



North American Energy Standards Board

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June 4, 2014

TO: NAESB Gas-Electric Harmonization (GEH) Forum
cc: NAESB Board of Directors, NAESB Advisory Council, NAESB Executive Committees
RE: Letter of Appreciation

Dear GEH Forum Participants –

On behalf of the Board of Directors and our organization, I want to thank each of you for the effort put forward to consider alternatives to the FERC proposal that met the FERC objectives outlined in the Notice of Proposed Rulemaking.¹ While neither a super-majority consensus nor a simple majority consensus was reached on an alternative packet², the analysis and work that your group completed in a very abbreviated timeframe was of considerable help to the Board of Directors today.

The Board of Directors met today and modified the WGQ Annual Plan³ to include an item that assigns standards development work to the Wholesale Gas Quadrant (WGQ) Business Practices Subcommittee (BPS) and to the WGQ Information Requirements and WGQ Technical Subcommittees in support of the timeline defined by the GEH Forum:

Develop new standards and modify existing standards to support the timelines for timely, evening, ID1, ID2 and ID3 nomination cycles as specified in Attachment A of this plan and make corresponding changes where necessary to other standards such as those that support capacity release programs. The standards should be neutral on gas day start times; meaning that all references to the 9 am CCT start of the gas day should be removed.

The change to the annual plan was a result of a simple majority vote by each quadrant of the Board of Directors⁴ for the following motion –

"Although consensus was not reached on a complete alternative to the proposed changes in the NOPR there appeared to be broad support from interested parties in both the gas and electric industries for changes to the intraday scheduling cycles and the day-ahead nomination cycles. Accordingly, the Board directs the WGQ Executive Committee (EC) to:

Add an item to the WGQ annual plan instructing the WGQ EC to write standards to reflect the timely and evening next day nomination cycles, and the 3 intraday nomination cycles as described in the last motions of the NAESB GEH Forum, remaining silent on the start of the Gas Day with the assumption the Commission will establish the gas day start best suited to achieve the objectives defined in the NOPR. Once an order is issued by the Commission in the NOPR proceeding, the WGQ EC will make the appropriate changes to the standards to reflect changes as ordered by the Commission.

This motion is for the purpose of initiating work on the revisions to the standards and does not limit or restrict in any way those voting in favor of the motion from taking whatever position they deem appropriate to their interests in the NOPR."

Your efforts made this next step possible. While the consensus as noted in paragraph 10⁵ of the NOPR has not yet been reached, we look forward to working as instructed by the Board of Directors, and would hope that you could continue as this effort has now been assigned to the WGQ BPS. For information on the WGQ BPS, please feel free to contact the NAESB Office. The work will continue according to the timeline⁶ approved by the Board in April of this year.

Once again, many many thanks to all of you for contributing to this industry effort –

Best Regards,

Michael Desselle
Chairman, NAESB Board of Directors

¹ The FERC NOPR can be found here <http://www.ferc.gov/whats-new/comm-meet/2014/032014/M-1.pdf>, and the excerpts here http://www.naesb.org/pdf4/excerpts_ferc_nopr_rm14_2_000.docx, along with an analysis of the FERC objectives here http://www.naesb.org/misc/geh_ferc_nopr_excerpts_032514.docx.

² The work paper describing the GEH Forum's efforts on June 2-3 can be found at: <http://www.naesb.org/pdf4/bd060414w1.docx>

³ The WGQ Annual Plan can be found at http://www.naesb.org/pdf4/wgq_2014_annual_plan.docx, and the change was an addition of item 11(c), and Attachment A.

⁴ The Board of Directors roster can be found at http://www.naesb.org/pdf4/bod_terms.pdf

⁵ Paragraph 10 notes "Therefore, we are providing the natural gas and electric industries, through NAESB, with a period of 180 days after publication of the Proposed Rule in the Federal Register to reach consensus on any revisions to the Commission's proposals and either file consensus standards with the Commission or notify the Commission of its inability to reach consensus on any revisions to the Commission's proposals.

⁶ The timeline can be found at : http://www.naesb.org/pdf4/geh_timeline.pdf