



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

via posting

**TO:** NAESB Advisory Council and for Interested Industry Participants  
**FROM:** Laura Kennedy, NAESB Meeting/Project Manager  
**RE:** Draft Minutes from the NAESB Advisory Council Meeting – February 17, 2007  
**DATE:** March 6, 2007

---

**NORTH AMERICAN ENERGY STANDARDS BOARD  
ADVISORY COUNCIL MEETING  
Renaissance Washington Hotel – Washington, DC  
February 17, 2007 – 4:00 PM to 6:00 PM Eastern  
Draft Minutes**

### 1. Welcome

Mr. Ellsworth opened the meeting and welcomed the Advisory Council members and observers. Mr. Boswell read the antitrust guidelines. The attendees introduced themselves.

The meeting materials for this meeting were provided to the attendees and can be found on the NAESB website: [Background Materials](#).

The Advisory Council recognized Mr. Rosenberg for his service to the industry.

### 2. Coordination with Government Agencies

2006 FERC Filings: NAESB made several filings with the FERC in 2006. A list of the filings with descriptions of each filing can be found on pages 21-22 of the Background Materials. A couple of the submittals of note were: An updated filed with the FERC which addressed 4 issues: (1) the comments filed by NERC that asked that three sets of business practices in Version 0 be remanded back to NERC, (2) the TLR process and the plans for ensuring that the business practices and the reliability standards stay closely coordinated, (3) the Inadvertent Interchange Payback report which noted that the Inadvertent Interchange business practices standards for Version 0 remain unchanged, and (4) a joint standards development process for NERC and NAESB (filed under Docket No. RM05-5-000 on February 17, 2006) and on February 24, 2006 NAESB filed the final report of the Gas Electric Interdependency Committee.

Department Of Energy, Sandia National Laboratories: NAESB worked closely with the Department of Energy and Sandia National Laboratories to aid Sandia in its surety assessment of the NAESB standards. A summary of the outcome of each meeting held on this topic can be found in the Background Materials on pages 23-24. On October 23, 2006 the Department of Energy released the [Sandia Surety Assessment Report to NAESB](#) for analysis and response. The annual plans of each NAESB Quadrant have been drafted to include evaluation of the Surety Assessment. NAESB will combine the responses from each Quadrant to submit to the Department of Energy.

### 3. Coordination with Other Standards Organizations and Energy Groups

NARUC: NAESB holds Monthly Update Calls at least every other month to brief state commissioners and commission staff on NAESB activities. Ms. Barney, Ms. Westerfield, and



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

Mr. Pearce work with the NAESB office to create agendas for these calls. These calls also aid in communications with NARUC. Ms. McQuade and NAESB members are often speakers at the NARUC Trimester meetings on NAESB and NAESB activities. Additional information on NAESB coordination with NARUC for 2006 can be found in the Background Materials on pages 24-26.

NERC: NAESB continues to work with NERC to develop complementary business practice standards for the reliability requirements. In 2006, the NAESB Wholesale Electric Quadrant worked closely with NERC to develop NERC standards for Transmission Loading Relief (TLR) and to develop NAESB and NERC standards for Available Transfer Capability (ATC). Now that the NAESB Wholesale Electric Quadrant has added an Independent Grid Operator/Planner Segment, it is the expectation that the NERC/NAESB/IRC Joint Interface Committee will be dissolved in the near future.

Trade Associations: NAESB meets with several industry organizations on an informal basis throughout the year to review annual plans and discuss development efforts underway at NAESB that are relevant to their constituencies.

#### **4. Update on Quadrant Activities**

WEQ 2006 Highlights and Review of 2007 Annual Plan: The WEQ 2006 Annual Plan that highlights the items the WEQ completed in 2006 can be found on pages 95-100 of the Background Materials. The WEQ completed several enhancements to OASIS and made amendments to the Version 0 standards in 2006.

In 2007, the WEQ plans to focus efforts on the development of business practice standards in support of OATT Reform as set forth in the FERC NOPR issued in Docket Nos. RM05-25-000 and RM05-17-000 as well as continue to develop standards complementary to the NERC reliability requirements. The WEQ 2007 Annual Plan can be found on pages 111-117 of the Background Materials.

RGQ and REQ 2006 Highlights and Review of Joint 2007 Annual Plan: The Joint Retail 2006 Annual Plan that highlights the items the NAESB Retail Quadrants completed in 2006 can be found on pages 101-105 of the Background Materials. The Retail Quadrants continue to work on the items on the Annual Plan to address customer choice business processes.

In 2007, the Retail Quadrants plan to continue the development of model business practices for customer choice states as well as take on new activities including develop needed model business practices for Demand Side Management, Energy Efficiency, and Gas Design Day. The Joint Retail 2007 Annual Plan can be found on pages 118-128 of the Background Materials.

WGQ 2006 Highlights and Review of 2007 Annual Plan: The WGQ 2006 Annual Plan that highlights the items the WGQ completed in 2006 can be found on pages 106-109 of the Background Materials. Accomplishments of note by the WGQ in 2006 include the update to the NAESB Base Contract for the Purchase and Sale of Natural Gas, standards for a uniform process for reporting the underlying assumptions and methodologies for determining gas quality specifications from measured data. The WGQ completed Version 1.8 of its standards that is scheduled to be filed with the FERC in the next few weeks.

The WGQ 2007 Annual Plan was included on pages 129-132 of the Background Materials. In 2007, the WGQ plans to develop an updated Canadian Addendum based on the revisions to the NAESB Base Contract for the Purchase and Sale of Natural Gas, develop FAQs for the updated Base Contract, and develop additional standards for gas quality.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

### 5. Discussion on Specific Activities

Gas-Electric Interdependency: The WGQ plans to review whether or not the industry would support adding an intraday nomination period or timeline to support firm transportation holders being able to nominate gas after the requirements for the electric market are known. This effort is in response to the directives of [FERC Docket Nos. RM05-5-001 and RM96-1-027](#) as related to the NAESB Gas Electric Interdependency report submitted in Docket No. RM05-28-000. This effort is covered under WGQ 2007 Annual Plan Item 7.

Seams Issues: In 2004, NAESB submitted a matrix of Seams issues identified by the industry to the FERC. The matrix included a designation of whether the issue was ripe for business practice development, reliability standard development, or for the ISOs and RTOs to address. During the November 2006 WEQ Executive Committee meeting there was a request to re-open the Seams Subcommittee to review the Seams Matrix to determine if there are items that need to be addressed by NAESB. The Seams Subcommittee met once in January and once in February. The subcommittee is currently working to determine whether there are any business practice standards requests that need to be developed for submission to NAESB.

e-Tariff Efforts: FERC staff contacted NAESB in December 2006 regarding organizing an effort to develop standards for filing electronic tariffs with the FERC. NAESB's WEQ and WGQ are working with the Association of Oil Pipelines to develop standards to aid in the submittal of tariffs via electronic process to the FERC. Mr. Sappenfield has volunteered to chair the effort on behalf of the WGQ and NAESB is seeking a volunteer to chair the effort on behalf of the WEQ.

Demand Side Management and Energy Efficiency: Page 124 of the Background Materials includes the text of the request from Advanced Energy to develop a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand derived from the implementation of demand side management and energy efficiency programs. NAESB is coordinating plans for the first meeting with the Department of Energy.

### 6. Resources

As of January 31, NAESB has 320 members, with 141 in the WEQ, 127 in the WGQ, 26 in the REQ, and 25 in the RGQ. The full membership report can be found on pages 144-157 of the Background Materials. There has been a net gain of four members since the end of 2006.

### 7. WEQ Structure – Status of Segment for Independent Grid Operators/Planners

On November 28, 2006 the WEQ Procedures Drafting Collaborative reached a consensus on proposed amendments to the WEQ Quadrant Procedures to include a sixth segment: the Independent Grid Operator/Planner Segment. A notational ballot was distributed to the members of the WEQ Board on November 29, 2006 with ballots due on December 28, 2006. The WEQ Board adopted the proposed provisions as there were sufficient votes to garner the required seventy-five percent (75%) of the entire Board and at least forty percent (40%) of each segment. On January 2, 2007, notational ballots were distributed to the WEQ membership to ratify the amendments to the WEQ Procedures. Ballots were due on February 2 and garnered the needed votes to pass. The revised WEQ Quadrant Procedures require that the new segment define sub-segments within 9 months of the group becoming operative. The relevant material for this item, including the redlined WEQ Quadrant Procedures can be found on pages 159-174 of the Background Material.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

### 8. New Business

Mr. DeBoissiere nominated Mr. Ellsworth to serve as the chair of the Advisory Council for 2007-2008. Commissioner Keeting seconded the motion. The motion passed unanimously.

### 9. Adjourn

The meeting adjourned at 5:47 PM Eastern by consensus.

### 10. Attendance

#### Advisory Council Members in Attendance

1	Bruce Ellsworth, Chair	New York State Reliability Council
2	Vicky Bailey	BHMM Energy Services, LLC
3	Diane Barney	New York State Department of Public Service
4	Alex DeBoissiere	Midwest ISO
5	Christopher Freitas	Department of Energy
6	Robert Gee	The Gee Strategies Group
7	Bob Gray	Arizona Corporation Commission
8	Charles Gray	NARUC
9	W. Robert Keating	Massachusetts Department of Public Utilities
10	Thom Pearce	Ohio Public Utilities Commission
11	Marvin Rosenberg	
12	Bob Rowe	Balhoff & Rowe, LLC

#### Observers in Attendance

13	Mark Bennett	EPSA
14	Bill Boswell	NAESB
15	Bill Bourbonnais	Wisconsin Public Service Resources
16	Dave Cook	NERC
17	Valerie Crockett	Tennessee Valley Authority
18	Leonard Haynes	Southern Company
19	Laura Kennedy	NAESB
20	Ruth Kiselewich	Baltimore Gas and Electric
21	Melissa Lauderdale	Edison Electric Institute
22	Bill Lohrman	NERC
23	Rae McQuade	NAESB
24	Joelle Ogg	Brunenkant & Cross, LLP
25	Ed Overtree	NAESB
26	Pat Schaub	Federal Energy Regulatory Commission
27	Jamie Simler	Federal Energy Regulatory Commission
28	Commissioner Marc Spitzer	Federal Energy Regulatory Commission



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)

Home Page: [www.naesb.org](http://www.naesb.org)

---

29 Kathy York

Tennessee Valley Authority