

NORTH AMERICAN ENERGY STANDARDS BOARD

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NAESB ADOPTS STANDARDS TO SUPPORT FLOW-BASED WESTERN INTERCONNECTION CONGESTION MANAGEMENT

The North American Energy Standards Board (NAESB) is pleased to announce the adoption of NAESB Business Practice Standards to support Western Interconnection Loading Relief (WLR), a new flow-based approach for managing congestion on the bulk electric grid. The WLR process is designed to be used across the Western Interconnection to model, calculate, and manage constraints in real-time at the point of congestion. The NAESB WLR Business Practice Standards provide the framework for the process, establishing the standardized methodology to assign priority of relief obligations meant to alleviate areas of constraint and specifying requirements to help ensure equity, transparency, and consistency in industry implementation.

NAESB initiated the effort in response to an industry submitted request from Southwest Power Pool and RC West / California Independent System Operator. As described by the requesters, this is the culmination of a multi-year, industry led effort to develop a new congestion management mechanism to facilitate broader coordination amongst neighboring entities and support ongoing market changes within the Western Interconnection. The WLR process is anticipated to improve visibility into the sources materially contributing to areas of congestion on the bulk electric grid, including those that cause loop flows. Additionally, as supported by the NAESB Business Practice Standards, relief obligations under the WLR process can be assigned to both interchange and intra-balancing authority transactions materially impacting a constraint on a transmission facility, providing Western Interconnection market participants with expanded capabilities to resolve congestion on the bulk electric grid.

Participants representing a number of different Western Interconnection market interests worked diligently to craft the NAESB WLR Business Practice Standards, ensuring that a variety of stakeholder perspectives were considered. The WLR Process is intended to be used alongside the North American Electric Reliability Corporation (NERC) Reliability Standards that support the Western Interconnection Unscheduled Flow Mitigation Plan (WIUFMP) and other local procedures for congestion management. Throughout standards development, NAESB coordinated with both NERC and the Western Electricity Coordinating Council (WECC), the regional entity designated by NERC to oversee bulk electric system reliability for the Western Interconnection, and WECC staff regularly participated in the NAESB standard development meetings.

Joshua Phillips, Chair of the NAESB WEQ Executive Committee stated that, "The enhanced congestion management capabilities enabled by the Western Interconnection Loading Relief Process and new NAESB Business Practice Standards will not only provide the West with the ability to more effectively address existing, hard to manage areas of congestion but also a more coordinated congestion management process that will be essential for reliability, equitability, and transparency as the Western Interconnection transitions to a multi-market paradigm."

For more information, please contact Jonathan Booe, NAESB Executive Vice President and Chief Operating Officer (713) 356-0060.

The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of about three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to www.naesb.org.