

North American Energy Standards Board

Review of NAESB Strategic Session

June 22, 2005

NAESB Board of Directors Meeting

June 22, 2006

North American Energy Standards Board Strategic Session – June 22, 2005

Topics:

- ❖ Topics discussed for the wholesale markets:
 - ❖ Business practice aspects of reliability
 - ❖ Integration of the gas and electric markets
 - ❖ Expansion of natural gas supply from non-conventional sources
 - ❖ Harmonization of standards
 - ❖ Responsiveness to regulators as items for NAESB to address in coming years.

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Topics:

- ❖ Topics discussed for the retail markets:
 - ❖ Development of a standard retail contract
 - ❖ Development of a standardized electric invoice
 - ❖ Supporting regulators by teeing up policy issues as key topics for NAESB to address in the future.

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Specific Items:

- ❖ Gas-Electric Interdependency:
 - ❖ The Board of Directors charges the Gas-Electric Interdependency Committee with drafting a Standards Development Request to address standards development for items with a high probability for achieving consensus, and
 - ❖ Action should not be taken on requests R04016 and R04020 unless further action is taken by the Board, and
 - ❖ The draft request should be presented to the Board at its September 22 meeting.

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Specific Items:

- ❖ Retail Efforts for non-choice states:
 - ❖ Effort to reach out to all states with relevant standards
 - ❖ R05016: Wal-mart request to develop standards for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities
 - ❖ R05013: Energy Windows request to develop a retail contract based on the NAESB WGO Base Contract, which would be commodity neutral.

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Specific Items:

- ❖ Gas Quality:
 - ❖ FPL submitted request R03035 to develop gas quality standards in three areas:
 - ❖ Part A - the reporting of gas quality specifications was completed in 2004.
 - ❖ Part B requested development of “a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.”
 - ❖ Part C seeks to “examine the need to establish gas quality specification standards taking into consideration (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG).”

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Specific Items:

- ❖ **OASIS:**
 - ❖ The FERC issued ANOPR RM00-10-000 in 2000 regarding the implementation of OASIS Phase II. Part A - the reporting of gas quality specifications was completed in 2004.
 - ❖ Letter to FERC on OASIS 2 sent jointly by NAESB and NERC.
 - ❖ R05026 - request sent by Calpine (13 enhancements to improve OASIS)
- ❖ **Complementary Standards for version 0 and version 1**
 - ❖ Expect continued support of reliability standards development through development of complementary business practices

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Actions taken:

- ❖ Continued discussion of NAESB's coordination with NERC on gas-electric coordination issues with the NERC Board of Trustees.
- ❖ The WEQ and WGQ Executive Committees modified their Annual Plans to include general gas-electric interdependency items.
- ❖ The Retail Quadrant Annual Plans were modified to include development of model business practices for non-competitive markets.
- ❖ The WGQ Executive Committee added an Annual Plan item for Part B of Request R03035.