

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

January 25, 2012

#### NAESB AT A GLANCE: MONTHLY UPDATE

**UPDATE ON DSM-EE EFFORTS:** Mr. Precht provided the update for the Retail efforts.

<u>Retail Energy Efficiency</u>: The <u>draft model business practices</u> were sent out for an informal comment period in December. On December 21, the work group met to review the comments received. There is still debate as to whether the scope should be limited to measurement and verification, or expanded to also include evaluation. Mr. Precht developed a compromise proposal that will be reviewed January 26, 2012 in an attempt to end the stalemate.

<u>Retail Demand Response</u>: The retail demand response work group voted out the <u>recommendation</u> in early January. Rather than focus on direct enrollment in demand response programs, the model business practices focus on third party demand response service providers enrolling customers in a program. The recommendation will next be reviewed by the full DSM-EE subcommittee, prior to a Retail Electric Quadrant Executive Committee vote.

**UPDATE ON SMART GRID ACTIVITIES:** Mr. Booe, NAESB counsel, provided an update on the ongoing Smart Grid activities. The Green Button Initiative, created by the Office of Science and Technology Policy (OSTP), is a challenge issued by Aneesh Chopra to utilities across the country to provide downloadable consumer energy usage information to customers in a common format. In response to the challenge, the major utilities in California (Southern Call Edison, PG&E, and San Diego Gas & Electric) are in the process of developing a "green button" application for their customers based upon the NAESB Energy Service Providers Interface <u>standards</u> with the support of the Office Science and Technology and the DoE. It is anticipated that other utilities and application developers throughout the country will also develop green button applications based on NAESB's standard, given the success of the utilities in California. After discussions with Aneesh Chopra and his office, NAESB has decided to create a website dedicated to the standard, which provides information, instructions on obtaining the standard and a "tool kit" that can be used by individuals and companies that would like to develop products and applications that can interact with the Green Button. The website went live this week and a press release will be issued later this afternoon.

**UPDATE ON PARALLEL FLOW VISUALIZATION (PFV):** Mr. Skiba, co-chair of the WEQ BPS subcommittee, provided the update. The WEQ BPS continues to address the PFV permanent solution, which is outlined in the <u>PFV work paper</u>. This document is the foundation for the revisions to WEQ-008, transmission loading relief standards. The subcommittee anticipates completion of the recommendation by the end of the second quarter, 2012. Once this is complete, a 12 to 18 month field test will be performed by NERC. During this time, additional modifications could be made to WEQ-008, WEQ-001 and WEQ-004. The WEQ BPS is coordinated with the NERC subcommittees on any activities that require tight coordination.

**UPDATE ON THE WEQ OASIS EFFORTS:** JT Wood, co-chair of the OASIS subcommittee, provided the update. The recommendation for Network Integrated Transmission Service (NITS) is currently out for formal comment, ending February 27. An <u>industry review</u> of NITS was held yesterday to help prepare interested parties in preparing their comments. Once the recommendation has been approved and ratified, it will be included in the FERC filing for WEQ Version 3.0.

**UPDATE ON THE ELECTRIC INDUSTRY REGISTRY:** Mr. Anderson, OATI counsel, provided the update. Acceptance testing for the new Registry occurred last week. A group of technical experts tested the system and developed reports on the enhancements they would like to be made. NAESB and OATI are in the process of publicizing the upcoming industry infosessions and training sessions.



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**UPDATE ON PKI/CERTIFICATION:** Mr. Buccigross, chair of the PKI subcommittee, provided the update. The <u>PKI subcommittee</u> is in the process of revising the WEQ-012 standards and accreditation requirements for Authorized Certificate Authorities (ACAs). The subcommittee is currently focused on the ACA accreditation requirements document. This work may affect the document created by the certification committee.

**UPDATE ON COMMON CODES:** Mr. Buccigross provided the update. The WGQ BPS completed its work on <u>Common Codes</u> and voted it out of the subcommittee. Following a formal comment period, the recommendation was approved by the WGQ EC with the understanding that ratification would not occur until the technical work was completed. The joint Information Requirements and Technical subcommittees are currently addressing the technical aspects of Common Codes. They anticipate completion of this work in the first quarter of 2012.

**UPDATE ON DODD-FRANK:** Mr. Sappenfield provided the <u>update</u>. The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by the President on July 21, 2010. In December 2011, the Commodity Futures Trading Commission (CFTC) issued an order amending the previously-issued "Temporary Exemptive Relief" from certain provisions of the Act that would have otherwise taken effect on July 16, 2011. The temporary exemptive relief will expire upon the effective date of the relevant final rules or July 16, 2012, whichever is earlier. Generally, it is believed that the rules, as currently proposed by the CFTC, appear to be manageable by end-users, but would impose an additional administrative and cost burden associated with establishing and maintaining an end-user's eligibility to use the end-user exception from the mandatory clearing requirement. There remains concern that the rules may reduce both the availability of various swap instruments, and counterparty liquidity, thereby restricting and end-user's ability to execute swap transactions with counterparties.

On January 20, 2012, the DC Court of Appeals found that the appeal by the International Swap Dealers Association (ISDA) and Securities Industry and Financial Markets Association (SIFMA) should be heard at the DC District Court. ISDA and SIFMA previously filed an appeal at the DC District Court contending the decision making process in developing the rule was flawed and the CFTC adopted the rule without making findings as to the necessary and appropriateness of the position limits, required by the Act. In regulatory terms, the rule is "arbitrary and capricious". The appeal is now before the DC District Court.

**UPDATE ON FERC ORDER NO. 1000:** The WEQ EC task force developed an analysis of FERC Order No. 1000 and how it may impact NAESB standards. The 2012 WEQ Annual Plan has a link to the report as a provisional item. As of now, NAESB has no plans to take action on the efforts identified as provisional items in the annual plan.

**NEXT CONFERENCE CALL:** The next Monthly Update Call is scheduled for March 14, 2012 from 1-2 PM Central. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website: <u>http://www.naesb.org/monthly\_update.asp</u>. We hope you can join us. If there are particular topics you would like to see covered or would like to receive additional information, please contact the NAESB Office (713)356-0060, <u>naesb@naesb.org</u>.



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#### NAESB Monthly Update Conference Call, Participant List

#### January 25, 2012 2:00 PM Eastern

Name	Organization
Denise Ayers	Not Specified
Jeff Anderson	OATI
Diane Barney	New York State Department of Public Service
Jonathan Booe	NAESB
Jim Buccigross	8760
Angie Butcher	Not specified
Ernie Cardone	NYISO
Pete Connor	AGA
Chuck Cook	Chevron
Valerie Crockett	TVA
Cory Cummings	NAESB
Ed Davis	Entergy
Dale Davis	Williams Gas Pipeline
Megan Doss	Spectra Energy
Christy Feagan	Not specified
Blaire Fink	Not specified
Steve Gabel	Honeywell
Michele Greening	PPL Energy Plus
Jesse Hurley	Shift Research
John Kaduk	Georgia Public Service Commission
Barb Kedrowski	WE Energies
Audrey Lee	Not specified
Robin Lunt	NARUC
Carol Maclennan	Main PUC
James Manning	North Carolina Electric Membership Corporation
Annunciata Marino	Pennsylvania Public Utility Commission
Rae McQuade	NAESB
Chris Norton	AMP
Ray Phillips	Alabama Municipal Electric Authority
Phil Precht	BGE
Deepak Raval	NiSource
Judy Ray	Alabama Power
Marv Rosenberg	Independent
Michael Ryan	New Jersey Board of Public Utilities
Kent Saathoff	ERCOT
Keith Sappenfield	Encana
Krystina Schaefer	Public Utilities Commission of Ohio
Lisa Simpkins	Constellation Energy Resources
Ed Skiba	Midwest ISO
Amanda Stallings	Public Utilities Commission of Ohio
Larry Stephens	Not specified
Dave Taylor	NERC
Ron Vader	DTE Energy
Kim Van Pelt	Panhandle Eastern Pipe Line
Velma Whittier	Central Maine Power Company
Craig Williams	WECC



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Name JT Wood Kathy York Organization Southern Company TVA