



North American Energy Standards Board

801 Travis, Suite 1675, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

October 7, 2015

NAESB MONTHLY UPDATE CONFERENCE CALL

WGQ & WEQ: UPDATE ON GAS-ELECTRIC HARMONIZATION ACTIVITIES: Ms. Crockett, Chair of the WGQ Quadrant, delivered the gas-electric harmonization update. On September 17, 2015, the Federal Energy Regulatory Commission (FERC or the Commission) issued an Order on Rehearing¹ for FERC Order No. 809². Of interest to NAESB, the Commission asked that NAESB consider developing standards related to faster, computerized scheduling when shippers and confirming parties submit electronic nominations and confirmations, including a streamlined process, if necessary. If developed, the standards will seek to streamline the process for better coordination within the industry. Ms. Crockett sent correspondence to NAESB members, the Advisory Council, and the GEH participants detailing Paragraph 1 of the Order which requests that the standards or a report on the development of such standards be filed with the Commission by October 17, 2016. Mr. Booe stated that the Board of Directors has been consulted via email on potential steps. Based on the recommendation from the board, a board meeting or conference call may be called.

WEQ: UPDATE ON NAESB/NERC/IDC COORDINATION: Ms. York, the Chair of the WEQ Executive Committee, delivered the update on coordination with external organizations. NERC and NAESB have held monthly conference calls to consider any potential issues surrounding Parallel Flow Visualization (PFV), cybersecurity related to the NERC Reliability Standards for Critical Infrastructure Protection (CIP) Version 5, and the NAESB Electric Industry Registry (EIR). A recent white paper³ developed within NERC proposes the retirement of the NERC Time Error Correction Standards. Those NERC standards are tied to the NAESB WEQ 006 – Manual Time Error Correction standards and, therefore, coordination between NAESB and NERC will be necessary if the retirement of the NERC standards is approved by the NERC Board of Trustees. Another topic of interest in the coordination calls is the NERC Functional Model which has recently been modified to retire the Load Serving Entity (LSE) function from the NERC Compliance Registry. Deleting the function resulted in the retirement of several NERC requirements, some of which impact NAESB standards. Ms. York and Mr. Harshbarger, the Chair and Vice-Chair of the WEQ Executive Committee, submitted Standards Request R15004⁴ to modify WEQ-004 Coordinate Interchange Business Practice Standards to support the PFV project after the retirement. The recommendation for R15004 was ratified on September 18, 2015. NERC is also considering the retirement of the Purchasing-Selling Entity (PSE) functional category from the NERC Compliance Registry. As the PSE is needed in the NAESB Business Practice Standards to support congestion management and PFV, Ms. York and Mr. Harshbarger may submit a NAESB Standards Request for this project in the near future. In other news, coordination between NAESB and the IDC Association regarding the PFV project is ongoing. The IDC is currently in the planning stages and examining reliability metrics for testing.

WEQ: CONTRACT PATH TASK FORCE UPDATE: Ms. York delivered the update on the Contract Path Task Force. The recommendation for the MOD project, the transfer of certain standards from NERC to NAESB, has been approved by the WEQ Executive Committee along with the creation of the Contract Path Task Force. The task force will consider controversial language regarding contract paths and provide a report to the WEQ Executive Committee. The task force held its kick off conference call on September 18, 2015, the same day that the MOD standards were ratified by the NAESB membership.

¹ The September 17, 2015 FERC Order on Rehearing is available at the following link:

https://www.naesb.org/pdf4/ferc091715_order809_order_on_rehearing.docx.

² FERC Order No. 809 is available at the following link: https://www.naesb.org/pdf4/ferc041615_order809_geh_final_rule.pdf.

³ The NERC, *Time Error Correction and Reliability White Paper*, is available at the following link:

http://www.nerc.com/pa/Stand/Project%2020101422%20Phase%202%20of%20BARC%2020BAL004%20DL/BAL-004-0_White_Paper_Clean_09242015.pdf.

⁴ NAESB Standards Request R15004 may be accessed at the following link: <https://www.naesb.org/pdf4/r15004.docx>. The recommendation for R15004, as ratified by NAESB membership on September 18, 2015 may be accessed at the following link:

https://www.naesb.org/member_login_check.asp?doc=weq_rat082015_r15004_rec_redline.docx.



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WEQ: UPDATE ON WEQ EXECUTIVE COMMITTEE TASK FORCE ON CONDITIONAL REDIRECTS: Mr. Harshbarger, Vice-Chair of the WEQ Executive Committee, delivered the update. He stated that during the April WEQ Executive Committee meeting, the recommendation for 2015 WEQ Annual Plan Item 7.b was considered. The proposed recommendation, developed in response to FERC Order No. 676-H, only addressed redirects on a firm basis from unconditional parent reservations, as the subcommittee could not reach a consensus on the treatment of conditional redirects. The WEQ Executive Committee created a task force to address conditional redirects and will receive feedback and further address the issue during the October WEQ Executive Committee meeting. Mr. Booe thanked Ms. York and Mr. Harshbarger for leading the task force.

WEQ: OASIS SUBCOMMITTEE UPDATE: Mr. Wood, Co-Chair of the WEQ OASIS Subcommittee, delivered the update. The OASIS Subcommittee is currently developing a recommendation for long term preemption and competition as part of 2015 WEQ Annual Plan Item 5.c and 2.a.i. While wrapping up the modifications to WEQ 001, the group is turning to the consideration of technical structures and implementation guides. The subcommittee anticipates that the draft recommendation will be sent out for formal comments in November. Upon completion of the long term preemption and competition recommendation, the subcommittee will move on to address aspects of short term preemption and competition and consolidations. Mr. Booe thanked Mr. Wood for the update and stated that the WEQ Executive Committee will be pleased to review the draft recommendation for long term preemption and competition this year.

WEQ & RMQ: CYBERSECURITY ACTIVITIES: Ms. Trum, NAESB Deputy Director, delivered the update on cybersecurity activities. The Cybersecurity Subcommittee (CSS) will meet on October 14, 2015 to review recommendations for 2015 Annual Plan Item 4.a.i (Review annually at a minimum, the accreditation requirements for Authorized Certification Authorities (ACAs) to determine if any changes are needed to meet market conditions) and 4.c (Evaluate and modify standards as needed to support and/or complement the current version of the NERC Critical Infrastructure Protection Standards⁵ and any other activities of the FERC related to cybersecurity). Earlier this year, the subcommittee conducted a review of both annual plan items and determined that no action was necessary, but scheduled an additional review to reevaluate market conditions later in the year. Additionally, the Board Certification Program Committee is currently considering modifications to the NAESB Accredited Certification Authorities Process document that would allow for NAESB ACAs to issue certificates to entities for non-WEQ-012 applications, such as the NAESB Electric Industry Registry and OASIS, without requiring the entity register in the NAESB EIR as a prerequisite to obtaining the certificate. This proposed revision was suggested by the WEQ CSS in response to the National Institute of Standards and Technology (NIST) Cybersecurity Center of Excellence's initiative to develop an identity and reference management reference architecture for energy participants. As part of this effort, NIST is considering endorsing the NAESB ACA Certification Process as a method for energy participants, especially those in the retail markets, to achieve stronger authentication of individuals and systems.

RMQ: OPEN FIELD MESSAGE BUS (OpenFMB) TASK FORCE UPDATE: Ms. Mallett, NAESB Deputy Director, delivered the update on the OpenFMB task force. The OpenFMB task force is working to create model business practices that will drive future smart grid efforts by allowing devices on distributed or the transmission grid to become interoperable. The task force is currently meeting every other week with participation from vendors, utilities, and independent consultants. While drafting the model business practices to support the project, the group is leveraging the SGIP community to develop use cases or requirements, mainly in the area of microgrids. Several live demonstrations are scheduled, including the SGIP Annual Conference, an EPRI meeting, and the 2016 Distributech convention.

RMQ: RETAIL NET METERING: Mr. Jones, Co-Chair of the Retail Business Practices Subcommittee, delivered the update on the NAESB Model Business Practices addressing Retail Net Metering. The subcommittee definition of "Retail Net Metering" reflects its limitations to metering data in competitive markets where net metering is available. The entire standards development effort will modify four retail books: Book 3 – Billing and

⁵ The NERC CIP Standards webpage is available at the following link: <http://www.nerc.com/pa/Stand/Pages/CIPStandards.aspx>.



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Payments in Competitive Energy Markets Model Business Practices, Book 8 – Retail Customer Information Model Business Practices, Book 10 – Retail Customer Enrollment, Drop, and Account Information Change Model Business Practices, and Book 11 – Retail Customer Enrollment, Drop, and Account Information Change Using a Registration Agent Model Business Practices. The NAESB membership ratified the recommendations modifying Books 3 and 8 and the formal industry comment period for Book 10 has just concluded. The subcommittee is currently developing a recommendation for Book 11. The revised retail books will be included in the Version 3.1 retail publication. Mr. Booe thanked Mr. Jones and Mr. Precht for their work in chairing the subcommittee.

BOARD OF DIRECTORS AND REGULATORY UPDATES: Mr. Booe, Executive Vice-President and Chief Administrative Officer of NAESB, provided the regulatory update. The September 3, 2015 Board of Directors meeting also served as the annual meeting of members and strategic planning session. A panel of industry leaders, led by Sheila Hollis, and including Timothy Alan Simon, Annabelle Lee, Wayne Gardner, Rick Smead, Christine Tezak, Lorraine Cross, Marc Spitzer, Michelle Foss and Terry Thorn, provided their insights and made recommendations that NAESB may want to consider as it works to meet industry priorities through standards development. The discussion focused on a variety of topics, including the Clean Power Plan and the nation's increased reliance on renewable energy. The recommendations will be considered by the Annual Plan Subcommittee as it drafts the NAESB 2016 Annual Plans. During the board meeting, a process for the removal of directors in cases of misfeasance, malfeasance, or nonfeasance was approved. The Revenue Committee, Board Strategic Ad Hoc Planning Task Force, and the Parliamentary Committee have scheduled meetings for November 7, 2015 and will prepare any recommendations needed for the December board meeting. The Parliamentary Committee will address the use of the term “majority” as it appears in the NAESB governance documents and whether the intent of the board is to act as individual quadrants or as a board as a whole. The Revenue Committee will discuss the publication schedule and review the revenue report during the November meeting. The next Board of Directors meeting will take place on December 10, 2015.

NEXT CONFERENCE CALL: The next Monthly Update conference call is scheduled for December 2, 2015 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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October 7, 2015 1:00 PM Central	
Name	Organization
Travis Allen	Enbridge (U.S.) Inc.
Kathy Anderson	Idaho Power Company
Rick Avila	Kinder Morgan Inc
David Barrett	IESO
Amanda Bass	TransCanada Pipelines
Jonathan Booe	North American Energy Standards Board
Chuck Cook	Chevron Natural Gas
Valerie Crockett	Tennessee Valley Authority
Jim Cyrulewski	JDRJC Associates LLC, representing MISO
Daniel Elguin	El Paso Electric
Douglas Field	Southern Star Central Gas Pipeline
Keith Flynn	TransCanada US Pipes
Betty Fung	Bonneville Power Administration
Chris Gowder	Florida Municipal Power Agency
Robert Harshbarger	Puget Sound Energy
Cynthia Henry	El Paso Electric
Sherry Hill	TransCanada Pipelines
Rachel Hogge	Dominion Transmission, Inc.
Dan Jones	Duke Energy Corp.
Veronica Jones	Defense Logistics Agency Energy
Barb Kedrowski	We Energies
Gary Kravis	Links Technology Solutions, Inc.
Elizabeth Mallett	North American Energy Standards Board
Jennifer Matthews	Southern Star Central Gas Pipeline
Stacey McPherson	Public Service Company of New Mexico
Brittany Millard	Municipal Energy Agency of Nebraska
Sherri Monteith	American Electric Power Service Corp.
Emily Perryman	Quorum Business Solutions



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Name	Organization
Phil Precht	Baltimore Gas and Electric Co.
Judy Ray	Alabama Power Company
Karen Rogers	Nisource
Narinder Saini	Entergy Services
Ed Skiba	MISO
Kathy Thornton	Enbridge (U.S.) Inc
Michael Tita	Federal Energy Regulatory Commission
Roy True	ACES
Caroline Trum	North American Energy Standards Board
Deborah Waugh	Williams
Douglas Webb	Kansas City Power & Light Company
Jennifer Weber	Tennessee Valley Authority
Stan Wolf	Federal Energy Regulatory Commission
JT Wood	Southern Company Services, Inc.
Kathy York	Tennessee Valley Authority
Randy Young	Boardwalk Pipeline Partners