



# North American Energy Standards Board

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December 6, 2018

## NAESB UPDATE CONFERENCE CALL

**WEQ UPDATE ON THE OASIS SUBCOMMITTEE ACTIVITIES:** Mr. Wood, Co-Chair of the NAESB WEQ OASIS Subcommittee provided the update. The subcommittee continues to meet jointly with the WEQ Business Practices Subcommittee (BPS) to develop business practices to support posting of additional information regarding firm transmission curtailments onto OASIS nodes. Once the effort is completed, participants will have addressed all directives contained in FERC Order No. 890 regarding industry standards development through NAESB. The subcommittees anticipate completing the effort in the 1<sup>st</sup> Quarter, 2019. Additionally, the WEQ OASIS Subcommittee recently voted out a recommendation proposing new and revised standards to support new OASIS node functionality to enable dynamic notification to transmission customers of certain renewal deadlines. The formal comment period ends on December 28, 2018. Mr. Wood noted that the subcommittee has a number of assignments as part of the proposed 2019 WEQ Annual Plan, including standards to support OASIS use of data from the NAESB Electric Industry Registry (EIR) and modifications to the standards that support Network Integration Transmission Service (NITS) based on industry implementation and operational experiences since their adoption.

**WEQ COORDINATION WITH NERC AND EIDSN:** Mr. Skiba, Vice Chair of the WEQ Executive Committee, provided the update. NAESB and NERC staffs continue to engage in coordination on various activities, including through monthly staff calls to discuss activities of the organizations impacting reliability and commercial considerations for the wholesale electric industry. Current topics include NERC's Standards Efficiency Review, which could result in NERC requests for NAESB to consider if certain requirements proposed for retirement from the NERC Reliability Standards have commercial impact and should be included in the WEQ Business Practice Standards. Additionally, NAESB staff has been coordinating with both NERC staff and EIDSN, Inc. leadership regarding the Parallel Flow Visualization (PFV) enhanced congestion management process. On November 1, 2018, NAESB filed a status report, drafted with the support of NERC and EIDSN, Inc., with the Commission. The report included information provided by EIDSN, Inc. regarding the PFV field trial as well as the continued coordination efforts of the organizations. The EIDSN, Inc. report, provided to NAESB in September, contained a preliminary analysis on data generated as part of the PFV field trial. Per this preliminary analysis, the PFV enhanced congestion management process appears to produce more accurate curtailment assignments and to be an improvement over the current congestion management procedures of the Eastern Interconnection. EIDSN, Inc. has committed to providing a second report on the commercial and reliability metrics following the conclusion of the field trial, scheduled for March 2019.

**WEQ ELECTRIC INDUSTRY REGISTRY:** Ms. Trum, NAESB Deputy Director, provided the update. In October, modifications were implemented to the NAESB Electric Industry Registry (EIR) to more accurately reflect the roles of NAESB and the system administrator regarding ownership and management of the tool. As part of these modifications, updates were made to the registry homepage, login page, and the registry documentation. Earlier this year, two EIR Enhancement Requests were submitted to NAESB. EIR Enhancement Request ER18001 proposed modifications to the subscription renewal process for the registry. EIR Enhancement Request ER18002 proposed modifications to the pseudo-tie registration process to allow users to identify if the pseudo-tie is to serve load or generation. Per the EIR Enhancement Request Process, both requests were reviewed by the WEQ Coordinate Interchange Scheduling Subcommittee (CISS). NAESB staff is working with the system administrator to obtain the additional needed documentation, after which, the requests, WEQ CISS recommendations, and additional documentation will be presented to the NAESB Managing Committee for consideration.

**WEQ/WGQ/RMQ SANDIA NATIONAL LABORATORIES SURETY ASSESSMENT:** Ms. Trum, NAESB Deputy Director, delivered the updated. On December 3, 2018, the Board Critical Infrastructure Committee (CIC) met to review updated drafts of the surety assessment report provided by Sandia National Laboratories. As part of the meeting, committee members suggested that, similar prior surety assessments, recommendations be granular in detail and provide proposed actions for consideration. As noted by the committee, such level of detail will be helpful in identifying any subsequent standards development efforts that should be considered. An additional meeting of the NAESB Board CIC will be scheduled once the final report on the surety assessment is provided by Sandia National Laboratories. For 2019, all quadrants have included items on their annual plans to consider and potentially develop modifications to or new standards as needed based on the review of the surety assessment.



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**WEQ/RMQ/WGQ BLOCKCHAIN STANDARDS DEVELOPMENT EFFORTS:** Ms. Crockett, Chair of the WGQ, delivered the update. Currently, the WGQ BPS, Contracts Subcommittee, and Electronic Delivery Mechanism (EDM) Subcommittee are working jointly to address Standards Request R18007, submitted by TVA, Authority, American Electric Power Service, Adjoint Inc., Big Data Energy Services, Pariveda, and JKM Energy & Environmental Consulting. The request proposes NAESB develop a standard digital representation of natural gas trade events, consistent with the NAESB Base Contract for the Sale and Purchase of Natural Gas (Base Contract), to support industry use of smart contracts and distributed ledger technologies. Two presentations regarding the basics of blockchain were provided as part of the kick-off meeting held on October 24, 2018, one from the requesters and the other by ConocoPhillips, representing the U.S. Oil & Gas Operator Blockchain Forum. During a subsequent meeting held on November 18, 2018, the participants determined that the scope of the effort would include two initial objectives: (1) The conversion of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) into a digital smart contract that can be used with distributed ledger technology, and (2) The application of the digital smart contract and distributed ledger technologies to support efficiencies in the current natural gas settlement process. To address these items the joint subcommittees will review the NAESB Base Contract, the WGQ Invoice-related standard datasets, the WGQ EDM standards, and the supporting documents for the sales settlement and reconciliation process that results from the NAESB Base Contract. Additionally, the proposed 2019 RMQ and WEQ Annual Plans include related standard development efforts in this area. The RMQ item relates to a review of the current manual Renewable Energy Certificate process and potentially develop distributed ledger technology business practices for utility financial and/or sustainability accounting/reporting. If the proposed annual plan item is approved by the board in December, the effort will be jointly assigned to the RMQ and the Wholesale Electric Quadrant (WEQ) Executive Committees, as it may affect both quadrants. The proposed 2019 WEQ Annual Plan also includes an item to potentially develop distributed ledger technology standards for power trade events to streamline the power accounting close cycle, if needed.

**RMQ BOARD RETAIL STRUCTURE REVIEW COMMITTEE:** Mr. Booe, NAESB Executive Vice President and Chief Administrative Officer, delivered the update. The Chair of the NAESB Board of Directors reactivated the Board Retail Structure Review Committee to evaluate recommendations to increase participation and membership within the quadrant. The committee is preparing a report for presentation to the NAESB Board of Directors that includes considerations in a number of areas, such as modifications to the NAESB Intellectual Property Rights Policy Concerning Patents, the value of NAESB hosting links, support of individual state Electronic Data Interchange (EDI) working groups, quadrant structure and membership dues, and support for the NAESB REQ.21 Energy Services Provider Interface Model Business Practices and NAESB RMQ.26 Open Field Message Bus Model Business Practices.

**ACTIVITIES AND BOARD OF DIRECTORS MEETING UPDATE:** Mr. Booe, NAESB Executive Vice President and Chief Administrative Officer, delivered the update. The Parliamentary Committee is continuing its efforts to review the NAESB Governance Documents to make necessary revisions to provide clarity and eliminate any inconsistencies. The Revenue Committee last met on November 15, 2018 as part of its efforts to evaluate the publication cycle, review communication efforts, and discuss membership status and revenue generation. At the upcoming meeting, the NAESB Board of Directors will vote on the 2019-2021 NAESB Strategic Plan developed by the Strategic Plan Task Force as well as the 2019 budget and proposed 2019 Annual Plans. During the meeting, a presentation will be provided regarding the Gas-Electric Interface Study completed this year by the Western Electricity Coordinating Council. Mr. Booe noted FERC Order No. 587-Y, issued by the Commission on November 15, 2018, which incorporated by reference, with certain exceptions, Version 3.0 of the WGQ Business Practice Standards.

**NEXT CONFERENCE CALL:** The next NAESB Update Conference Call is scheduled for February 28, 2019 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](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](mailto:naesb@naesb.org).



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## NAESB Update Conference Call Participant List

December 6, 2018 1:00 PM Central

Name	Organization
Jason Adams	TVA
Lisa Bigelow	Sabine Pass Liquefaction, LLC
Jonathan Booe	NAESB
David Coffin	Green Button Alliance
Michelle Coon	OATI
Valerie Crockett	TVA
Jerney Durocher	MCP Operating LLC
Marilyn Franz	NV Energy
Blair Fink	Georgia Public Service Commission Staff
Julie Gerush	SPP
Eric Griffin	Southern Company Services
Barry Haaser	Green Button Alliance
Roy Hiller	Southern Company Services
Linda Horn	Wisconsin Electric Power
Rebecca Johnson	WAPA
Brian Kelly	Power Costs Inc.
Tom Kraft	ONEOK
Debbie Kupczyk	National Fuel Gas Supply Corp
Steve McCord	TransCanada Pipelines Limited
Patrick McGovern	Georgia Transmission Corporation
Sheldon Perry	Green Button Alliance
Joshua Phillips	SPP
Robin Pollara	FIS
Denise Rager	NAESB
Jeremy Roberts	Green Button Alliance
Paul Rossi	Defense Logistics Agency
Keith Sappenfield	Natural Resource Group, LLC
Ed Skiba	MISO
Sarah Tomalty	BP Energy
Wayne Thompson	PacifiCorp
Caroline Trum	NAESB
Kim Van Pelt	Boardwalk Pipeline Partners
Sam Watson	NARUC rep. NCUC



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Stan Wolf	FERC Staff
JT Wood	Southern Company
Joel Yu	Con Edison of New York