Systems |
| Kim Johnson | North Carolina |
| Dan Jones | Duke Energy Corporation |
| Andrew Kennedy | TECO/Peoples Gas System |
| Frank Koza | PJM Interconnection |
| Elizabeth Mallett | North American Energy Standards Board |
| James Manning | North Carolina Electric Membership Corporation |
| Steve McCord | Columbia Gas Transmission Corporation |



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August 28, 2014 1:00 PM Central

| Name | Organization |
|------------------|--|
| Rae McQuade | North American Energy Standards Board |
| Brittany Millard | Municipal Energy Agency of Nebraska |
| Mike Novak | National Fuel Gas Distribution Corporation |
| Keith Pierce | Federal Energy Regulatory Commission |
| Joshua Phillips | Southwest Power Pool |
| Alan Pritchard | Duke Energy Corporation |
| Deepak Raval | NiSource Inc. |
| Judy Ray | Alabama Municipal Electric Authority |
| Narinder Saini | Entergy Services |
| Susan Schumann | Florida Municipal Power Agency |
| Ed Skiba | MISO |
| Dave Taylor | North American Electric Reliability Corporation |
| Kathy Thornton | Enbridge (U.S.) Inc. |
| Leonard Tillman | Southern Company Services, Inc. |
| Chris Villarreal | California Public Utilities Commission |
| Sam Watson | National Association of Regulatory Utility Commissioners |
| Deborah Waugh | Williams |
| JT Wood | Southern Company Services, Inc. |