



North American Energy Standards Board

1415 Louisiana Street, Suite 3460, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

May 19, 2025

NAESB UPDATE CONFERENCE CALL

PRESENTATION FROM DARRELL MOORE ON REAL-TIME SYSTEM OPERATIONS ARTIFICIAL INTELLIGENCE: Mr. Moore, Director of Reliability Risk Management at the North American Electric Reliability Corporation, delivered the presentation. The presentation outlined the increasing attention on artificial intelligence and machine learning (AI/ML) in the energy industry. Mr. Moore shared the results of a survey and interviews conducted across the industry, revealing that many organizations are actively considering or implementing AI/ML policies and solutions. The most prevalent use case involves predictive capabilities, especially for improving situational awareness and decision support in real-time operations. He noted that while adoption levels vary, operators consistently identified risk management as a core concern. Specifically, the need for operators to have sufficient time to review and monitor AI/ML applications on the Bulk Power System (BPS). Additionally, Mr. Moore highlighted the importance of continuous validations by expert operators and the need for advanced training programs to ensure operators can effectively assess and oversee AI/ML tools. The presentation concluded with core recommendations aimed at ensuring AI/ML implementations support reliability and enhance operator performance, while maintaining transparency, security, and oversight. Mr. Robinson asked whether AI/ML is expected to impact changes to the Wholesale Electric Quadrant (WEQ) Business Practice Standards or NERC Reliability Standards. Mr. Moore responded that NERC is currently engaged in internal projects to incorporate AI, but none have been implemented. Mr. Brooks noted the importance of trust and asked how trust in AI/ML systems can be established. Mr. Moore stated that confidence in AI/ML is dependent on the quality of the underlying data and the ability of operators to analyze output over time. He referenced NERC's *Artificial Intelligence and Machine Learning in Real-Time System Operations* white paper in development as a tool to guide these efforts.

WEQ NERC COORDINATION: Mr. Robinson, Chair of the Standards Review Subcommittee (SRS), provided the update. He stated that NAESB and NERC continue to work together to ensure alignment between the WEQ Business Practice Standards and NERC Reliability Standards, with recent efforts focused on congestion management, gas-electric coordination, cold-weather preparedness, cybersecurity, and support for DERs and IBRs. In response to an industry request, the WEQ is evaluating the development of new business practice standards to support an interconnection-wide congestion management process in the Western Interconnection. WEC staff is participating in the effort, and NAESB is coordinating with NERC throughout the process. Mr. Robinson noted that the WEQ SRS met on March 20, 2025, to review NERC's revisions to CIP standards, FERC Order No. 901 on IBRs and DERS, and changes to EOP-12. The subcommittee found no need for complementary WEQ standards at this time but will continue monitoring developments. He also reported that the WEQ cybersecurity subcommittee will meet on May 7, 2025, for its annual review of cybersecurity-related standards, and the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) will meet later this year to review the NAESB Electronic Tagging Functional Specification.

WEQ CISS: Ms. Trum, Director of Wholesale Electric Activities, provided the update. She stated that the subcommittee will hold its next meeting on April 22, 2025, to continue discussions on the development of standards to support the management of bi-directional resources, such as batteries. Participants have been asked to submit work papers outlining challenges with using electronic tags (e-Tags) for such transactions, with the goal of identifying common issues and regional variations. As discussed during the February 2025 meeting, the subcommittee is assessing whether the current e-Tag structures, which are designed for one-direction energy flow, adequately support the growing use of bi-directional resources. The discussion aims to determine if new or revised standards are needed to improve efficiency and maintain consistency with the WEQ Business Practice Standards and the WEQ Business Practices Standards and the WEQ Electronic Tagging Functional Specification.

WEQ/RMQ BPS: Ms. Sieg, Co-Chair of the WEQ BPS, provided the update. On April 21, 2025, the WEQ and RMQ BPS will convene to begin work on jointly assigned 2025 Annual Plan Items 5.a (WEQ) and 2.b (RMQ), focusing on the development of business practices to support integration of DER and DER aggregation registries. The RMQ BPS will also initiate discussion on business practices for distributed ledger technologies (DLT) to



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support automation of NAESB Distribution Grid Services Base Contract and Conditions Precedent Addendum. The WEQ participants are encouraged to engage to ensure alignment with wholesale electric market needs. Additionally, the WEQ BPS Western Interconnection Congestion Management Working Group will meet on April 16, 2025, to continue refining draft language for proposed modifications to the WEQ Business Practice Standards under Standards Request R24005/ 2025 WEQ Annual Plan Item 1.b. The effort, initiated during the January 21, 2025 meeting, response to industry recommendation for enhancing the functionality of the Enhanced Curtailment Calculator. Initial standards language was developed during the March 18, 2025 meeting, with additional discussion areas identified. The proposed standards aim to establish a standardized methodology for curtailments and relief obligations to improve transparency and efficiency in congestion management within the Western Interconnection.

WEQ/RMQ/WGQ CYBERSECURITY ACTIVITIES: Mr. Brooks, Business Cyber Guardian, provided the update. As part of the 2025 WEQ Annual Plan, the WEQ Cybersecurity Subcommittee will meet on May 7, 2025, to begin its annual review of cybersecurity-related WEQ Business Practices Standards. The discussion will include recent FERC and NERC efforts, such as the FERC NOPR on Supply Chain Risk Management and revisions to NERC CIP-002 and CIP-003, as well as ongoing monitoring of developments from the CA/B Forum that could impact the use of PKI digital certificates issued by NAESB ACAs. Similar efforts are underway in the WGQ and RMQ. Each quadrant will conduct reviews later this year of their respective cybersecurity-related documents, the WGQ Cybersecurity Standards Manual and the RMQ Cybersecurity Model Business Practices. These reviews will assess communication and encryption protocols, browser-based protections, and identify legacy functionalities for removal. The WGQ review will also evaluate whether updates are needed to the minimum hardware and software requirements for interstate natural gas pipeline websites. Consistent with the 2025 Annual Plan, any recommendations are expected to be presented to the Executive Committees during their October 2025 meetings.

WGQ CONTRACT ACTIVITIES: Ms. Nagi, Staff Attorney, provided the update. The WGQ Contracts Subcommittee voted out two recommendations. On February 27, 2025, the subcommittee approved a standardized contract for the sale and purchase of hydrogen under the WGQ Annual Plan Item 4. Developed over ten meetings, the contract includes provisions for certificate tracking, carbon intensity, and various transportation methods. The comment period closed March 31, 2025, with four comments received. On March 19, 2025, the subcommittee approved revisions to the Renewable Natural Gas (RNG) Addendum under Annual Plan 5. The updates reflect regulatory changes, including the Biogas Regulatory Reform Rule and EPA reporting mechanisms. The comment period runs through April 21, 2025.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and Chief Operating Officer, provided the update. On April 17, 2025, the Managing Committee met to discuss the status of active standards development projects currently underway, tool maintenance and consideration of a renewal contract with OATI as the Electric Industry Registry (EIR) administrator, and the potential third phase of the DoE and TVA-supported NAESB WGQ DLT Standard implementation Test. The new phase of the testing is slated to focus on the cybersecurity and efficiency benefits that may be realized by utilizing distributed ledger technology to trade the NAESB Base Contract for Natural Gas. The Board Revenue Committee met on April 22, 2025 to discuss standing agenda items in addition to the year end 2024 membership and financials. The Board Strategy Committee met on April 7, 2025 to discuss the development of the strategic plan for 2025-27, as well as the results of the February 22, 2025 Advisory Council Meeting. Additionally, the Strategy Committee continued discussions concerning a relevant recommendation from the National Petroleum Council *Charting the Course: Reducing GHG Emissions from the U.S. Natural Gas Supply Chain Report*. Finally, Mr. Booe noted that the first Board of Directors Meeting will be held on April 24, 2025, where Mark W. Menezes, President and CEO of United States Energy Association (USEA), will provide his perspective on the future of the domestic and international energy markets. Additionally, during the meeting, the Board of Directors will review the progress of the active standards development projects, a summary of the February Advisory Council meeting, and the 2025 annual plans.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for June 11, 2025, from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update page of the NAESB website, accessible at the following link: http://www.naesb.org/monthly_update.asp. We hope you can join



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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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NAESB Update Conference Call, Participant List	
April 23, 2025 1:00 PM Central	
Name	Organization
Denise Adams	ONEOK
Jonathan Booe	NAESB
Dick Brooks	Business Cyber Guardian
Christopher Burden	Enbridge (U.S.), Inc.
Jim Busch	BP Energy Company
Eva Comeaux	ONEOK
Pete Connor	AGA
Michelle Coon	OATI
Steven Fiorella	Southern Company
Andrew Fleming	NV Energy
Mike Fones	Manitoba Hydro
April Gregory	Northern Natural Gas
Cory Herbolsheimer	NV Energy
Eva Hunt	Avista Corporation
Tom Kraft	ONEOK
William Lohrman	Maine Public Utilities Commission
Bethany Loveless	ONEOK
Hayden Maples	Evergy
Darrell Moore	NERC
Saranga Mudiyansele	Manitoba Hydro
Amrit Nagi	NAESB
Chris Norton	American Municipal Power, Inc.
Sheldan Perry	OATI
Ron Robinson	TVA
Kirsten Rowley	MISO
Ben Schoene	ConocoPhillips
Sarah Shaffer	Equitrans, L.P.
Lisa Sieg	LG&E and KU Energy Services Company



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Name	Organization
Greg Staton	Spire Energy
Carolyn Stone	Cascade Natural Gas Corporation
Nicholas Timer	PG Works
Caroline Trum	NAESB
Sandy Walker	TVA
JT Wood	Southern Company