



North American Energy Standards Board

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December 3, 2020

NAESB UPDATE CONFERENCE CALL

WEQ BUSINESS PRACTICE SUBCOMMITTEE TIME-ERROR CORRECTION ACTIVITIES: Mr. Brooks, Co-Chair of the Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS), provided the Time Error Correction (TEC) update. As part of Version 003.2 of the WEQ Business Practice Standards, NAESB took action to reserve the WEQ-006 Manual Time Error Correction Business Practice Standards in response to a request submitted from NERC. However, in Federal Energy Regulatory Commission (FERC) Order No. 676-I, the Commission advised public utilities to work through the NAESB process to revisit the WEQ-006 standards to determine if they should be retained or revised. Since April, the WEQ BPS has held monthly meetings to develop a recommendation proposing new standards for WEQ-006 that will complement and support the NERC Time Monitoring Reference Document. The submission of industry comments during an informal comment period on the recommendation led to further revisions. During a mid-November WEQ BPS conference call, the recommendation did not receive the support needed to pass a vote and further modifications may be needed to address potential issues. The next WEQ BPS conference call to continue discussion on this item is scheduled for December 10, 2020. Mr. Booe thanked Mr. Brooks for his leadership and for delivering the update.

WEQ COORDINATION ACTIVITIES WITH NERC: Mr. Phillips, Chair of the WEQ Coordinate Interchange Scheduling Subcommittee (CISS), delivered the update, highlighting numerous areas of coordination between NAESB and NERC. Recently, major areas of coordination between the two organizations have been manual TEC, the WEQ-005 ACE Equation Special Cases Business Practice Standards, the WEQ-023 Modeling Business Practice Standards, standards development efforts by the WEQ CISS, and cybersecurity activities. NAESB staff remains in contact with NERC staff regarding these projects, and the WEQ Cybersecurity Subcommittee will be reviewing any standards that result from FERC and NERC cybersecurity efforts when the subcommittee reconvenes next year. Mr. Booe thanked Mr. Phillips for delivering the update and commended Mr. Trum for her efforts to coordinate with NERC as well.

RMQ & WEQ: RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Crockett, Chair of the Wholesale Gas Quadrant (WGQ), provided the update. The WEQ BPS and Retail Markets Quadrant (RMQ) BPS are holding joint conference calls to develop a master agreement for Renewable Energy Certificates (RECs). The master agreement is intended to be used in the voluntary REC market, rather than state compliance markets that utilize renewable portfolio standards. This effort began last December and, since that time, the subcommittees have held about fourteen meetings to discuss common terms used in various regions and the General Terms and Conditions. Ms. Crockett stated that the subcommittees are close to completing the first pass over the document and will continue discussion during the December 15 meeting with a focus on Exhibit A, the Transaction Confirmation for the master agreement. Mr. Brooks stated that NARUC was hosting a presentation on voluntary RECs that afternoon, as the increase of RECS in the voluntary market has been receiving a lot of visibility in the industry. Mr. Booe noted that NAESB coordinates with NARUC and state commissions when opportunities present themselves, and the NAESB REC efforts may be one such opportunity.

WGQ CONTRACTS DISTRIBUTED LEDGER TECHNOLOGIES ACTIVITIES: Mr. Buccigross, Chair of the WGQ Executive Committee, delivered the update. He stated that the standards development effort within NAESB to facilitate the use of the NAESB Base Contract for Sale and Purchase of Natural Gas was a tremendous effort that spanned October of 2018 to May of 2020. Mr. Buccigross noted that the three WGQ subcommittees – the WGQ Business Practices Subcommittee, the WGQ Electronic Delivery Mechanisms Subcommittee, and the WGQ Contracts Subcommittee – held multiday meetings and conference calls throughout that time. He stated that the standards are now available and a testing effort is currently taking place within the natural gas industry and may result in future revisions to the standards in 2021. Mr. Buccigross emphasized that the standards are voluntary and the paper contract will remain in use by the industry entities who prefer that method. He thanked the chairs of the subcommittees and the participants for their work on this substantial effort.



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CYBERSECURITY ACTIVITIES: Ms. Trum, NAESB Deputy Director, provided the cybersecurity update. NAESB received the Sandia National Laboratories (Sandia) surety assessment reports in July of 2019. At the request of the Department of Energy (DoE), NAESB expedited the standards development and, within seven months of receipt of the report, recommendations addressing the critical recommendations were developed and approved by the NAESB subcommittees. Subsequently, a high-level overview of the effort was provided in an informational filing with the FERC.

2021 QUADRANT ANNUAL PLANS REVIEW: Ms. Mallett, NAESB Deputy Director, reviewed the 2021 WGQ, RMQ, and WEQ Annual Plans with the participants. Highlighting each of the major efforts within the quadrants, including the OASIS updates, the RMQ/WEQ development of a master agreement for RECs, and the WGQ reviews of data elements in response to recommendations contained within the Sandia surety assessment reports.

REGULATORY ACTIVITIES AND BOARD OF DIRECTORS MEETING UPDATES: Mr. Booe delivered the Regulatory Activities update. On December 11, the Board Task Force on Battery Storage and the Board Task Force on Renewable and Sustainably Produced Natural Gas met and planned to recommend potential 2021 annual plan items to the Board of Directors. The Board Digital Committee anticipates following up on its inaugural report to the Board of Directors. The Parliamentary Committee has continued its work on updating the NAESB Governance Documents.

OTHER BUSINESS: No other business was discussed.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for February 24, 2021 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website, accessible at the following link: 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.



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NAESB Update Conference Call, Participant List	
December 3, 2020 1:00 PM Central	
Name	Organization
Craig Blume	UGI Energy Services
Jonathan Booe	North American Energy Standards Board
Jana Bordenkircher	Arizona Public Service Electric
Todd Breece	Duke Energy
Dick Brooks	Reliable Energy Analytics
Jim Buccigross	8760
Christopher Burden	Enbridge
Donald Coffin	Green Button Alliance
Michelle Coon	OATI
Charles Couch	Dauphin Island Gathering Partners
Valerie Crockett	Tennessee Valley Authority
Patrick Foley	NV Energy
Karen Frank	Midcontinent Independent System Operator
Lindsay Fritz	Sabine Pass Liquefaction
Mike Kraff	Basin Electric Power Cooperative
Elizabeth Mallett	North American Energy Standards Board
Crystal Mitchell	Sask Power
Penny Payne	El Paso Electric
Sheldon Perry	OATI
Joshua Phillips	Southwest Power Pool
Anne Reed	El Paso Electric
Jill Rummel	Basin Electric Power Cooperative
Debbie Santolin	Southern Company
Carolyn Stone	Cascade Natural Gas Corporation
Caroline Trum	North American Energy Standards Board
Karen Utt	Tennessee Valley Authority