



# North American Energy Standards Board

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September 2, 2009

## NAESB AT A GLANCE: MONTHLY UPDATE

**UPDATE ON NETWORK INTEGRATION TRANSMISSION SERVICE (NITS):** Mr. Wood of Southern Company provided a review of the NAESB progress on NITS. This has been an ongoing project for the OASIS subcommittee, which has concurrently addressed rollover rights. Currently, the subcommittee has been reviewing NITS concepts with a deadline for the finished product at the end of the year. The OASIS system is enmeshed with firm point-to-point transmission service; however, there is not a standardized system for network integration transmission service. As directed by the Commission in FERC Order Nos. 890, 890-A and 890-B, the OASIS subcommittee is developing NAESB business practice standards to include OASIS functionality related to network integration transmission service. The [OASIS progress report](#) shows the work that the subcommittee has accomplished.

### UPDATE ON DSM-EE EFFORTS:

**Retail Demand Response:** Mr. Allen provided a review of the Retail Demand Response activities. The retail work group finalized their first draft of model business practices. Those model business practices were sent out for an informal comment period and the work group revised the recommendation based on the comments received. The model business practices were submitted to the DSM-EE subcommittee at the July 29 meeting and were approved unanimously with minor changes. The [recommendation](#) went out for a 30 day formal comment period, with comments due on August 28. Eight sets of comments were received from six different entities. The Retail Electric Executive Committee will hold a single topic review session to review the comments. This will be an opportunity for EC members and interested parties to question the subject matter experts on the recommendation. Then, the Retail Electric EC will hold a conference call to vote on the recommendation. At that time, the EC can take one of several actions, 1) it can make changes to the recommendation and vote on the revised recommendation; 2) it can vote to send the recommendation back to the work group for further action; 3) it can approve the recommendation as drafted; or 4) it can reject the recommendation. To pass a vote of the Retail Electric Executive Committee, the recommendation must pass a super majority vote (67% total approval and 40% approval from each fully populated segment). Once the standards are approved and ratified they will be sent to NARUC to be provided to any interested state commission. Following the approval of the recommendation the retail work group will conduct a phase II effort comparable to the wholesale standards.

**Energy Efficiency, Cap and Trade, and Renewable Portfolios Scoping Activities:** Mr. Winkler, co-chair of the scoping task force, provided the update. The scoping task force is currently undergoing a series of scoping activities. The group has completed its changes relative to scoping 2009 WEQ Annual Plan items [4\(f\)](#), [\(g\)](#), and [\(h\)](#) and will be presenting its recommendation to the WEQ EC. During the meetings of the scoping task force the group came to an agreement on how to best go forward with these annual plan items and that recommendation was posted for comment on July 22 with comments due August 3. Two sets of comments were received and discussed by the task force on August 6. The task force agreed unanimously on the work plan items to be forwarded to the EC for consideration. The recommendation was on annual plan item 4(f): the measurement and verification of energy reductions related to renewable portfolio standard and/or energy efficiency standards. The task force agreed that annual plan item 4(g) would be satisfied with the work product created in 4(f), so the two items were combined. The final annual plan item is as follows: Develop business practice standards used to measure and verify reductions in energy and demand from energy efficiency in wholesale and retail markets. This includes developing business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Annual plan item 4(g) relates to cap and trade issues that are currently being discussed in federal legislation. The task force agreed it would be premature to attempt to develop these business practice standards and this item was moved to the provisional category on the annual plan.

**UPDATE ON WHOLESALE GAS QUADRANT PUBLICATION:** Mr. Buccigross and Ms. McQuade provided the update. The [version 1.9 publication](#) will represent the tenth version of the WGQ standards that GISB, and now NAESB, has published. This version contains the largest number of changes from a previous version that the WGQ has ever published, and includes standards of conduct, index based releases, and at least four FERC orders.. It has



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been three years since version 1.8 was published. The NAESB office will publish version 1.9 and file it with FERC on September 30, 2009.

**UPDATE ON RETAIL QUADRANT RESTRUCTURING:** Ms. McQuade and Mr. Booe provided the update. The redlined procedures for the [retail electric](#) and [retail gas](#) quadrants were indorsed by the members of the Retail Electric and Gas Quadrants. To encourage the participation of state regulators and consumer advocates the “end users and public agencies” segment was created. The three new segments are, “utilities” comprised of utilities and co-ops, companies that are directly regulated; “supplier/services” contains competitive energy suppliers; and “end users/public agencies.”

**UPDATE ON SMART GRID ACTIVITIES:** Ms. McQuade and Mr. Booe provided the update. A [letter](#) was provided to membership and leadership to explain the process utilized by NIST to develop these standards. At the August 3 and 4 NIST meetings NAESB was identified as an integral standards development organization that must be involved in the smart grid standards development process in the following specific areas: 1) the development of common pricing model and scheduling mechanism; and 2) the development of demand response and distributed energy resource signal semantics, with a potential area noted for 3) cyber security aspects of the smart grid interoperability framework. The NAESB Board of Directors created a steering committee to help provide direction to the NAESB Smart Grid standards task force. The work paper contains a list of action plans. NAESB is working with other development groups to ensure that as the standards are developed by other groups, they support the robust commercial operations of the market and comply with NERC to ensure reliability of the power grid.

**UPDATE ON NAESB 2010 ANNUAL PLAN DEVELOPMENT:** Ms. McQuade provided the update. The September 24 Board meeting will include a strategic session to kick off development of the 2010 annual plans. Several items from the 2009 [WEQ](#) and [Retail](#) Annual Plans will carry over to the 2010 plan. Most of the items on the 2009 [WGO Annual Plan](#) will conclude by the end of this year. Ms. McQuade encouraged participants to provide comments on potential annual plan items.

NAESB Monthly Update Conference Call, Participant List	
September 2, 2009 1:00 PM Central	
Name	Organization
Cory Galik Cummings	NAESB
Jonathan Booe	NAESB
Rae McQuade	NAESB
Ed Skiba	Midwest ISO
Marcie Otondo	Arizona Public Service Company
Jim Buccigross	8760 Inc.
Phil Precht	Constellation
Philip Bedingfield	Georgia Public Service Commission
Annunciata Marino	PA Public Utility Commission
Ed Davis	Entergy Services
Bob Harshbarger	Puget Sound Energy
JT Wood	Southern Company
Lee Pedowicz	NPCC



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<b>September 2, 2009 1:00 PM Central</b>	
<b>Name</b>	<b>Organization</b>
Marilyn Franz	NV Energy, Inc.
Deanna Kirn	Dominion Resources
Lisa Stewart	Public Utilities Commission of Ohio
Linda Horn	Wisconsin Electric Power
Rhonda Denton	BP Energy Company
Dave Eichenlaub	VA State Corporation Commission
Marv Rosenberg	
Alan Johnson	NRG Energy
Laura Indrasena	ConEdison
Rae Davis	Carolina Gas Transmission Corporation
Jennella Battles	NV Energy
Neal Allen	Southern Company
Ray Phillips	Alabama Municipal Electric Authority
Bill Heinrich	New York State Department of Public Service
Manisha Aggarwal	Portland Natural Gas Transmission System
Patrick Brown	PJM
Wendell Miyaji	Comverge
Chuck Cook	Chevron
Wayne Lewis	Progress Energy
Kim Van Pelt	Panhandle Eastern Pipe Line
Rick Lentz	SunGard
Michele Greening	PPL Energy Plus
Joel Cordero	LADWP
Judy Ray	Alabama Power
Eric Winkler	ISO New England
Mark Rogers	SPP
Jimmy Womack	SPP
Paul Centolella	Ohio Public Utilities Commission