



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)

October 29, 2008

**TO:** NAESB Quadrant Executive Committee Members, Alternates and Interested Industry Participants  
**FROM:** Rae McQuade, NAESB President  
**RE:** Quadrant Executive Committee Meeting Announcements and Draft Agendas with links to Meeting Materials

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**NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETINGS**  
**5000 Dominion Blvd, Glen Allen, VA 23060**  
**November 4-6**

As announced at prior Executive Committee meetings, meeting announcements and in other communications, the Executive Committee (EC) will meet in Glen Allen, VA on November 4-6. Below are the meeting arrangements:

**Where:** Dominion Offices: 5000 Dominion Blvd, Glen Allen, VA 23060  
**Contact:** Veronica Thomason, 713-356-0060  
**When:** Tuesday, Nov. 4 -- 10:00 a.m. to 4:00 p.m. Eastern – Wholesale Electric Quadrant  
Wednesday, Nov. 5 -- 1:00 p.m. to 4:00 p.m. Eastern – Retail Gas Quadrant and Retail Electric Quadrant  
Thursday, Nov. 6 -- 9:00 a.m. to 2:00 p.m. Eastern – Wholesale Gas Quadrant

If you plan to attend any of the above EC meetings, please RSVP to the NAESB office ([naesb@naesb.org](mailto:naesb@naesb.org)) as soon as you know so that proper meeting arrangements can be made. Hotel information is posted on the NAESB web site at <http://www.naesb.org/pdf3/ec1108announcement.doc>. If you plan to participate by conference call, please contact the NAESB Office (713-356-0060 or [naesb@naesb.org](mailto:naesb@naesb.org)) to obtain the calling number and pass code. The EC meetings will be web cast as well. The meeting, conference calling and web casting is open to any interested party.

The materials for the meeting will be emailed to the participants and posted on the web site shortly. For agenda items where materials are already available and have been sent to you in prior communications, or posted on the web site, the links to those documents are included in the agenda for your convenience, and to help you prepare for the meetings. The links are formatted in blue underlined text. In an effort to control costs and be more environmentally aware, we are not printing Executive Committee books any longer.

As always, the chair reserves the right to extend the time of the meeting to ensure that agenda items are addressed. The times indicated on the agenda will be followed to ensure that agenda items are allotted appropriate time slots. Should an agenda item conclude earlier than its stated time slot, the remaining time could be allotted to other agenda items at the discretion of the chair.

As a special invite, we will be holding a Workshop on Roles and Responsibilities for Executive Committee Members, Alternates and Subcommittee Leadership. The workshop will be held at the Dominion offices. The details are:

- Wed, Nov 5                                      Workshop on Roles and Responsibilities                                      8:30 a.m. to 12:00 p.m. E

Please note audio and web conferencing will not be available for the workshop.

There are other NAESB subcommittee meetings being held in conjunction with the EC meetings. They are held in various Dominion offices in Glen Allen, VA and available via conference call and web cast. The details are:

- Mon, Nov 3                                      Retail Glossary    1:30 p.m. to 2:30 p.m. E  
    Retail BPS (day one)    2:30 p.m. to 5:00 p.m. E
- Tue, Nov 4                                      Retail BPS (day two)    9:30 a.m. to 4:00 p.m. E  
    WGQ Joint IR/Technical (day one)    9:00 a.m. to 4:00 p.m. E
- Wed, Nov 5                                      WGQ Joint IR/Technical (day two)    1:00 p.m. to 4:00 p.m. E

You can access the materials for this meeting from the NAESB web site, at the page specific for the subcommittee noted (WEQ: <http://www.naesb.org/weq/default.asp>, Retail: <http://www.naesb.org/retail/default.asp>, and WGQ: <http://www.naesb.org/wgq/default.asp>).

Please feel free to call the NAESB office should you have any questions or comments.

Best Regards, *Rae*



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## NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

1. Welcome
  - Antitrust Guidelines
  - Welcome to members and attendees
  - Quorum Establishment: Roll Call of [WEQ EC Members](#) and [Alternates](#)
  - Adoption of WEQ Agenda (simple majority)
2. Wholesale Electric Quadrant Draft Minutes
  - Adoption of the WEQ EC Meeting Minutes (simple majority)
3. Discussion and consideration of recommendations for no action including discussion on comments submitted and possible votes: (simple majority vote)
  - [2008 WEQ Annual Plan Item 6.i/R06010](#) - Comments Due October 24 (No comments submitted)
  - [2008 WEQ Annual Plan Item 3.a.vi.3/R05026](#) - Comments Due October 20 (No comments submitted)
  - [2008 WEQ Annual Plan Item 3.a.i](#) - Comments Due October 20 (No comments submitted)
  - [2008 WEQ Annual Plan Item 6.j/R07001](#) - Comments Due October 20 (No comments submitted)
  - [2008 WEQ Annual Plan Item 6.k/R07003](#) - Comments Due October 20 (No comments submitted)
  - [2008 WEQ Annual Plan Item 1.f](#) - Comments Due October 16 (Comments submitted)
    - Comments:
    - P. Brown, PJM: [http://www.naesb.org/pdf3/weq\\_091608\\_1f\\_pjm.pdf](http://www.naesb.org/pdf3/weq_091608_1f_pjm.pdf)
    - D. Ulch, Southern Company: [http://www.naesb.org/pdf3/weq\\_091608\\_1f\\_southern.doc](http://www.naesb.org/pdf3/weq_091608_1f_southern.doc)
  - [2008 WEQ Annual Plan Item 6.g/R03031 & R03031 Revised](#) - Comments Due October 16 (No comments submitted)
  - [2008 WEQ Annual Plan Item 1.g/R03014](#) - Comments Due October 16 (No comments submitted)
4. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.b/R07020 including discussion on comments submitted and possible votes: (super majority vote) – Comments Due October 24
  - Redline - [http://www.naesb.org/pdf3/weq\\_2008\\_api\\_6b\\_r07020\\_rec\\_redline.doc](http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_redline.doc)
  - Clean - [http://www.naesb.org/pdf3/weq\\_2008\\_api\\_6b\\_r07020\\_rec\\_clean.doc](http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_clean.doc)
    - Comments:
    - C. Feagans, TVA: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020tva.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020tva.doc)
    - W. Franklin, Entergy Services: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020entergy.pdf](http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.pdf)
    - NAESB SRS: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020srs.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020srs.doc)
    - L. Larson, Otter Tail Power Company: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020otter\\_tail.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020otter_tail.doc)
    - D. Klempel, Basin Electric Power Cooperative: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020becp.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020becp.doc)
    - J. Cyrulewski, JDRJC Associates: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020jdrjc.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020jdrjc.doc)
    - E. Davis, Entergy: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020entergy.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.doc)
    - J. Knight, Great River Energy: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020gre.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020gre.doc)
    - D. Koehn, Bonneville Power Administration: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020bpa.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020bpa.doc)
    - D. Kimm, MidAmerican Energy Company: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020mec.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020mec.doc)
    - M. Goldberg, ISO New England: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020isone.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020isone.doc)
    - A. Rodriguez, NERC Staff: [http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020nerc.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020nerc.doc)
    - M. Desselle, NAESB Chairman and K. York, NAESB WEQ EC Chairman:  
[http://www.naesb.org/pdf4/weq\\_092308\\_6b\\_r07020desselle\\_york.doc](http://www.naesb.org/pdf4/weq_092308_6b_r07020desselle_york.doc)



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## NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

5. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 1.a.ii including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 24
  - Redline - [http://www.naesb.org/pdf3/weq\\_2008\\_api\\_1aii\\_rec\\_redline.doc](http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_redline.doc)
  - Clean - [http://www.naesb.org/pdf3/weq\\_2008\\_api\\_1aii\\_rec\\_clean.doc](http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_clean.doc)
  - Comments:
    - NAESB SRS: [http://www.naesb.org/pdf4/weq\\_092308\\_1aii\\_srs.doc](http://www.naesb.org/pdf4/weq_092308_1aii_srs.doc)
    - C. Feagans, Tennessee Valley Authority: [http://www.naesb.org/pdf4/weq\\_092308\\_1aii\\_tva.doc](http://www.naesb.org/pdf4/weq_092308_1aii_tva.doc)
    - E. Davis, Entergy Services: [http://www.naesb.org/pdf4/weq\\_092308\\_1aii\\_entergy.doc](http://www.naesb.org/pdf4/weq_092308_1aii_entergy.doc)
    - JT Wood, Southern Company: [http://www.naesb.org/pdf4/weq\\_092308\\_1aii\\_southern.doc](http://www.naesb.org/pdf4/weq_092308_1aii_southern.doc) (late comments)
6. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 2.a.iv.3, 3.a.vii, and 6.1 including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 06
  - Redline – [http://www.naesb.org/pdf3/weq\\_2008\\_ap\\_2aiv3\\_3avii\\_6l\\_rec\\_redline.doc](http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_redline.doc)
  - Clean - [http://www.naesb.org/pdf3/weq\\_2008\\_ap\\_2aiv3\\_3avii\\_6l\\_rec\\_clean.doc](http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_clean.doc)
  - Comments:
    - R. Lamoureux, SPP, PJM, and Midwest ISO: [http://www.naesb.org/pdf3/weq\\_090508spp\\_pjm\\_miso.doc](http://www.naesb.org/pdf3/weq_090508spp_pjm_miso.doc)
    - B. Harshbarger, Puget Sound Energy: [http://www.naesb.org/pdf3/weq\\_090508puget.doc](http://www.naesb.org/pdf3/weq_090508puget.doc)
    - NAESB SRS: [http://www.naesb.org/pdf3/weq\\_090508srs.doc](http://www.naesb.org/pdf3/weq_090508srs.doc)
    - JT Wood, Southern Company: [http://www.naesb.org/pdf3/weq\\_090508southern.doc](http://www.naesb.org/pdf3/weq_090508southern.doc)
    - B. Green, EPSA: [http://www.naesb.org/pdf3/weq\\_090508epsa.doc](http://www.naesb.org/pdf3/weq_090508epsa.doc)
    - E. Davis, Entergy: [http://www.naesb.org/pdf3/weq\\_090508entergy.doc](http://www.naesb.org/pdf3/weq_090508entergy.doc)
    - B. Rehman, BPA: [http://www.naesb.org/pdf3/weq\\_090508bpa.doc](http://www.naesb.org/pdf3/weq_090508bpa.doc)
7. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.f including discussion on comments submitted and possible votes: (super majority vote) - Comments Due September 4
  - [http://www.naesb.org/pdf3/weq\\_2008\\_api\\_6f\\_rec.doc](http://www.naesb.org/pdf3/weq_2008_api_6f_rec.doc)
  - Comments:
    - E. Davis, Entergy: [http://www.naesb.org/pdf3/weq\\_080408entergy.doc](http://www.naesb.org/pdf3/weq_080408entergy.doc)
8. Discussion and consideration of minor corrections, including discussion on comments submitted and possible votes:
  - B. Rehman, Bonneville Power Administration - [http://www.naesb.org/pdf3/weq\\_ec110408w1.doc](http://www.naesb.org/pdf3/weq_ec110408w1.doc)
  - Chairs, NAESB Joint WEQ BPS and ESS/ITS Subcommittees - [http://www.naesb.org/pdf3/weq\\_ec110408w2.doc](http://www.naesb.org/pdf3/weq_ec110408w2.doc)
  - B. Rehman, Bonneville Power Administration - [http://www.naesb.org/pdf3/weq\\_ec110408w3.doc](http://www.naesb.org/pdf3/weq_ec110408w3.doc)
  - Co-chairs, in response to MOD review - [http://www.naesb.org/pdf3/weq\\_ec110408w4.doc](http://www.naesb.org/pdf3/weq_ec110408w4.doc)
9. Update on specific issues (no votes or action to be taken):
  - Order No. 890 Plan: [Plan](#)
  - DSM-EE efforts: [Activity Report](#), [Draft WEQ Recommendation](#)
  - eTariff Update: [Final Order No. 714](#), [Course Description](#), [Notice of Technical Conference](#)
10. Subcommittee Updates and Plan Updates – no votes to be taken
  - Triage Subcommittee : [October 20](#), [September 8](#)
  - [Business Practices Subcommittee \(BPS\)](#)
    - [Time and Inadvertent Management Task Force](#)
  - Electronic Scheduling (ESS) and Information Technology (ITS) Subcommittees
  - Joint Interchange Scheduling Working Group (JISWG)
  - [Standards Review Subcommittee \(SRS\)](#)
11. Review, discuss, identify changes and vote to approve changes to the [2008 Annual Plan](#) to be proposed to the Board of Directors, and process for 2009 Annual Plan creation



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**NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING  
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA  
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E**

12. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
  - [Board Updates](#) – Certificate, Bylaws, Standard Operating Practices, [Policy Changes](#)
  - Quadrant action on IGO segment: [ballot results](#)
  - Wholesale Gas and Retail key activities – [WGO Annual Plan](#), [Retail Annual Plan](#)
  - Regulatory Updates: [WEQ Version 2.0](#), [FERC Order No. 717](#), [NAESB Report on Order No. 698](#)
13. New Business
  - Process for Election of 2009 officers
14. Adjourn

*Attire – Business Casual*



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**NORTH AMERICAN ENERGY STANDARDS BOARD  
EXECUTIVE COMMITTEE AND SUBCOMMITTEE LEADERSHIP  
ROLES AND RESPONSIBILITIES WORKSHOP LED BY RICHARD MILES**

**PROGRAM**

**Wednesday, November 5, 2008 – 8:30 a.m. to 12:00 noon E**

1. Welcome
  - Introduction
2. NAESB: History – Creation of NAESB and GISB
  - Importance and Value of ANSI Certification
  - The context of NAESB within the regulatory framework
3. NAESB Future
  - Standards Development Challenges
  - Collaboration and Consensus Building in Meeting Standards Development Challenges
4. Roles and Responsibilities
  - EC Members and Alternates
  - Subcommittee Leadership
  - Subcommittee Participants
5. Collaboration and Consensus Discussion
  - How to encourage collaboration in the Executive Committee and in the Subcommittees
  - How to provide leadership that focuses on reaching consensus
  - Knowing when to push for consensus and when to determine that consensus cannot be reached
6. Taking Ownership in your roles
  - Contributing to the success of the organization
7. Adjourn

*Attire – Business Casual*



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### NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING RETAIL QUADRANTS DRAFT AGENDA

Wednesday, November 5, 2008 – 1:00 p.m. to 4:00 p.m. E

1. Welcome
  - Antitrust Guidelines
  - Welcome to members and attendees
  - Quorum Establishment: Roll Call of [Retail EC Members](#) and [Alternates](#)
  - Adoption of Retail Agenda (simple majority)
2. Retail Gas & Electric Quadrants Draft Minutes
  - Adoption of Retail ECs Meeting Minutes (simple majority)
3. [Retail Publication Schedule Discussion](#)
4. DSM-EE efforts: [Activity Report](#), [Draft WEQ Recommendation](#)
5. eTariff Effort: [Final Order No. 714](#), [Course Description](#), [Notice of Technical Conference](#):
6. Subcommittee Updates and Plan Updates – no votes to be taken
  - Triage Subcommittee : [October 20](#), [September 8](#)
  - Business Practices Subcommittee (BPS)
  - Information Requirements Subcommittee (IR)
  - Technical Electronic Implementation Subcommittee (TEIS)
  - Glossary Subcommittee
7. Review, discuss, identify changes and vote to approve changes to the [2008 Annual Plan](#) to be proposed to the Board of Directors, and process for 2009 Annual Plan creation
8. Discuss reclassification of definitions and minor corrections before publication of Version 1.1
  - Joint REQ/RGQ Business Practices Subcommittee - [http://www.naesb.org/pdf4/retail\\_ec110508w1.doc](http://www.naesb.org/pdf4/retail_ec110508w1.doc)  
[Book 0](#), [Book 1](#), [Book 2](#), [Book3](#), [Book 4](#), [Book 6](#), [Book 8](#), [Book 9](#), [Book 10a](#), [Book 10b](#), [Book 10c](#), [Book 11](#)
9. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
  - [Board Updates](#) – Certificate, Bylaws, Standard Operating Practices, [Policy Changes](#)
  - Wholesale Gas and Electric activities – [WGQ Annual Plan](#), [WEQ Annual Plan](#)
  - Regulatory Updates: [WEQ Version 2.0](#), [FERC Order No. 717](#), [NAESB Report on Order No. 698](#)
10. New Business
  - Process for Election of 2009 officers
11. Adjourn

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## NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING WHOLESALE GAS QUADRANT DRAFT AGENDA Thursday, November 6, 2008 – 9:00 a.m. to 2:00 p.m. E

1. Welcome
  - Antitrust Guidelines
  - Welcome to members and attendees
  - Quorum Establishment: Roll Call of [WGQ EC Members](#) and [Alternates](#)
  - Adoption of WGQ Agenda (simple majority)
2. Wholesale Gas Draft Minutes
  - Adoption of WGQ Meeting Minutes (simple majority)
3. Discussion and consideration of recommendations for standards, comments submitted, and vote on:
  - R96121-a23/R07011 [http://www.naesb.org/pdf3/r96121a23\\_r07011\\_rec.doc](http://www.naesb.org/pdf3/r96121a23_r07011_rec.doc) - Comments Due Nov. 5
  - R03027 [http://www.naesb.org/pdf3/r03027\\_rec.doc](http://www.naesb.org/pdf3/r03027_rec.doc) - Comments Due Nov. 5
  - R04001 [http://www.naesb.org/pdf3/r04001\\_rec.doc](http://www.naesb.org/pdf3/r04001_rec.doc) - Comments Due Nov. 5
  - R04002 [http://www.naesb.org/pdf3/r04002\\_rec.doc](http://www.naesb.org/pdf3/r04002_rec.doc) - Comments Due Nov. 5
  - R04004 [http://www.naesb.org/pdf3/r04004\\_rec.doc](http://www.naesb.org/pdf3/r04004_rec.doc) - Comments Due Nov. 5
  - R04012 [http://www.naesb.org/pdf3/r04012\\_rec.doc](http://www.naesb.org/pdf3/r04012_rec.doc) - Comments Due Nov. 5
  - R04024/R04039/R05024 [http://www.naesb.org/pdf3/r04024\\_r04039\\_r05024\\_rec.doc](http://www.naesb.org/pdf3/r04024_r04039_r05024_rec.doc) - Comments Due Nov. 5
  - R04033/R05011/R05023/R05025/R05029 [http://www.naesb.org/pdf3/r04033\\_r05011\\_r05023\\_r05025\\_r05029\\_rec.doc](http://www.naesb.org/pdf3/r04033_r05011_r05023_r05025_r05029_rec.doc) - Comments Due Nov. 5
  - R04041 [http://www.naesb.org/pdf3/r04041\\_rec.doc](http://www.naesb.org/pdf3/r04041_rec.doc) - Comments Due Nov. 5
  - R05003 [http://www.naesb.org/pdf3/r05003\\_rec.doc](http://www.naesb.org/pdf3/r05003_rec.doc) - Comments Due Nov. 5
  - R05028 [http://www.naesb.org/pdf3/r05028\\_rec.doc](http://www.naesb.org/pdf3/r05028_rec.doc) - Comments Due Nov. 5
  - R06013 [http://www.naesb.org/pdf3/r06013\\_rec.doc](http://www.naesb.org/pdf3/r06013_rec.doc) - Comments Due Nov. 5
  - R06017 [http://www.naesb.org/pdf3/r06017\\_rec.doc](http://www.naesb.org/pdf3/r06017_rec.doc) - Comments Due Nov. 5
  - R06018 [http://www.naesb.org/pdf3/r06018\\_rec.doc](http://www.naesb.org/pdf3/r06018_rec.doc) - Comments Due Nov. 5
  - R06019 [http://www.naesb.org/pdf3/r06019\\_rec.doc](http://www.naesb.org/pdf3/r06019_rec.doc) - Comments Due Nov. 5
  - R06020 [http://www.naesb.org/pdf3/r06020\\_rec.doc](http://www.naesb.org/pdf3/r06020_rec.doc) - Comments Due Nov. 5
  - R06021 [http://www.naesb.org/pdf3/r06021\\_rec.doc](http://www.naesb.org/pdf3/r06021_rec.doc) - Comments Due Nov. 5
  - R06023 [http://www.naesb.org/pdf3/r06023\\_rec.doc](http://www.naesb.org/pdf3/r06023_rec.doc) - Comments Due Nov. 5
  - Comments:
    - R. Young, Boardwalk Pipeline Partners, LP: [http://www.naesb.org/pdf4/wgq\\_110508boardwalkpp.doc](http://www.naesb.org/pdf4/wgq_110508boardwalkpp.doc)
  - R07006 [http://www.naesb.org/pdf3/r07006\\_rec.doc](http://www.naesb.org/pdf3/r07006_rec.doc) Comments Due Nov. 5
  - R07012 [http://www.naesb.org/pdf3/r07012\\_rec.doc](http://www.naesb.org/pdf3/r07012_rec.doc) Comments Due Nov. 5
  - R07016 [http://www.naesb.org/pdf3/r07016\\_rec.doc](http://www.naesb.org/pdf3/r07016_rec.doc) Comments Due Nov. 5
  - R07017 [http://www.naesb.org/pdf3/r07017\\_rec.doc](http://www.naesb.org/pdf3/r07017_rec.doc) Comments Due Nov. 5
  - R08009 [http://www.naesb.org/pdf3/r08009\\_rec.doc](http://www.naesb.org/pdf3/r08009_rec.doc) Comments Due Nov. 5
4. Update on specific issues – no votes to be taken:
  - eTariff Update: [Activity Report](#), [FERC Final Order](#), [NAESB Report](#)
  - Publication Schedule for Version 1.9
5. Subcommittee Updates and Plan Updates – no votes to be taken
  - Triage Subcommittee : [October 20](#), [September 8](#)
  - Business Practices Subcommittee (BPS)
  - Information Requirements (IR) Subcommittee
  - Technical Subcommittee
  - Electronic Delivery Mechanism (EDM) Subcommittee
  - Interpretations Subcommittee
  - Contracts Subcommittee



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**NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING  
WHOLESALE GAS QUADRANT DRAFT AGENDA  
Thursday, November 6, 2008 – 9:00 a.m. to 2:00 p.m. E**

- 6 Review, discuss, identify changes and vote to approve changes to the [2008 Annual Plan](#) to be proposed to the Board of Directors, , and process for 2009 Annual Plan creation
- 7 Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
  - [Board Updates](#) – Certificate, Bylaws, Standard Operating Practices, [Policy Changes](#)
  - Wholesale Gas and Electric activities – [Retail Annual Plan](#), [WEQ Annual Plan](#)
  - Regulatory Updates: [WEQ Version 2.0](#), [FERC Order No. 717](#), [NAESB Report on Order No. 698](#)
- 8 New Business
  - Process for Election of 2009 officers
- 9 Adjourn

*Attire – Business Casual*



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### NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE TERMS – Retail Electric Quadrant

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<b>SUPPLIERS SEGMENT</b>		<b>TERM END:</b>
Bill Barkas	Manager of Retail State Government Relations, Dominion Retail, Inc.	12-31-2009
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2008
Jansen Pollock	Manager of Regulatory Affairs, Constellation NewEnergy	12-31-2008
<b>DISTRIBUTORS SEGMENT</b>		
Ruth Kiselewich	Director, Demand Side Management Programs, Baltimore Gas & Electric Company (MAAC NERC Region)	12-31-2009
Terry Moran	Regulatory Issues Manager, PSEG (MAAC NERC Region)	12-31-2009
Judy Ray	Industrial Segment Manager – Contract Administrator, Alabama Power Company (SERC NERC Region)	12-31-2008
Mary Edwards	Senior Customer Choice Analyst – Regulation and Competition, Dominion Virginia Power (SERC NERC Region)	12-31-2008
<b>END USERS SEGMENT</b>		
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2008
<b>SERVICE PROVIDERS SEGMENT</b>		
Jim Minneman	Controller, PPL Solutions LLC	12-31-2009
Jennifer Teel	Director – Business Solutions, EC Power	12-31-2009
Susan Munson	ERCOT Retail Market Liaison, Electric Reliability Council of Texas (ERCOT)	12-31-2008
V A C A N C Y		12-31-2008

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## NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE TERMS – Retail Gas Quadrant

<b>SUPPLIERS SEGMENT</b>		<b>TERM END:</b>
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2009
Richard Zollars	Director, Data and Billing, Dominion Retail, Inc.	12-31-2008
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2009
<b>DISTRIBUTORS SEGMENT</b>		
Dan Jones	Supervisor, Certified Supplier Business Center, Duke Energy	12-31-2009
V A C A N C Y		12-31-2009
Leslie H. Nishida	Manager Gas Regulatory Services, Wisconsin Public Service Corporation	12-31-2009
<b>Michael Novak</b>	Assistant General Manager, National Fuel Gas Distribution Corporation	12-31-2008
V A C A N C Y		12-31-2008
Phil Precht	Management Consultant, Pricing & Regulatory Services Department, Baltimore Gas and Electric Company	12-31-2008
<b>END USERS SEGMENT</b>		
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2009
<b>SERVICE PROVIDERS SEGMENT</b>		
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2008
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2009
V A C A N C Y		12-31-2009



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### NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE ALTERNATES – Retail Electric Quadrant

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#### DISTRIBUTION SEGMENT

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Keith P. Hock	Director ARES Business Center, Ameren Services
Ripley Newcomb	Manager – Conservation and Load Management Program, Dominion
William J. Welzant	Principal Supplier Services Analyst, Supplier Account Management, Baltimore Gas and Electric

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#### END USER SEGMENT

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#### SERVICES SEGMENT

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#### SUPPLIER SEGMENT

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### NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE ALTERNATES – Retail Gas Quadrant

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#### DISTRIBUTORS SEGMENT

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Joe Stengel	Manager, Federal Regulatory Affairs, Philadelphia Gas Works
Mike McShane	Program Leader, Gas Choice Programs, Baltimore Gas Electric

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#### END USERS SEGMENT

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#### SERVICE PROVIDERS SEGMENT

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#### SUPPLIER SEGMENT

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Paul Cherevka	Project Manager Data Warehouse, Dominion Retail
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### NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING RETAIL QUADRANTS DRAFT AGENDA

Wednesday, November 5, 2008 – 1:00 p.m. to 4:00 p.m. E

1. Welcome
  - Antitrust Guidelines
  - Welcome to members and attendees
  - Quorum Establishment: Roll Call of [Retail EC Members](#) and [Alternates](#)
  - Adoption of Retail Agenda (simple majority)
2. Retail Gas & Electric Quadrants Draft Minutes
  - Adoption of Retail ECs Meeting Minutes (simple majority)
3. [Retail Publication Schedule Discussion](#)
4. DSM-EE efforts: [Activity Report](#), [Draft WEQ Recommendation](#)
5. eTariff Effort: [Final Order No. 714](#), [Course Description](#), [Notice of Technical Conference](#):
6. Subcommittee Updates and Plan Updates – no votes to be taken
  - Triage Subcommittee : [October 20](#), [September 8](#)
  - Business Practices Subcommittee (BPS)
  - Information Requirements Subcommittee (IR)
  - Technical Electronic Implementation Subcommittee (TEIS)
  - Glossary Subcommittee
7. Review, discuss, identify changes and vote to approve changes to the [2008 Annual Plan](#) to be proposed to the Board of Directors, and process for 2009 Annual Plan creation
8. Discuss reclassification of definitions and minor corrections before publication of Version 1.1
  - Joint REQ/RGQ Business Practices Subcommittee - [http://www.naesb.org/pdf4/retail\\_ec110508w1.doc](http://www.naesb.org/pdf4/retail_ec110508w1.doc)  
[Book 0](#), [Book 1](#), [Book 2](#), [Book3](#), [Book 4](#), [Book 6](#), [Book 8](#), [Book 9](#), [Book 10a](#), [Book 10b](#), [Book 10c](#), [Book 11](#)
9. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
  - [Board Updates](#) – Certificate, Bylaws, Standard Operating Practices, [Policy Changes](#)
  - Wholesale Gas and Electric activities – [WGQ Annual Plan](#), [WEQ Annual Plan](#)
  - Regulatory Updates: [WEQ Version 2.0](#), [FERC Order No. 717](#), [NAESB Report on Order No. 698](#)
10. New Business
  - Process for Election of 2009 officers
11. Adjourn

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NAESB UPDATE: VERSION 2 -- RETAIL  
SEPTEMBER 3, 2008

### THE FINAL ACTIONS TO BE APPLIED TO RETAIL VERSION 1 TO CREATE RETAIL VERSION 1.1:

Version 1 was published on September 27, 2005.

#### 2005:

- **Recommendation R04030:** Add a new data element to the Internet Electronic Transport (Internet ET) “refnum-orig”. (*Ratified 9/26/05*).
- **Retail Gas Quadrant Annual Plan Item 6 and Retail Electric Quadrant Annual Plan Item 6:** Establish the Quadrant specific EDM (QEDM) standards for REQ and RGQ. (*Ratified 9/26/05*).

#### 2006:

- **Recommendation R05013:** Develop a model electric retail contract. (*Ratification ballots due on 01/07/07*).
- **Retail 2006 Annual Plan Item 4(i):** Customer Enrollment model business practices. (*Ratification ballots due on 01/07/07*).

#### 2007:

- **2007 Retail Annual Plan Item 3a(ii):** “Customer Drop” model business practices. (*Ratified August 20, 2007*).
- **Third Recommendation for 2007 Annual Plan Item 1(a):** “Additional Billing and Payment Model Business Practices” (*Ratified August 20, 2007*)
- **Second Recommendation for 2007 Retail Annual Plan Item 1 (a):** “Technical Electronic Implementation Standards for Billing and Payment: Recommendation Attachment:  
[http://www.naesb.org/member\\_login\\_form.asp?doc=retail\\_rat071907\\_2007\\_retail\\_ap1a\\_rec\\_rev050907\\_attachment.doc](http://www.naesb.org/member_login_form.asp?doc=retail_rat071907_2007_retail_ap1a_rec_rev050907_attachment.doc). (*Ratified August 20, 2007*).
- **2005 Annual Plan Item 3:** “Customer Information. (*Ratified August 20, 2007*).
- **Recommendation for Retail 2007 Annual Plan Item 3a(ii)** - Customer Drop (*Ratified August 20, 2007*)
- **Recommendation for Retail 2007 Annual Plan Item 1(a)** – Additional Billing and Payment MBPs; Attachment to Recommendation (*Ratified August 20, 2007*)
- **Recommendation for Retail 2005 Annual Plan Item 3** – Customer Information (*Ratified August 20, 2007*)
- **Recommendation R05016** - Standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities (*Ratified August 20, 2007*)

#### 2008:

- **Recommendation for 2007 WGQ Annual Plan Item 4 and Retail 2007 Annual Plan Item 6** - Prepare a joint analysis for AS2 and AS3 protocols as compared to the NAESB IET:  
[http://www.naesb.org/doc\\_view2.asp?doc=retail\\_rat010808\\_wgq\\_2007\\_ap\\_i4\\_retail\\_2007\\_ap\\_i6\\_rec.doc](http://www.naesb.org/doc_view2.asp?doc=retail_rat010808_wgq_2007_ap_i4_retail_2007_ap_i6_rec.doc) – Ratified February 8, 2008
- **Recommendation for 2007 Retail Annual Plan Item 3a(iii)** - Account Information Change:  
[http://www.naesb.org/doc\\_view2.asp?doc=retail\\_rat010808\\_2007\\_retail\\_ap3aiii\\_rec.doc](http://www.naesb.org/doc_view2.asp?doc=retail_rat010808_2007_retail_ap3aiii_rec.doc) – Ratified February 8, 2008



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### NAESB UPDATE: VERSION 2 -- RETAIL SEPTEMBER 3, 2008

- **Recommendation for 2007 Retail Annual Plan Item 5 - Customer Information:**  
[http://www.naesb.org/doc\\_view2.asp?doc=retail\\_rat010808\\_2007\\_retail\\_ap5\\_rec.doc](http://www.naesb.org/doc_view2.asp?doc=retail_rat010808_2007_retail_ap5_rec.doc) – Ratified February 8, 2008
- **Recommendation for 2007 Retail Annual Plan Item 5 - Customer Information (Information Requirements and Technical Electronic Implementation Model Business Practices):**  
[http://www.naesb.org/doc\\_view2.asp?doc=retail\\_rat010808\\_2007\\_retail\\_ap5\\_ir\\_teis\\_rec.doc](http://www.naesb.org/doc_view2.asp?doc=retail_rat010808_2007_retail_ap5_ir_teis_rec.doc) – Ratified February 8, 2008
- **R05016A Final Action - Standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities** - Ratified June 22, 2008.
- **2008 Retail Annual Plan Item 3(i), (ii), (iii) Final Action - Customer Enrollment, Drop and Account Information Change Using a Registration Agent** - Ratified June 22, 2008.
  - **2008 Retail Annual Plan Item 3(i), (ii), (iii) Final Action - Attachment** - Ratified June 22, 2008.
- **2007 WGQ Annual Plan Item 3/2007 Retail Annual Plan Item 9 Final Action** - Develop or amend WGQ technical standards, as appropriate, to address the DOE Sandia National Laboratories 2006 surety assessment findings and recommendations (WGQ)/Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment finding and recommendations (REQ/RGQ) [http://www.naesb.org/member\\_login\\_check.asp?doc=fa\\_2007\\_wgq\\_ap\\_3\\_2007\\_retail\\_ap\\_9.doc](http://www.naesb.org/member_login_check.asp?doc=fa_2007_wgq_ap_3_2007_retail_ap_9.doc) - Ratified July 11, 2008.
- **2008 Retail Annual Plan Item 2a -- Customer Enrollment, Drop and Account Information Change including Using a Registration Agent (Technical X12 Implementation Guidelines),**  
[http://www.naesb.org/pdf3/2008\\_retail\\_api\\_2a\\_rec.doc](http://www.naesb.org/pdf3/2008_retail_api_2a_rec.doc) – Action pending by the Retail ECs, comments were due August 22.

#### TIMELINE:

- Version 2.0 publication date was originally scheduled for yearend 2007, but has now been scheduled for late 2008 or 1<sup>st</sup> quarter 2009 to permit the registration model and the Sandia enhancements to be reflected in the documents.
- To back into this date – all standards should be ratified by date of publication, and EC actions should be taken one month prior, to publication, all subcommittee actions should be taken three months prior to publication.

Month - 4	Subcommittee Recommendations Completed and sent out for comment
Month - 3	EC Actions taken
Month - 2	Ratifications sent out and completes, minor corrections applied
Month - 1	Review of draft publication
Month - 0	Date of Publication.



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### NAESB DSM-EE ACTIVITY SUMMARY OCTOBER 3, 2008

#### DSM-EE PROJECT – ASSIGNED TO RETAIL GAS, RETAIL ELECTRIC AND WHOLESALE ELECTRIC:

- **April 11, 2007:** Several representatives of the NAESB WEQ, REQ, and RGQ as well as representatives of the US Department of Energy, US Environmental Protection Agency, FERC, and other industry experts met at the Department of Energy offices in Washington, D.C. to discuss the NAESB effort to draft business practices for Demand Side Management and Energy Efficiency. Ongoing Energy Efficiency and DSM projects and programs by other groups (such as NAPEE) were reviewed by the meeting attendees. The following resolution outlines the scope of the initial effort by NAESB to draft business practice standards for these topics: It was decided that NAESB should begin its standards development focus on measurement and verification of energy savings and peak demand reduction from both a wholesale and retail electric market perspective. A future schedule of meetings for DSM and Energy Efficiency should be posted on the NAESB website shortly.
- **May 24, 2007:** 75 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants (22% more than the first meeting) met in person and by conference telephone at NAESB headquarters in Houston to refine the scope of Phase 1 activities, agreeing on a specific list of tasks and assigning subgroups of volunteers to work on each task. At this meeting, no less than 28 individuals spoke to the group.
- **June 18, 2007:** 51 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at BGE offices in Baltimore to further refine the scope of Phase 1 activities by reviewing the initial task list and revising it with more detailed deliverable requirements and dates, and with identification of base documents to support completing each task.
- **July 26, 2007:** 46 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at AGA offices in Washington DC to present deliverables of existing demand response measurement and verification protocols and a list of 41 possible topics and subtopics for NAESB model business practices. The task force reviewed all 41 possibilities, deciding whether to draft MBPs and which ones can be grouped together.
- **September 14, 2007:** The results of the meeting including possible standards text were sent out for comment including notes, considerations and possible standards text. Comments were requested on each of the nine standards development areas including whether the remarks were directed to wholesale or retail markets, pre program evaluation or post implementation evaluation, or to DSM or EE projects.
- **September 25, 2007:** A DSM-EE meeting was held in Austin, Texas hosted by ERCOT. The purpose of the meeting was to review the comments, determine the level of progress made towards the task list and determine is adjustments to the task, focus or schedule were needed. When reviewing the comments it was determined to focus in five areas specific to demand response programs, and develop business practice standards that would prove helpful – (1) DR programs administered by ISOs and RTOS in the wholesale markets, (2) DR programs administered by utilities in wholesale markets, (3) DR programs administered by utilities in the retail markets, (4) a glossary to support the DR programs, and (5) a preamble to put the business practice standards in context. To focus on the DR programs, each of the three areas outlined will develop a matrix that describes the aspects of the DR programs in effect today, planned, or has been in effect in the past.
- **November 6, 2007:** Several of the NAESB leadership met with Commissioners Kerr and Ervin of NC to gain further understanding of expectations for DSM-EE NAESB activity for electricity for the retail markets.
- **November 11, 2007:** NAESB participated in a panel on DSM-EE at the NARUC Annual Meeting in Anaheim.
- **November 30, 2007:** Meeting hosted by Dominion in Richmond. During the meeting, each of the five groups described the progress made and plans to date. Drafts of the three matrices were reviewed, as was a draft glossary and outline for the preamble. It is possible that the two wholesale matrices will be combined, as The calendar for 2008 was also set. The next meeting is scheduled for January 23 in Baltimore hosted by BGE.
- **December 3, 2007:** A meeting was held with Commissioner Mason of Ohio to gain further understanding of expectations for DSM-EE NAESB activity for natural gas for the retail markets.
- **January 23, 2008:** The group met in Baltimore to review progress on the two matrices, the preamble and the glossary. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. Data is being placed in five separate categories -Initial Testing and Auditing, Ongoing Testing and Auditing, Triggering; Construction, Statistical Analysis, Performance and



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### NAESB DSM-EE ACTIVITY SUMMARY OCTOBER 3, 2008

Baselines. The matrix for retail DR programs is lagging but several companies have provided or agreed to provide data – including BGE, Dominion, ConEd, Alabama Power and ComVerge. Procedures for how to collect the data was discussed with both interviews online and distributed surveys discussed. Both the preamble and glossary while first drafts are available are dependent on the work of the matrices and cannot be further developed until after more progress has been made on the matrices.

- **March 28, 2008:** The group met in Houston to review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. 45 DR programs have been identified and the data is now being verified. A template for the type of standards to be expected from this effort was reviewed. The retail matrix now has additional data and several interviews were conducted online, with the conclusion that it is the preferred way to gather data. The retail group is to set up a face-to-face meeting in May to review the matrix and make changes before sending it out to utilities for interviews.
- **May 30, 2008** – The group met in Holyoke to continue review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. With the 45 DR programs identified, the group is now consolidating the data to higher levels from the more specific items collected. With the consolidation, the business practices should be drafted. The outline for the business practices has been prepared. The retail matrix now has contributions from 11 DR programs and the matrix structure is being validated against flow charts of the programs. Once the matrix structure is validated, online interviews will be held. It was determined to concentrate on dispatchable DR programs first.
- **July 30, 2008** –The group met in Carmel, Indiana hosted by ACES Power to review the progress made in the two efforts. With the 45 DR programs identified, the wholesale group has consolidated the data to higher levels and draft language is being developed around four product types, energy, capacity, regulation and reserves which incorporate information from various ISO/RTOs, as well as other entities. For the retail effort, the group is relying on work from AEIC regarding process flow and applying that flow to DR programs in place. From the flows, draft standards are being prepared. Once the draft standards are prepared, efforts will be to collect through interviews information from other utilities, geographically diverse and administering programs different from those already documented. Through the interviews it is expected that we would validate both the matrix and the draft standards. The retail group is initially focusing on dispatchable DR programs. Coordination is also underway with NERC on the development of a DR survey and with the AEIC. Work will soon begin with both groups to include the glossary and the preamble text.
- **October 3, 2008** –The group met in Austin, Texas hosted by ERCOT to review progress made in development of M&V standards for retail and wholesale DR programs. A recommendation of business practice standards for the wholesale market was reviewed by the group. After discussion, it was the intent that the recommendation be distributed for a two week informal comment period. The comments would be discussed at the December meeting including any suggested changes. After discussion on December 2, the recommendation will either be voted out of subcommittee and would proceed to a formal comment period and Executive Committee consideration, or the recommendation would continue to be modified by the subcommittee through another round of informal comments. For retail, the subgroup has collected detailed data on some DR programs underway. After review of the wholesale effort, it was discussed that the retail subgroup would hold a two day session to determine whether to proceed at the level defined in the wholesale recommendation, or proceed to define more prescriptive standards.
- **Planned, December 2, 2008** – Planned meeting hosted by Alabama Power in Birmingham.

#### THE FOLLOWING INCLUDES:

- |  |    |
|--|----|
| • WHOLESALE WORK PLAN AND MATRIX                 | 2  |
| • WHOLESALE DRAFT OUTLINE FOR BUSINESS PRACTICES | 15 |
| • RETAIL MATRIX                                  | 21 |

#### LINKS ON THE NAESB WEB SITE:

- DSM-EE NAESB PAGE FOR MEETINGS AND MATERIALS: <http://www.naesb.org/dsm-ee.asp>
- RELEVANT DOCUMENTS AND WORK PAPERS: [http://www.naesb.org/dsm-ee\\_doc.asp](http://www.naesb.org/dsm-ee_doc.asp)



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### WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	Task	Description	Deliverable	Completion Date	Who
1	Finalize Framework	The draft framework will serve as a basis for documenting the technical M&V requirements for the different ISO/RTO products. It should guide each ISO-RTO in answering the questions of Why, When, and What M&V is done.	Each ISO should provide comments on the Objectives, Frequency and Description. Each ISO/RTO should add any additional comments that it feels it needs to describe the products, (this will help to synthesize any commonalities between products and ISO/RTOs). If the list of product classes are not representative, please comment.	10/30/07 <b>COMPLETE</b>	All
2	ISO/RTO Conference Call	This call is designed to discuss comments submitted in regard to the Framework	Come to consensus on the Framework	Week of November 19, 2007 <b>COMPLETE</b>	All
3	Report to NAESB DSM/EE Standards Committee	At the September 25th meeting the ISO/RTOs tacitly agreed to report back to the Committee on how we plan on completing the task by the end of the 1st quarter of 2008.	Report to NAESB DSM-EE Task Force the status of the ISO/RTO Wholesale standards development.	11/30/07 <b>COMPLETE</b>	P. Wattles, E. Winkler
4	Add M&V technical data	Each ISO/RTO will fill in the matrix with appropriate technical requirements and how the M&V activity is implemented (where appropriate) for each of its products and each M&V area.	A Draft Matrix with the general description of the M&V areas, products and technical information in M&V requirements for each ISO/RTOs range of products.	12/15/07 <b>COMPLETE</b>	All
5	ISO/RTO Conference Call	This call is designed to review progress on data synthesis from the Framework	Develop status update on development of wholesale standards	January 14, 2008. <b>COMPLETE</b>	All
6	Report to NAESB DSM/EE Task Force	Status report of Wholesale standards	Report to NAESB the status of the ISO/RTO Wholesale standards development.	1/23/2008 <b>COMPLETE</b>	P. Wattles, E. Winkler
7	Update M&V Technical Data	ISO/RTOs will update matrices with appropriate expanded technical requirements.	Expanded draft Matrix	1/30/2008 <b>COMPLETE</b>	All
8	ISO/RTO Conference Call	This call is designed to review progress on data synthesis from the Framework	Develop status update on development of wholesale standards	2/11/08 <b>COMPLETE</b>	All
9	Draft Wholesale Standards	Synthesize Technical Requirements into draft Standards	Draft Standards will be developed by processing the technical requirements provided by all the ISO/RTOs to find commonalities and or create ranges of requirements	2/29/08 <b>COMPLETE</b> internal document	E. Winkler lead, Scott COE, review by All



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1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

### WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	Task	Description	Deliverable	Completion Date	Who
10	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	3/11/08 - 3/12/08 <b>COMPLETE</b>	All
11	Revise Draft Outline of Standards	Revised Draft Wholesale DR Standards outline based on working group session distributed to ISO/RTO working group	Revised Draft Wholesale Standards Outline	3/18/08 <b>COMPLETE</b>	E. Winkler
12	Update M&V Technical Data	Each ISO/RTO will revise entries in the matrix for appropriate technical requirements per the current draft matrix. (IRC Demand Programs 2008-03-14.xls)	A Draft Matrix with the general description of the M&V areas, products and technical information in M&V requirements for each ISO/RTOs range of products and services	3/21/08	All
13	Call to review Presentation & discuss presentation at DSM/EE Meeting	Review of materials and scope of presentation at NAESB DSM/EE standards development meeting, Houston, TX March 28, 2008	Presentation materials for meeting	3/26/08	P. Wattles, E. Winkler
14	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	3/28/08 Houston TX	P. Wattles, E. Winkler, S. Coe
15	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	Mid May, 2008, TBD	All
16	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	5/30/08 Holyoke, MA	P. Wattles, E. Winkler, S. Coe
17	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	7/30/08 TBD	P. Wattles, E. Winkler, S. Coe
18	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	Mid Sept, 2008, TBD	All



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### WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	Task	Description	Deliverable	Completion Date	Who
19	Draft Wholesale DR Standards	Final Draft Wholesale Standards Completed for submittal to NAESB	Completed draft ISO/RTO contribution of wholesale DR M&V standards	9/30/08	E. Winkler, S. Coe
20	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	9/30/08 Austin, TX	P. Wattles, E. Winkler, S. Coe



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### WHOLESALE MATRIX

#### Instructions for Characteristics of DR Programs

<i>ISO/RTO Specific Name</i>	<b>Region</b>	Abbreviation for the ISO/RTO.
	<b>ISO/RTO Program or Service Name</b>	Proper name for the program or service within the region. Note: If several products are included in a given Program or Service, then several rows will be shown for each.
	<b>Acronym</b>	Acronym for the Program or Service
<i>Major Features</i>	<b>Product</b>	The commodity that is being offered: <b>AS: Regulation</b> , <b>AS: Spin</b> , <b>AS: Non-Spin</b> , <b>Energy</b> , or <b>Capacity</b> .
	<b>Mapping: NAESB Sections</b>	<b>CALCULATED FIELD: DO NOT TYPE IN THIS CELL</b>
<i>Initial Qualification / Testing / Auditing</i>	<b>Load Deployment Time</b>	Time at which the requested level of response is completely "off the system" (in minutes)
	<b>Aggregation Allowed</b>	Indication of if composite / aggregated assets are allowed.
<i>Telemetry</i>	<b>Real-Time On-Site Generation Measurement</b>	If on-site generation is present; is metering required? <b>Yes / No</b>
	<b>Accuracy</b>	Precision of the Demand Measurement (or also of the On-Site Generator Output) <b>PREFERENCE IS PERCENTAGE OF FULL SCALE</b>
	<b>Reporting Interval</b>	The time between signals [in seconds]
	<b>Other Measurements</b>	If other variables are measured, a list should be provided here. Example include quality flags, breaker status, response amount, etc .
	<b>Communication Protocol</b>	The IT protocol used to collect the data, such <b>ICCP</b> or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.
<i>After-The-Fact Measurements</i>	<b>On-Site Generation Meter Required</b>	Yes or No
	<b>Meter Accuracy</b>	Accuracy of the Meter Reading (or also of the On-Site Generator Output) <b>PREFERENCE IS PERCENTAGE OF FULL SCALE</b> and is the net accuracy, i.e. includes PT & CT



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### WHOLESALE MATRIX

#### Instructions for Characteristics of DR Programs

	<b>Clock / Time Accuracy</b>	Accuracy of the time measurement (if any) associated with the Meter Read time.
	<b>Details of Meter/Equipment Standards</b>	Listing of any meter or equipment standards
	<b>Meter Data Reporting Deadline</b>	How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.
	<b>Granularity</b>	The level of detail in the reported data. For example, if the Periodicity = 1 hour, the Granularity might be 5 minute.
	<b>Validating, Editing &amp; Estimating (VEE) Method</b>	An indication of how missing data are managed, for example, <b>Skipped</b> , <b>Estimated &amp; Flagged</b> , etc.
	<b>Rules For Statistical Sampling</b>	If statistical sampling is allowed, document the sample size, precision and accuracy parameters, homogeneity, etc.
<b>Performance / Baseline</b>	<b>Baseline Type</b>	Either " <b><u>Meter-Before vs. Meter-After</u></b> ", " <b><u>Comparable Day</u></b> ", " <b><u>Statistical Algorithm</u></b> ", " <b><u>Behind the Meter Generation Data</u></b> ", " <b><u>Firm Service Level Drop</u></b> "



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>AESO</b>	Demand Opportunity Service	DOS		
<b>AESO</b>	Frequency Load Shed Service	FLSS	AS: Regulation	Regulation
<b>AESO</b>	Supplemental Operating Reserves	SUP	AS: Non-Spin	Reserve
<b>AESO</b>	Voluntary Load Curtailment Program	VLCP		
<b>CAISO</b>	Participating Load Program	PLP	Energy	Energy
<b>CAISO</b>	Participating Load Program	PLP	AS: Non-Spin	Reserve
<b>ERCOT</b>	Emergency Interruptible Load Service	EILS	Capacity	Capacity



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>ERCOT</b>	Loads Acting as a Resource providing Responsive Reserve Service -- Under Frequency Relay Type	LaaR / RRS / UFR	AS: Spin	Reserve
<b>ERCOT</b>	Loads Acting as a Resource providing Responsive Reserve Service -- Controllable Load Resource Type	LaaR / RRS / CLR	AS: Spin	Reserve
<b>ERCOT</b>	Loads Acting as a Resource providing Non-Spinning Reserve Service	LaaR / NSRS /	AS: Non-Spin	Reserve
<b>ERCOT</b>	Controllable Load Resources providing Regulation Service	CLR	AS: Regulation	Regulation
<b>IESO</b>	Emergency Load Reduction Program	ELRP	Energy	Energy
<b>IESO</b>	Emergency Demand Response Program	EDRP	Energy	Energy
<b>IESO</b>	Dispatchable Load	DL	Energy	Energy



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>IESO</b>	Dispatchable Load (Spinning Component)	DL	AS: Spin	Reserve
<b>IESO</b>	Dispatchable Load (Non-Spinning Component)	DL	AS: Non-Spin	Reserve
<b>IESO</b>	Hour Ahead Dispatchable Load	HADL	Energy	Energy
<b>ISO-NE</b>	Real Time Demand Response Program [Capacity Component]	RTDRP	Capacity	Capacity
<b>ISO-NE</b>	Real Time Demand Response Program [Energy Component]	RTDRP	Energy	Energy
<b>ISO-NE</b>	Day Ahead Load Response Program	DALRP	Energy	Energy
<b>ISO-NE</b>	Demand Response Reserves Pilot	DRR	AS: Non-Spin	Reserve



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
ISO-NE	Real Time Price Response Program	RTPR	Energy	Energy
ISO-NE	Real Time Demand Response Resource	RTDR	Capacity	Capacity
ISO-NE	FCM: On-Peak, Seasonal Peak, Critical Peak Resources		Capacity	Capacity
ISO-NE	Real Time Emergency Generation Resource	RTEG	Capacity	Capacity
NBSO	30 Minute Non-Spinning Reserves	30NSR	AS: Non-Spin	Reserve
NBSO	10 Minute Non-Spinning Reserves	10NSR	AS: Non-Spin	Reserve
NBSO	10 Minute Spinning Reserve	10SR	AS: Spin	Reserve



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>NBSO</b>	Load Following	LF	AS: Regulation	Regulation
<b>NBSO</b>	Regulation	REG	AS: Regulation	Regulation
<b>NBSO</b>	Interruptible Load	IL	Capacity	Capacity
<b>NBSO</b>	Bid-Based Demand Response	BBDR	Energy	Energy
<b>NYISO</b>	Day-Ahead Demand Response Program	DADRP	Energy	Energy
<b>NYISO</b>	Demand Side Ancillary Services Program	DSASP	AS: Spin	Reserve
<b>NYISO</b>	Demand Side Ancillary Services Program	DSASP	AS: Non-Spin	Reserve



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>NYISO</b>	Demand Side Ancillary Services Program	DSASP	AS: Regulation	Regulation
<b>NYISO</b>	Emergency Demand Response Program	EDRP	Energy	Energy
<b>NYISO</b>	Installed Capacity Special Case Resources (Energy Component)	SCR	Energy	Energy
<b>NYISO</b>	Installed Capacity Special Case Resources (Capacity Component)	SCR	Capacity	Capacity
<b>PJM</b>	Economic Load Response		Energy	Energy
<b>PJM</b>	Economic Load Response		AS: Spin	Reserve
<b>PJM</b>	Economic Load Response		AS: Regulation	Regulation



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### WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
<i>ISO/RTO Specific Name</i>			<i>Major Features</i>	
<b>Region</b>	<b>ISO/RTO Program or Service Name</b>	<b>Acronym</b>	<b>Product</b>	<b>Mapping: NAESB Sections</b>
<b>PJM</b>	Emergency Load Response		Energy	Energy
<b>PJM</b>	Emergency Load Response (Energy Component)		Energy	Energy
<b>PJM</b>	Emergency Load Response (Capacity Component)		Capacity	Capacity



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### WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

### DISCLAIMER

THIS DOCUMENT CONTAINS DRAFT INFORMATION ON STANDARDS FOR WHOLESALE ELECTRICITY DEMAND RESPONSE PROGRAMS AND SERVICES. THE INFORMATION CONTAINED WITHIN THIS DRAFT IS NOT INTENDED TO REPLACE APPLICABLE TARIFFS FOR WHOLESALE DEMAND RESPONSE. IN NO CASE DOES THIS INFORMATION SUPPLANT EXISTING STANDARDS USED IN ISO/RTO ADMINISTERED MARKETS. PROPOSED STANDARDS AREAS ARE DRAFT AND SUBJECT TO REVISION OR EXCLUSION.

### CONTACT INFORMATION:

ERIC WINKLER, PH.D.

ISO NEW ENGLAND

413-540-4513

[EWINKLER@ISO-NE.COM](mailto:EWINKLER@ISO-NE.COM)



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1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
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## WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

### BUSINESS PRACTICES FOR WHOLESALE ELECTRICITY DEMAND RESPONSE

#### Introduction

#### Definition of Terms

#### Business Practice Requirements: Regulation Services

#### PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability

Purpose

#### WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:

The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

#### INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:

Time at which the requested level of response is completely "off the system" (in minutes)

Aggregation Allowed Standard:

Indication of if composite / aggregate assets are allowed.

#### TELEMETRY

Real-Time Demand Measurement Required:

Measurement of the real-time demand for each Resource required: Yes / No.

Real-Time On-Site Generation Measurement:

If on-site generation is present; is metering required? Yes / No.

Accuracy:

Precision of the Demand Measurement (or also of the On-Site Generator Output)

Reporting Interval:

The time between signals [in seconds]

Other Measurements:

If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.

Communication Protocol:

The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.

#### AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:

Yes or No

Meter Accuracy:

Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT

Clock / Time Accuracy:

Accuracy of the time measurement (if any) associated with the Meter Read time.

Details of Meter/Equipment Standards

Listing of any meter or equipment standards



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### WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

#### Meter Data Reporting Deadline:

How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

#### Granularity:

The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

#### Validating, Editing & Estimating (VEE) Method:

An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

#### Rules for Statistical Sampling:

If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

### PERFORMANCE / BASELINE

#### Baseline Types:

Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm", "Behind the Meter Generation Data", "Firm Service Level Drop"

#### **Business Practice Requirements: Reserves Services**

### PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

#### Applicability

#### Purpose

### WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

#### Wholesale Products:

The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

### INITIAL QUALIFICATION / TESTING / AUDITING

#### Reduction Deadline Standard:

Time at which the requested level of response is completely "off the system" (in minutes)

#### Aggregation Allowed Standard:

Indication of if composite / aggregate assets are allowed.

### TELEMETRY

#### Real-Time Demand Measurement Required:

Measurement of the real-time demand for each Resource required: Yes / No.

#### Real-Time On-Site Generation Measurement:

If on-site generation is present; is metering required? Yes / No.

#### Accuracy:

Precision of the Demand Measurement (or also of the On-Site Generator Output)

#### Reporting Interval:

The time between signals [in seconds]

#### Other Measurements:

If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.

#### Communication Protocol:

The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.



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### WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

#### AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:

Yes or No

Meter Accuracy:

Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT

Clock / Time Accuracy:

Accuracy of the time measurement (if any) associated with the Meter Read time.

Details of Meter/Equipment Standards

Listing of any meter or equipment standards

Meter Data Reporting Deadline:

How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

Granularity:

The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

Validating, Editing & Estimating (VEE) Method:

An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

Rules for Statistical Sampling:

If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

#### PERFORMANCE / BASELINE

Baseline Types:

Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm", "Behind the Meter Generation Data", "Firm Service Level Drop"

#### **Business Practice Requirements: Energy Products**

#### PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability

Purpose

#### WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:

The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

#### INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:

Time at which the requested level of response is completely "off the system" (in minutes)

Aggregation Allowed Standard:

Indication of if composite / aggregate assets are allowed.

#### TELEMETRY

Real-Time Demand Measurement Required:

Measurement of the real-time demand for each Resource required: Yes / No.

Real-Time On-Site Generation Measurement:

If on-site generation is present; is metering required? Yes / No.

Accuracy:

Precision of the Demand Measurement (or also of the On-Site Generator Output)



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### WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

#### Reporting Interval:

The time between signals [in seconds]

#### Other Measurements:

If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.

#### Communication Protocol:

The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.

### AFTER-THE-FACT MEASUREMENTS

#### On-Site Generation Meter Required:

Yes or No

#### Meter Accuracy:

Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT

#### Clock / Time Accuracy:

Accuracy of the time measurement (if any) associated with the Meter Read time.

#### Details of Meter/Equipment Standards

Listing of any meter or equipment standards

#### Meter Data Reporting Deadline:

How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

#### Granularity:

The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

#### Validating, Editing & Estimating (VEE) Method:

An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

#### Rules for Statistical Sampling:

If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

### PERFORMANCE / BASELINE

#### Baseline Types:

Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm", "Behind the Meter Generation Data", "Firm Service Level Drop"

### **Business Practice Requirements: Capacity Products**

### PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

#### Applicability

#### Purpose

### WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

#### Wholesale Products:

The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

### INITIAL QUALIFICATION / TESTING / AUDITING

#### Reduction Deadline Standard:

Time at which the requested level of response is completely "off the system" (in minutes)



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1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
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### WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

Aggregation Allowed Standard:

Indication of if composite / aggregate assets are allowed.

#### TELEMETRY

Real-Time Demand Measurement Required:

Measurement of the real-time demand for each Resource required: Yes / No.

Real-Time On-Site Generation Measurement:

If on-site generation is present; is metering required? Yes / No.

Accuracy:

Precision of the Demand Measurement (or also of the On-Site Generator Output)

Reporting Interval:

The time between signals [in seconds]

Other Measurements:

If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.

Communication Protocol:

The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.

#### AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:

Yes or No

Meter Accuracy:

Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT

Clock / Time Accuracy:

Accuracy of the time measurement (if any) associated with the Meter Read time.

Details of Meter/Equipment Standards

Listing of any meter or equipment standards

Meter Data Reporting Deadline:

How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

Granularity:

The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

Validating, Editing & Estimating (VEE) Method:

An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

Rules for Statistical Sampling:

If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

#### PERFORMANCE / BASELINE

Baseline Types:

Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm", "Behind the Meter Generation Data", "Firm Service Level Drop"



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### RETAIL MATRIX

#### *How to use this Matrix:*

*To the best of your ability fill in the matrix with the descriptions for the columns as noted below. If there are multiple programs or product names or triggers within a Class of DR Resource, please include their names and the trigger actions as appropriate. If there are different M&V requirements within a Class of DR Resource include them separated by a notation as to which product name it applies. There is no limit to the amount of information you add for each box, (this should occur rarely). Please note that the description text provided for specific programs is used as examples to put the issue identified in the heading within context. Companies may have different or similar descriptions for programs. There may or may not have differences in program qualification versus program implementation.*

*This Section in below in Blue is meant to clarify and focus the M&V content to be filled in the matrix following*

Column Header	Objective	Frequency	Description
<b>Qualification/ testing/ auditing</b>	To ensure that the DR resources are capable of performing, thereby delivering the product(s) being purchased.	Prior to participation in market, and ongoing.	Up front process to verify adequate infrastructure (measurement & data recording and communication equipment and data validation procedures) in place. May include on-site inspections, data transfers, actual load reduction test to verify that the resource is able to deliver the committed reductions. Process & procedures for disqualification. The data entered should answer the question: "How do you verify that the equipment is operating as expected?"
<b>Data reporting- frequency and monitoring</b>	To ensure adequate information to measure DR performance, accurate settlement and real-time operating data as appropriate.	Ongoing and/or event-driven.	Requirements around transmittal of meter and/or telemetry data to market. Includes validation, editing & estimation (VEE). <i>If reporting for a particular product is differentiated by what it is used for, e.g. operations, planning or settlement only. For VEE - addressing missing values, high-low checks, etc..</i> Utility best practices should be followed in addressing missing data or questionable data with techniques used to estimate or edit data. Retail business practices may be developed to define parameters supporting addressing estimates or editing to replace missing or questionable data.



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### RETAIL MATRIX

Column Header	Objective	Frequency	Description
<b>Meter and equipment standards</b>	To ensure appropriate granularity (frequency of data collection), frequency of data communication, accuracy and validity of data.	Ongoing or event-driven.	Requirements for meter accuracy, calibration, precision & testing <i>and frequency of above</i> . This could include support of ANSI standards for the performance of the meter equipment or control devices for the equipment. There is a difference between the sample population and the normal target population and is dependent on the investment made by the utility.
<b>Performance/baseline</b>	To ensure the methodologies and techniques used to calculate load response and/or recovery produce results that are within the required error tolerances (i.e., +/- X%).	Ongoing or event-driven.	Method(s) and techniques used to calculate the DR resource's expected load absent the DR instruction or request. Load response is the difference between its actual metered load and the calculated baseline. Baselines may vary depending on age of equipment and other criteria. The following questions may be answered in the responses for performance/baseline: <i>How is the baseline calculated? How is an acceptable default reached for a utility operating in a non-ISO footprint?</i> In comparison to the wholesale market, ISOs establish baselines and compare to usage immediately prior to an event.
<b>Statistical sampling of non-interval metered loads</b>	To ensure that the methodologies and techniques used to calculate load response and/or recovery create a statistically valid use alternative to interval metering for measuring DR performance or aggregations of loads, produce results that are statistically valid.	Ongoing or event-driven.	Methodology for creating a statistically valid alternative to universal interval metering, to include precision & accuracy requirements, sample size and selection requirements and bias control.
<b>Deployment Limitations</b>	Define any maximum number of events or hours of program deployment. <i>Limitations of the number of times the event is called, the length of an event, the % of participants</i>	N/A	Restrictions of program operation and /or participation. Limitations of the number of times the event is called, the length of an event, the % of participants



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### RETAIL MATRIX

Column Header	Objective	Frequency	Description
<b>Regulatory and market context</b>	<i>This would be helpful to identify the different regulatory contexts under which programs operate.</i>	N/A	Context under which the service or program is being offered.
Class of DR Resources	Notes:		
Submitter	These columns were added to indicate the submitters and the status of the programs described		
Status	These columns were added to indicate the submitters and the status of the programs described		
Product Type			
Category	Ancillary Services, Capacity, Energy Voluntary, Energy Price		
Program or Product Name	Need to compile a list of programs. Each ISO/RTO calls their products and programs different things. In order to track and define similarities and then translate that back to each ISO/RTO this field should include the program or product name		
When is Product expected to perform - Trigger events	Questionable on whether this is needed for development of M&V model business practices for the retail market - this column is needed for the ISO/RTO matrix. This trigger event will probably vary from company to company. Triggers require date and time stamps. Each ISO/RTO program or product has unique trigger events their products and programs different things. In order to track and define similarities and then translate that back to each ISO/RTO this field should include the trigger action for the program or product.		



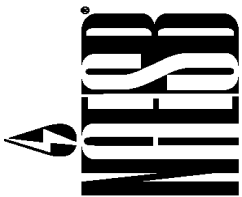
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## RETAIL MATRIX

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and standards equipment	Performance/ Baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context
Submitter	Dominion, Ripley Newcomb, 804-771-4637, <a href="mailto:ripley.newcomb@dom.com">ripley.newcomb@dom.com</a>	Verification: Operate a pilot program to determine that at least 95% of devices both receive and respond to signal to turn off WH at the beginning of the program. Depending on the manufacturers and device, the verification may come from a signal back from device, a data logger, or an IDR on the meter. Ongoing, a sample of at least 250 devices should be tested at least every 5 years to determine the overall failure rate and to develop a net to gross ratio. This ratio will be applied to the deemed kW per customer reduction from the load study.	Data from IDR will be collected on monthly meter reading route for pilot and sample accounts. When program is implemented, the profited reduction from the sample will be deemed to be the reduction for the program population. Monthly data will be required for PIM settlement	The customer's meter will continue to be used for billing determinants. The WH control switches should be included in the periodic meter tests to verify that 95% of the devices remain operational. The communication signal must be tested annually. Accounts in the load profile sample should have an end-use recorder on the water heater as well as a whole house recorder. Thirty minute interval data is adequate, although fifteen minute data on the water heater is considered preferable.	The algorithm that provides a reasonable estimate of normal customer usage absent any water heater interruption will be utility (and program specific). The CBL formula that is approved by the utility's ISO should be an acceptable default alternative.	An initial sample of 250 homes will provide a reasonably accurate estimate of load reduction that should be within +/- 5% of the true mean at a 90% confidence interval. The estimate for each demand reduction should be calculated with a 90% confidence level and the accuracy determined for each load reduction. An average error bound within +/- 10% will be considered to be accurate. If the net to gross operability study has remained at or above 90%, a sample of 100 homes will be adequate and should produce an error bound within +/- 5%. If net to gross operability drops below 90%, then a full sample of 250 homes will be required. If a tighter error bound is necessary, a larger sample will be required. (NOTE: This recommendation based on "PJM Deemed Savings for Legacy AC/WH Programs" report.)		
Status	Program not in effect today							
Product type								
Category								
Program or Product Name	Residential Water Heater Control Program							
Trigger Events	when system load is critical (defined as _____) or when zone load is priced at or above \$ _____ or transmission constraints in zone (defined as _____)							

### NAESB RETAIL MATRIX AS OF MAY 16, 2008



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 1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
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**RETAIL MATRIX**

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing	Data reporting frequency and monitoring	Meter and standards equipment	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments	Regulatory and market context
Energy Price	Submitter	Each customer site will provide a dedicated IBM compatible PC with a modem in order to receive the price transmissions and the telecommunication equipment needed for the company to communicate with the meter (dedicated phone line, cellular phone modem, etc.) The company will provide the software to allow receipt of the RTP prices as well as to perform analytical and graphical functions. The company will install an IDR. A rate contract will be executed to insure that the customer fully understands the rate and agrees to a one year minimum commitment. (NOTE: the existing RTP rate is currently closed to new customers.)	The company will maintain access through the provided phone line and will collect half-hourly load data every 24 hours.	Standard billing meter and IDR, meeting company standards for accuracy. Modem and phone line provided by customer.	See Dominion VA Power rate sch., RTP, paragraph V. DETERMINATION OF BASELINE KW LEVELS, BASELINE ENERGY LEVELS, AND INCREMENTAL ENERGY USAGE.	Not sampled.		
	Status	Program not in effect today						
	Product type							
	Category							
	Program or Product Name	Real Time Pricing rate (RTP)						
	Trigger Events	when system load is critical (defined as _____) or when zone load is priced at or above \$ _____ or transmission constraints in zone (defined as _____)						

**NAESB RETAIL MATRIX AS OF MAY 16, 2008**



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**RETAIL MATRIX**

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/Testing/Auditing	Data reporting-Frequency and monitoring	Meter and standards equipment	Performance/Baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context
Capacity	Submitter	<p>The pilot program is administered by EnerNOC for PSE. Participants are provided a no-cost site assessment of potential curtailable loads. Site enablement requires of demand pulse interval meter data and appropriate LAN connections. Five-minute interval meter data is continuously passed via an Internet LAN connection to the EnerNOC's network operations center in Boston, MA. The data is collected during the event, which can span from one to four hours. The participants are estimated to on average curtail 100 - 200 kW in the winter season (November - February) and 100 - 200 kW in the summer (May - September).</p>	<p>The pilot seeks to provide PSE to practical knowledge and performance data for customer facilities during winter and summer control events. Continuous, near real-time interval meter data supports measurement of capacity performance, baseline readings and development of the load adjustment. When the event is called, the participants are notified one hour ahead - for winter season notification windows (6 am to 9 am and 5 pm to 9 pm) and the summer</p>	<p>Demand pulse interval meters are installed at the participants sites as well as a pulse splitter to permit EnerNOC to receive the meter data.</p>	<p>Performance is calculated based on a baseline determined from the highest three days out of the previous ten business days for a given participant.</p>	<p>Not applicable</p>	<p>The participants represent a mix of facility/operation/road types, of which a maximum of 24 participants can be accommodated in the program. The program is operational from November 2007 to December 2009. The financial incentives offered for participants in measured capacity curtailment is capped at \$5000 per participant per season, (provided through \$20/kW seasonal average curtailment).</p>	<p>The program is operational in King County, Washington, and falls under the jurisdiction of Washington Utilities and Transportation Commission. The rate schedule is Electric Schedule 249A.</p>
	Status							
	Product type							
	Category							
	Program of Product Name							



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## RETAIL MATRIX

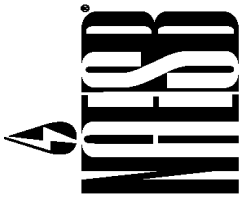
Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and standards equipment	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context
Trigger Events	The program is triggered by weather conditions determined by PSE resource planners.		notification window (2 pm to 6 pm). Following each event, EnterNOC reports to PSE the five minute interval kW data files (for each site) covering the (10 business day) baseline calculation period, through to the end of the event day. PSE separately maintains its own 15 minute utility meter data files for evaluation purposes.					
Submitter	ConEd, Elena Futoryan, 212-460-2228, <a href="mailto:futoryane@coned.com">futoryane@coned.com</a>	This is not a pilot. A revenue grade interval meter with phone lines is required. For customers -- 50 KW reduction, and for load aggregators -- 100 KW reduction, for 4 consecutive hours. Audit is required for the mandatory program. The rider has been approved. In 2007, the maximum was 6 hours per capability period. Any participation over 6 events or 4 hours is considered voluntary. May 1 to October 31 is the summer capability period for	The customers are billed on the data. The meters are 15 minute interval meters. The data is 15-minute interval data, and the base load level should be met every hour - so the data is rolled up to hourly. The data is collected after an event is called. The data is stored in a time stamp meter.	Revenue grade interval meters must be used with appropriate telephone lines. Precision levels should be available.	Performance is calculated based on NYISO methodology for capacity and energy payments.	not applicable	The program is capped at 400 MW. The reservation payment is based on a two tier system.	NY PSC
Status	In effect today							
Product type								
Category								
Program or Product Name	Reservation Payment Program							
Price and Capacity Program								



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**RETAIL MATRIX**

Specifics of the DR Program Being Described		NAESB RETAIL MATRIX AS OF MAY 16, 2008							
		M&V Aspects of the DR Programs							
Class of DR Resources		Qualification/ testing/ auditing/	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context	
Capacity	<p>The program is triggered in heavy demand conditions as provided by the tariff. The trigger levels are under consideration now and may be changed.</p>	<p>the mandatory program. There is no winter capability option for the mandatory program at this time.</p>	<p>Interval metered data captured and maintained. Actual load evaluated when IS call occurs. Normal load levels evaluated when no call occurs. This allows for a determination of expected results when called. Program requirements are that customer drop to a firm level during a call. No "reduction" constraints utilized.</p>	<p>Utilizes revenue quality meters.</p>	<p>The IS customer is required to cut load to the contracted firm load level. Actual load dropped is determined by evaluating pre and post event load levels of each customer.</p>	<p>N/A</p>	<p>Customer has options to choose various call constraints. Chosen option determines the credit amount to the customer for non-firm load.</p>	<p>PSC regulated tariff</p>	
	Trigger Events	<p>Alabama Power, Neal Allen, 205-257-6579, hnallen@southern.co.com</p>	<p>Two way communication devices. We send test and customers respond. Test periodically. In addition, "in field" tests are performed periodically as well.</p>						
	Submitter								
	Status	<p>In effect Today</p>							
	Product type	<p>Interruptible Load</p>							
	Category	<p>Capacity</p>							
	Program or Product Name	<p>Industrial Interruptible Program, IS Program</p>							
	Trigger Events	<p>During a System Reliability Alert "System Alarm" notice. Can be utilized for locational reliability issues if necessary.</p>							



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**RETAIL MATRIX**

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and standards equipment	Performance/ Baseline	Statistical sampling of non-interval metered loads	Deployments	Regulatory and market context
Capacity	Submitter	Two way communication devices. We send test and customers respond. Test periodically. In addition, "in field" tests are performed periodically as well. Generators are remotely started monthly for reliability purposes.		Utilizes revenue quality meters.	No baseline requirements. Equipment rating and reliability testing determines expected reduction for a call.	N/A	Program rules set minimum 250 kW size to participate in the program. Program call constrained to 8 hours per day, 5 days per week, 240 hours per year.	PSC regulated tariff
	Status							
	Product type							
	Category							
	Product or Program Name							
	Trigger Events							
Energy	Submitter	Originally offered years ago prior to any qualification or auditing requirements. None exist today.		Utilizes revenue quality meters.	No performance levels expected therefore no baseline required.	N/A	Various TOU rates are available to customers meeting specific SIC codes. Some require separate metering for specific end uses such as irrigation pumps, electric	PSC regulated tariff
	Status							
	Product type							
	Category							



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**RETAIL MATRIX**

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing/	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context
Program or Product Name	TOU Rates						vehicle changing, etc.	
Trigger Events	Various types of TOU rates exist for various types of residential, commercial, and industrial customers. Rates vary by fixed customer charge, season, and time of day. Majority of rates are based on summer and non-summer seasons with peak, intermediate, and off-peak rate periods.							
Capacity	Submitter	BGE, Ruth Kiselewich, 410-470-1361, <a href="mailto:ruth.c.kiselewich@bge.com">ruth.c.kiselewich@bge.com</a>	In addition to the periodic sampling of switch operability, BGE conducts Load Research Studies to estimate the average impact for each participant in the	For its Load Research Studies, BGE uses ANSI certified meters that have been approved by the PSC for load recording. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT	For the development of average impacts for water heating, BGE compares non-event days to event days using a comparison of means. The	Load data are obtained from meters that were installed on 65 customers' water heaters. This stratified sample design provides a confidence of 90% ± 10% accuracy. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION		
	Status	In effect Today						



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**RETAIL MATRIX**

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing/	Data reporting- frequency and monitoring	Meter and standards equipment	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments	Regulatory and market context
Product type				EVALUATION	difference between these two (2) load shapes forms the average impacts. PJM requires PJM requires average impacts for each hour between noon and 8 p.m. The non-event profile is comprised of the hottest days of the summer. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION			
Category								
Program or Product Name	BGE's Residential Water Heater Control Program (Rider 6)							
Trigger Events	BGE can activate switches up to 15 times per year for reliability or economic reasons.							
Submitter	BGE, Mary Straub, 410-470-1416, <a href="mailto:mary.m.straub@bge.com">mary.m.straub@bge.com</a>		Customers interval meter data is captured on weekly basis. This hourly data is stored and facilitates the M&V analysis.	The Participant must have Company-approved interval metering and communications equipment to participate in this Rider.	If the customer is participating by using a metered generator then the generator data forms the basis of the incentive. If the customer is participating by reducing load, then a Customer Baseline Load (CBL) will be developed. In			BGE Rider. Settlements are made with PJM.
Status	In effect Today							
Product type	PJM Load Response program							
Category	Voluntary (Capacity & Energy)							

**NAESB RETAIL MATRIX AS OF MAY 16, 2008**



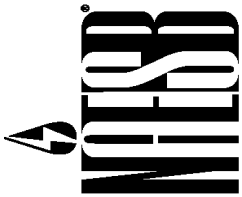
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## RETAIL MATRIX

Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources		Qualification/ testing/ auditing/	Data reporting- frequency and monitoring	Meter and standards equipment	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployments Limitations	Regulatory and market context
Program or Product Name	BGE's Load Response Program (Rider 24)							
Trigger Events	Commercial Customer notifies BGE when they plan on initiating a load response event.							
Submitter	BGE, Ruth Kiselewich, 410-470-1361, <a href="mailto:ruth.c.kiselewich@bge.com">ruth.c.kiselewich@bge.com</a>	BGE tests a sample of switches periodically. Switch operability studies must be conducted every 5 years, according to PJM, Manual 19; Load Data Systems.	In addition to the periodic sampling of switch operability, BGE conducts Load Research Studies to estimate the average impact for each participant in the program.	For its Load Research Studies, BGE uses ANSI certified meters that have been approved by the PSC for load recording. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION	For the development of average impacts for air conditioning, BGE compares non-event days to event days using regression analysis. The model estimates the average impact provided a particular weather conditions. PJM requires average impacts for each hour between noon and 8 p.m. PROVIDED	Load data are obtained from meters that were installed on 100 customers' air conditioner units. This stratified sample design provides a confidence of 90% ± 10% accuracy. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION		
Status	In effect Today							
Product type								
Category								
Program or Product Name	BGE's Residential Air Conditioner Control Program (Rider 5)							
Capacity								

### NAESB RETAIL MATRIX AS OF MAY 16, 2008



# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

## RETAIL MATRIX

NAESB RETAIL MATRIX AS OF MAY 16, 2008								
Specifics of the DR Program Being Described		M&V Aspects of the DR Programs						
Class of DR Resources	Trigger Events	Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	There is no limit to the number of times BGE can activate switches for reliability or economic reasons.				FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION			

To the extent that NAESB can provide some protocols that would assist groups such as ISOs in evaluating the effectiveness of programs would be helpful.

Time of Use

Examples:

Schedule of prices published such the consumer can determine his energy consumption based in part on price signals published.

Real Time Pricing

Demand Charges

Peak Time Rebates

Planning Peak Alerts

Interruptible/Curtailable Management Rates

Thermal Storage/Energy Storage

Standby Generation Rates (emergency generators and distributed generators)

Smart Appliances

Ancillary Programs



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
 For Quadrant: WEQ**

**Draft: October 3, 2008  
 Requesters: DSM-EE Subcommittee  
 Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**1. RECOMMENDED ACTION:**

- Accept as requested
- Accept as modified below
- Decline

**EFFECT OF EC VOTE TO ACCEPT  
 RECOMMENDED ACTION:**

- Change to Existing Practice
- Status Quo

**2. TYPE OF DEVELOPMENT/MAINTENANCE**

**Per Request:**

- Initiation
- Modification
- Interpretation
- Withdrawal
  
- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

**Per Recommendation:**

- Initiation
- Modification
- Interpretation
- Withdrawal
  
- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

**3. RECOMMENDATION**

**SUMMARY:**

The standards support the measurement and verification characteristics of Demand Response programs administered for application in the wholesale market and may be the subject of individual tariffs filed with and approved by the Federal Energy Regulatory Commission.

**RECOMMENDED STANDARDS:**

*DISCLAIMER: This document contains draft information on standards for wholesale electricity Demand Response products and services in markets administered by Independent System Operators and Regional Transmission Organizations (hereinafter referred to as "System Operator"). The information contained within this draft is not intended to replace applicable tariff, market rules, operating procedures, protocols or manuals, for wholesale Demand Response, and in the event of a conflict, the latter documents shall have precedence over these standards.*

Contact information: Eric Winkler, Ph.D., ISO New England, 413-540-4513, ewinkler@iso-ne.com

WEQ-015 Business Practices for Wholesale Electricity Demand Response Programs - Please see attached documentation.



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**4. SUPPORTING DOCUMENTATION**

**a. Description of Request:**

Develop business practices to support demand side management and energy efficiency programs in the wholesale and retail electric markets.

**b. Description of Recommendation:**

For the first phase, develop business practices to support the measurement and verification aspects of the wholesale market demand response programs.

**c. Business Purpose:**

The business practices may be used by the administrators of wholesale demand response programs to add market transparency and understanding in the application of the measurement and verification characteristics of those programs.

**d. Commentary/Rationale of Subcommittee(s)/Task Force(s):**

- **April 11, 2007:** Several representatives of the NAESB WEQ, REQ, and RGQ as well as representatives of the US Department of Energy, US Environmental Protection Agency, FERC, and other industry experts met at the Department of Energy offices in Washington, D.C. to discuss the NAESB effort to draft business practices for Demand Side Management and Energy Efficiency. Ongoing Energy Efficiency and DSM projects and programs by other groups (such as NAPEE) were reviewed by the meeting attendees. The following resolution outlines the scope of the initial effort by NAESB to draft business practice standards for these topics: It was decided that NAESB should begin its standards development focus on measurement and verification of energy savings and peak demand reduction from both a wholesale and retail electric market perspective. A future schedule of meetings for DSM and Energy Efficiency should be posted on the NAESB website shortly.
- **May 24, 2007:** 75 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants (22% more than the first meeting) met in person and by conference telephone at NAESB headquarters in Houston to refine the scope of Phase 1 activities, agreeing on a specific list of tasks and assigning subgroups of volunteers to work on each task. At this meeting, no less than 28 individuals spoke to the group.
- **June 18, 2007:** 51 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at BGE offices in Baltimore to further refine the scope of Phase 1 activities by reviewing the initial task list and revising it with more detailed deliverable requirements and dates, and with identification of base documents to support completing each task.
- **July 26, 2007:** 46 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at AGA offices in Washington DC to present deliverables of existing demand response measurement and verification protocols and a list of 41 possible topics and subtopics for NAESB model



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**Proposed Standards**

business practices. The task force reviewed all 41 possibilities, deciding whether to draft MBPs and which ones can be grouped together.

- **September 14, 2007:** The results of the meeting including possible standards text were sent out for comment including notes, considerations and possible standards text. Comments were requested on each of the nine standards development areas including whether the remarks were directed to wholesale or retail markets, pre program evaluation or post implementation evaluation, or to DSM or EE projects.
- **September 25, 2007:** A DSM-EE meeting was held in Austin, Texas hosted by ERCOT. The purpose of the meeting was to review the comments, determine the level of progress made towards the task list and determine if adjustments to the task, focus or schedule were needed. When reviewing the comments it was determined to focus in five areas specific to demand response programs, and develop business practice standards that would prove helpful – (1) DR programs administered by ISOs and RTOS in the wholesale markets, (2) DR programs administered by utilities in wholesale markets, (3) DR programs administered by utilities in the retail markets, (4) a glossary to support the DR programs, and (5) a preamble to put the business practice standards in context. To focus on the DR programs, each of the three areas outlined will develop a matrix that describes the aspects of the DR programs in effect today, planned, or has been in effect in the past.
- **November 6, 2007:** Several of the NAESB leadership met with Commissioners Kerr and Ervin of NC to gain further understanding of expectations for DSM-EE NAESB activity for electricity for the retail markets.
- **November 11, 2007:** NAESB participated in a panel on DSM-EE at the NARUC Annual Meeting in Anaheim.
- **November 30, 2007:** Meeting hosted by Dominion in Richmond. During the meeting, each of the five groups described the progress made and plans to date. Drafts of the three matrices were reviewed, as was a draft glossary and outline for the preamble. It is possible that the two wholesale matrices will be combined, as The calendar for 2008 was also set. The next meeting is scheduled for January 23 in Baltimore hosted by BGE.
- **December 3, 2007:** A meeting was held with Commissioner Mason of Ohio to gain further understanding of expectations for DSM-EE NAESB activity for natural gas for the retail markets.
- **January 23, 2008:** The group met in Baltimore to review progress on the two matrices, the preamble and the glossary. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. Data is being placed in five separate categories -Initial Testing and Auditing, Ongoing Testing and Auditing, Triggering; Construction, Statistical Analysis, Performance and Baselines. The matrix for retail DR programs is lagging but several companies have provided or agreed to provide data – including BGE, Dominion, ConEd, Alabama Power and ComVerge. Procedures for how to collect the data was discussed with both interviews online and distributed surveys discussed. Both the preamble and glossary while first drafts are available are dependent on the work of the matrices and cannot be further developed until after more progress has been made on the matrices.
- **March 28, 2008:** The group met in Houston to review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had



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expanded significantly to provide for more comparability for responses. 45 DR programs have been identified and the data is now being verified. A template for the type of standards to be expected from this effort was reviewed. The retail matrix now has additional data and several interviews were conducted online, with the conclusion that it is the preferred way to gather data. The retail group is to set up a face-to-face meeting in May to review the matrix and make changes before sending it out to utilities for interviews.

- **May 30, 2008** – The group met in Holyoke to continue review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. With the 45 DR programs identified, the group is now consolidating the data to higher levels from the more specific items collected. With the consolidation, the business practices should be drafted. The outline for the business practices has been prepared. The retail matrix now has contributions from 11 DR programs and the matrix structure is being validated against flow charts of the programs. Once the matrix structure is validated, online interviews will be held. It was determined to concentrate on dispatchable DR programs first.
- **July 30, 2008** – The group met in Carmel, Indiana hosted by ACES Power to review the progress made in the two efforts. With the 45 DR programs identified, the wholesale group has consolidated the data to higher levels and draft language is being developed around four product types, energy, capacity, regulation and reserves which incorporate information from various ISO/RTOs, as well as other entities. For the retail effort, the group is relying on work from AEIC regarding process flow and applying that flow to DR programs in place. From the flows, draft standards are being prepared. Once the draft standards are prepared, efforts will be to collect through interviews information from other utilities, geographically diverse and administering programs different from those already documented. Through the interviews it is expected that we would validate both the matrix and the draft standards. The retail group is initially focusing on dispatchable DR programs. Coordination is also underway with NERC on the development of a DR survey and with the AEIC. Work will soon begin with both groups to include the glossary and the preamble text.
- **October 3, 2008** – The group met in Austin, Texas hosted by ERCOT to review progress made in development of M&V standards for retail and wholesale DR programs. A recommendation of business practice standards for the wholesale market was reviewed by the group. After discussion, it was the intent that the recommendation be distributed for a two week informal comment period. The comments would be discussed at the December meeting including any suggested changes. After discussion on December 2, the recommendation will either be voted out of subcommittee and would proceed to a formal comment period and Executive Committee consideration, or the recommendation would continue to be modified by the subcommittee through another round of informal comments. For retail, the subgroup has collected detailed data on some DR programs underway. After review of the wholesale effort, it was discussed that the retail subgroup would hold a two day session to determine whether to proceed at the level defined in the wholesale recommendation, or proceed to define more prescriptive standards.
- **Planned, December 2, 2008** – Planned meeting hosted by Alabama Power in Birmingham.

**e. Additional Background documentation**



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- DSM-EE NAESB page for meetings and materials: <http://www.naesb.org/dsm-ee.asp>
- Presentation of the wholesale recommendation given on October 3: ISO presentation - <http://www.naesb.org/pdf3/dsmee100308w7.pdf>
- Presentation on the NAESB process to be used – given on October 3: <http://www.naesb.org/pdf3/dsmee100308w8.pdf>

*[At a later time a supporting document with clarifying information will be provided as a Technical Implementation Business Practice]*



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**Proposed Standards**

## **Business Practices for Wholesale Electricity Demand Response**

### **Introduction**

#### **1. Measurement and Verification Standards**

These Measurement and Verification (M&V) standards are intended to facilitate Demand Response in wholesale electricity markets by providing a common framework for the following:

- Transparency: accessible and understandable M&V requirements for Demand Response products;
- Accountability: criteria that will enable the System Operator to accurately measure performance of Demand Response resources; and
- Consistency: standards applicable across all wholesale electricity markets.

#### **2. Applicability of Measurement and Verification Standards:**

These standards were developed by the Independent System Operators (ISO) and Regional Transmission Organizations (RTO) in North America through the North American Energy Standard Board (NAESB) stakeholder process. The standards reflect business practices applicable to measurement and verification of wholesale market Demand Response services including the following four product categories:

##### **Energy Service**

A type of Demand Response service in which Demand Resources are compensated based solely on Demand reduction performance.

##### **Capacity Service**

A type of Demand Response service in which Demand Resources are obligated over a defined period of time to be available to provide Demand Response upon deployment by the System Operator.

##### **Reserve Service**

A type of Demand Response service in which Demand Resources are obligated to be available to provide Demand reduction upon deployment by the System Operator, based on reserve capacity requirements that are established to meet applicable reliability standards.

##### **Regulation Service**

A type of Demand Response service in which a Demand Resource increases and decreases Load in response to real-time signals from the System Operator. Demand Resources providing Regulation Service are subject to dispatch continuously during a commitment period. Provision of Regulation Service does not correlate to Demand Response Event timelines, deadlines and durations.

These standards establish Demand Response M&V criteria. They do not establish requirements related to the compensation, design, operation, or use of Demand Response services. In these regards, System



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Operators are not required to offer these Services and may not currently offer each of these Services. Terms that are capitalized in these standards have the meanings ascribed to them in the Definitions of Terms section.

For purposes of these Measurement and Verification standards, Demand Response does not include Measurement and Verification of energy efficiency or permanent Load reduction.

Tariff Conflict and NERC Standards:

In the event of a conflict between these business practices and the System Operator's Tariffs, market rules, operating procedures, protocols or manuals, the Tariff, market rules, operating procedures, protocols or manuals shall have precedence. Terms defined in the Definition of Terms section are critical to understanding the applicability of these M&V standards, but do not modify or supersede market rule or tariff definitions that apply to the compensation, design, operation, or use of Demand Response services. Additionally, all entities supplying Demand Response Services shall comply with NERC reliability standards.



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**Proposed Standards**

**3. Overview of the Standards**

These M&V standards establish criteria for the use of equipment, technology, and procedures to quantify the Demand Reduction Value delivered. Standards developed may include commonalities among product types. The following outline of standards is applicable to the four Demand Response product categories.

<b>General</b>	Advance Notification
	Deployment Time
	Reduction Deadline
	Release/Recall
	Normal Operations
	Demand Resource Availability Measurement
	Aggregation
	Transparency of Requirements
<b>Telemetry</b>	Telemetry Requirement
	Telemetry Accuracy
	Telemetry Reporting Interval
	Other Telemetry Measurements
	Communication Protocol
	Governor Control Equivalent
	On-Site Generation Telemetry Requirement
<b>After-The-Fact Metering</b>	After-the-Fact Metering Requirement
	Meter Accuracy
	Details of Meter/Equipment Standards
	Meter Data Reporting Deadline
	Meter Data Reporting Interval
	Clock / Time Accuracy
	Validating, Editing & Estimating (VEE) Method
	On-Site Generation Meter Requirement
<b>Performance Evaluation</b>	Rules for Performance Evaluation



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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**Performance Evaluation Methodology**

For each Demand Response service, a performance evaluation methodology is used to determine the Demand Reduction Value provided by a Demand Resource. The standards include descriptions of acceptable Baselines and alternative performance measurements that are appropriate for each of the four types of Demand Response services. The table below provides an outline of the applicable criteria for performance evaluation methodologies.

<b>Baseline Information</b>	Baseline Window
	Calculation Type
	Sampling Precision and Accuracy
	Exclusion Rules
	Baseline Adjustments
	Adjustment Window
<b>Event Information</b>	Use of Real-Time Telemetry
	Use of After-The-Fact Metering
	Performance Window
	Measurement Type
<b>Special Processing</b>	Highly-Variable Load Logic
	On-Site Generation Requirements

These standards do not specify detailed characteristics of performance evaluation methodologies, but rather provide a framework that may be used to develop performance evaluation methodologies for specific Demand Response services. The following methodology types are included:

**Maximum Base Load:** A performance evaluation methodology based solely on a Demand Resource’s ability to reduce to a specified level of electricity demand, regardless of its electricity consumption or demand at Deployment.

**Meter Before / Meter After:** A performance evaluation methodology where electricity consumption or demand over a prescribed period of time prior to Deployment is compared to similar readings during the Sustained Response Period.

**Baseline Type-I:** A Baseline performance evaluation methodology based on a Demand Resource’s historical interval meter data which may also include other variables such as weather and calendar data.

**Baseline Type-II:** A Baseline performance evaluation methodology that uses statistical sampling to estimate the electricity consumption of an Aggregated Demand Resource where interval metering is not available on the entire population.

**Metering Generator Output:** A performance evaluation methodology, used when a generation asset is located behind the Demand Resource’s revenue meter, in which the Demand Reduction Value is based on the output of the generation asset.



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Performance Evaluation Type	Valid For Service Type			
	Energy	Capacity	Reserves	Regulation
Maximum Base Load	✓	✓		
Meter Before / Meter After	✓	✓	✓	✓
Baseline Type-I	✓	✓	✓	
Baseline Type-II	✓	✓	✓	
Metering Generator Output	✓	✓	✓	✓



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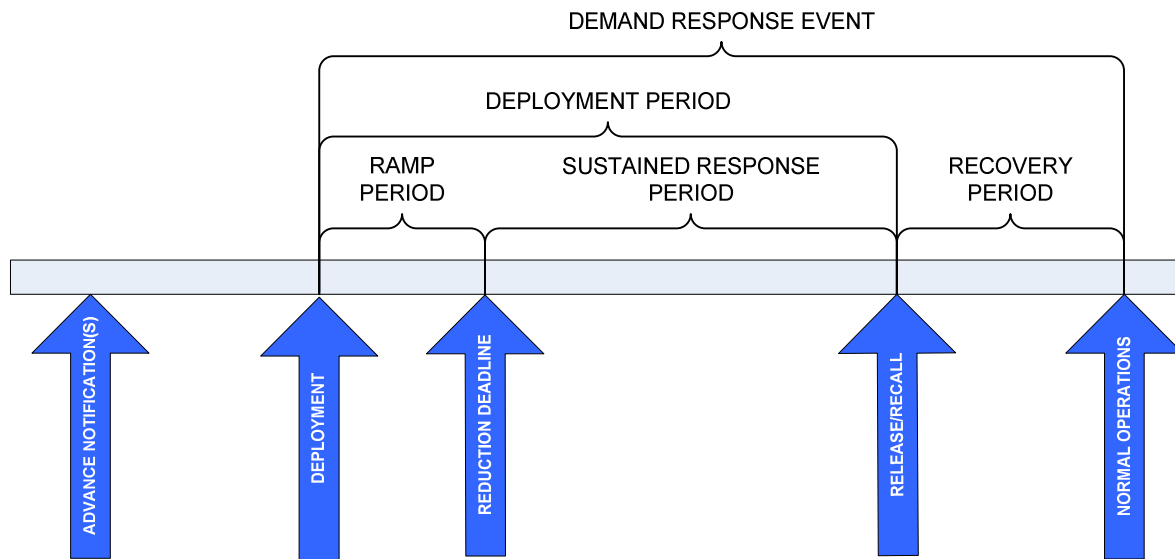
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**Definition of Terms**

**DEMAND RESPONSE EVENT TERMS**



**Figure 1. Timing of a Demand Response Event**

The following terms refer to the above Figure 1.

**Advance Notification(s)**

One or more communications to Demand Resources of an impending Demand Response Event in advance of the actual event.

**Demand Response Event**

The time periods, deadlines and transitions during which Demand Resources perform. The System Operator shall specify the duration and applicability of a Demand Response Event.

**Deployment**

The time at which a Demand Resource begins reducing Demand on the system in response to an instruction.

**Deployment Period**

The time in a Demand Response Event beginning with the Deployment and ending with the Release/Recall.



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**Normal Operations**

The time following Release/Recall at which a System Operator may require a Demand Resource to have returned its Load consumption to normal levels, and to be available again for Deployment.

**Ramp Period**

The time between Deployment and Reduction Deadline, representing the period of time over which a Demand Resource is expected to achieve its change in Demand.

**Recovery Period**

The time between Release/Recall and Normal Operations, representing the window over which Demand Resources are required to return to their normal Load .

**Reduction Deadline**

The time at the end of the Ramp Period when a Demand Resource is required to have met its Demand Reduction Value obligation.

**Release/Recall**

The time when a System Operator or Demand Response Provider notifies a Demand Resource that the Deployment Period has ended or will end.

**Sustained Response Period**

The time between Reduction Deadline and Release/Recall, representing the window over which a Demand Resource is required to maintain its reduced net consumption of electricity.

**GENERAL TERMS**

**Adjustment Window**

The period of time prior to a Demand Response Event used for calculating a Baseline adjustment.

**After-the-Fact Metering**

Any meter data communication that is not considered Telemetry.

**Aggregated Demand Resource**

A group of independent Load facilities that provide Demand Response services as a single Demand Resource.

**Baseline**

A Baseline is a method of estimating the electricity that would have been consumed by a Demand Resource in the absence of a Demand Response Event. The Baseline is compared to the actual metered electricity consumption during the Demand Response Event to determine the Demand Reduction Value. Depending on the type of Demand Response product or service, Baseline calculations may be performed in real-time or after-the-fact. The System Operator may offer multiple Baseline models and may assign a Demand Resource to a model based on the characteristics of the Demand Resource's Load or allow the Demand Resource to choose a



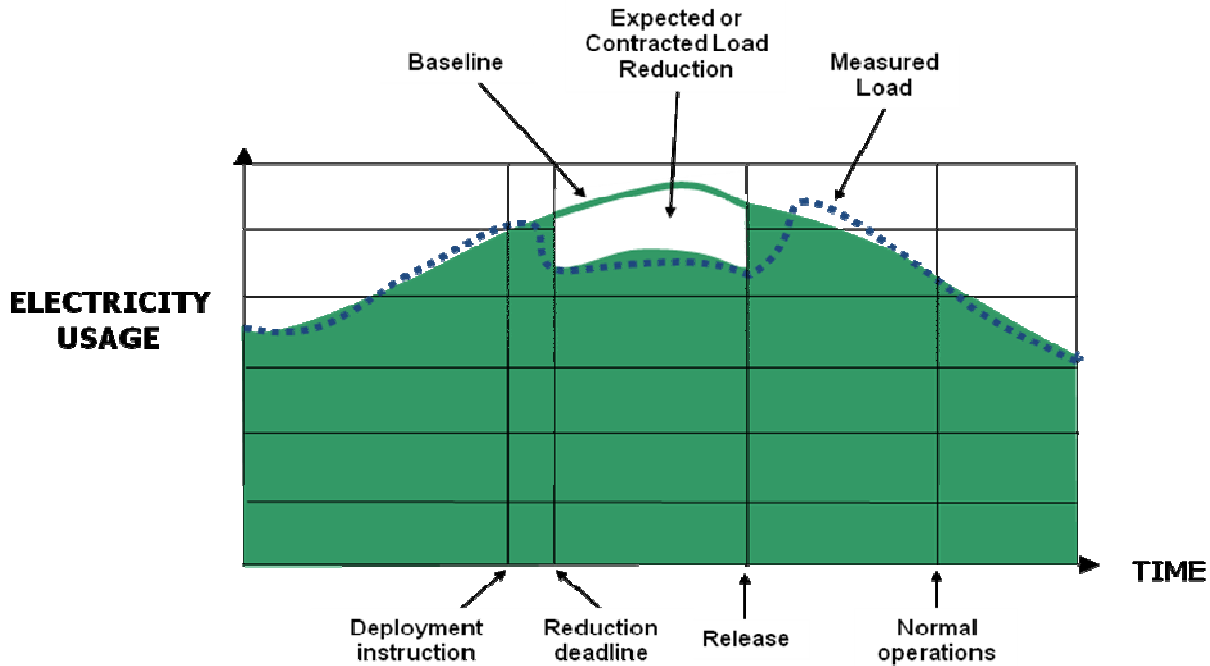
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performance evaluation model consistent with its load characteristics from a predefined list. Figure 2. below illustrates the concept of Baseline relative to a Demand Response Event.



**Figure 2. Illustration of Baseline Concept.**

**Baseline Adjustment**

An adjustment that modifies the Baseline to reflect actual conditions immediately prior to or during a Demand Response Event to provide a better estimate of the energy the Demand Resource would have consumed but for the Demand Response Event. The adjustments may include but are not limited to weather conditions, near real time event facility Load, current Demand Resource operational information, or other parameters based on the System Operator’s requirements.

**Baseline Type-I (Interval Metered)**

A Baseline performance evaluation methodology based on a Demand Resource’s historical interval meter data which may also include other variables such as weather and calendar data.

**Baseline Type-II (Non-Interval Metered)**

A Baseline performance evaluation methodology that uses statistical sampling to estimate the electricity consumption of an Aggregated Demand Resource where interval metering is not available on the entire population.



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**Baseline Window**

The window of time preceding and optionally following, a Demand Response Event over which the electricity consumption data is collected for the purpose of establishing a Baseline. The applicability of this term is limited to Meter Before/Meter After, and Baseline Type-I and Type-II.

**Capacity Service**

A type of Demand Response service in which Demand Resources are obligated over a defined period of time to be available to provide Demand Response upon deployment by the System Operator.

**Demand Response Provider**

The entity that is responsible for delivering Demand reductions from Demand Resources and is compensated for providing such Demand Response products in accordance as specified by the System Operator.

**Demand**

The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time; and the rate at which energy is being used by the customer (NERC Definition).

**Demand Reduction Value**

Quantity of reduced electrical consumption by a Demand Resource, expressed as MW or MWh.

**Demand Resource**

A Load or aggregation of Loads capable of measurably and verifiably providing Demand Response.

**Demand Response**

A temporary change in electricity consumption by a Demand Resource in response to market or reliability conditions. For purposes of these standards, Demand Response does not include energy efficiency or permanent Load reduction.

**Energy Service**

A type of Demand Response service in which Demand Resources are compensated solely based on Demand reduction performance.

**Highly-Variable Load**

A Load with a fluctuating or unpredictable electricity consumption pattern.

**Load**

An end-use device or customer that receives power from the electric system (NERC Definition).

**Maximum Base Load**

A performance evaluation methodology based solely on a Demand Resource's ability to reduce to a specified level of electricity Demand, regardless of its electricity consumption or Demand at Deployment.



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**Meter Before / Meter After**

A performance evaluation methodology where electricity Demand over a prescribed period of time prior to Deployment is compared to similar readings during the Sustained Response Period.

**Meter Data Recording Interval**

The time between electricity meter consumption recordings.

**Meter Data Reporting Deadline**

The maximum allowed time from the end of a Demand Response Event (Normal Operations) to the time when meter data is required to be submitted for performance evaluation and settlement. The Meter Data Reporting Deadline may be either relative (a number of hours/days after Normal Operations) or fixed (a fixed calendar time, such as end-of-month).

**Metering Generator Output**

A performance evaluation methodology, used when a generation asset is located behind the Demand Resource's revenue meter, in which the Demand Reduction Value is based on the output of the generation asset.

**Performance Window**

The period of time in a Demand Response Event analyzed by the System Operator to measure and verify the Demand Reduction Value for a Demand Resource.

**Ramp Rate**

The rate, expressed in megawatts per minute, that a generator changes its output. (NERC Definition) Demand Resource ramp rate is the rate, expressed in megawatts per minute, that a Demand Resource changes its Load.

**Regulation Service**

A type of Demand Response service in which a Demand Resource increases and decreases Load in response to real-time signals from the System Operator. Demand Resources providing Regulation Service are subject to dispatch continuously during a commitment period. Provision of Regulation Service does not correlate to Demand Response Event timelines, deadlines and durations as depicted in Figure 1.

**Reserve Service**

A type of Demand Response service in which Demand Resources are obligated to be available to provide Demand reduction upon deployment by the System Operator, based on reserve capacity requirements that are established to meet applicable reliability standards.

**System Operator**

A System Operator is a Balancing Authority, Transmission Operator, or Reliability Coordinator whose responsibility is to monitor and control an electric system in real time (based on NERC definition). The System Operator is responsible for initiating Advance Notifications, Deployment, and Release/Recall instructions.



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**Telemetry**

Real-time continuous communication between a Demand Resource or Demand Response Provider and the System Operator.

**Telemetry Interval**

The time unit between communications between a Demand Resource or Demand Response Provider and a System Operator.

**Validation, Editing and Estimation**

The process of taking raw meter data and performing validation and, as necessary, editing and estimation of corrupt or missing data, to create validated data. (VEE guidelines are published in the Edison Electric Institute's Uniform Business Practices for Unbundled Electricity Metering, Volume Two, Published 12/05/00, [http://www.naesb.org/REQ/req\\_form.asp](http://www.naesb.org/REQ/req_form.asp))

**Business Practice Requirements:**

**Provision of Wholesale Electric Demand Response Energy Products**

**Applicability**

The Standard applies to any entity that administers wholesale Energy Demand Response Products.

**Purpose**

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

**015-1.0 GENERAL**

- **Advance Notification**

The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

The System Operator shall specify the Reduction Deadline.

- **Release/Recall**

The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

Not applicable to Energy Service unless otherwise specified by the System Operator.

- **Aggregation**

The System Operator shall specify if aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

### **015-1.1 TELEMETRY**

- **Telemetry Requirement**

The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**

If on-site generation is present behind the primary Telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

Not applicable to Energy Service unless otherwise specified by the System Operator.

### **015-1.2 AFTER-THE-FACT METERING**

- **After-the-Fact Metering Requirement**

After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

### **015-1.3 PERFORMANCE EVALUATION**

- **Rules for Performance Evaluation**

Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:

- Maximum Base Load
- Meter Before / Meter After
- Baseline Type-I
- Baseline Type-II
- Metering Generator Output

### **Business Practice Requirements:**

#### **Provision of Wholesale Electric Demand Response Capacity Products**

##### **Applicability**

The Standard applies to any entity that administers the wholesale Demand Response Capacity Products.

##### **Purpose**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

**015-1.4 GENERAL**

- **Advance Notification**

The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

The System Operator shall specify the Reduction Deadline.

- **Release/Recall**

The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**

The System Operator shall specify any requirements for measuring the capability of a Demand Resource to meet its obligation.

- **Aggregation**

The System Operator shall specify if aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

**015-1.5 TELEMETRY**

- **Telemetry Requirement**

The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

If on-site generation is present behind the primary Telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

Not applicable to Capacity Service unless otherwise specified by the System Operator.

#### **015-1.6 AFTER-THE-FACT METERING**

- **After-the-Fact Metering Requirement**

After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

- **Validating, Editing & Estimating (VEE) Method**

The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

### **015-1.7 PERFORMANCE EVALUATION**

- **Rules for Performance Evaluation**

Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:

- Maximum Base Load
- Meter Before / Meter After
- Baseline Type-I
- Baseline Type-II
- Metering Generator Output

### **Business Practice Requirements:**

#### **Provision of Wholesale Electric Demand Response Reserve Products**

##### **Applicability**

The Standard applies to any entity that administers the wholesale Demand Response Reserve Products.

##### **Purpose**

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

### **015-1.8 GENERAL**

- **Advance Notification**

The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

The System Operator shall specify the Reduction Deadline.

- **Release/Recall**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
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Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**

The System Operator shall specify any requirements for measuring the capability of a Demand Resource to meet its obligation.

- **Aggregation**

The System Operator shall specify if Aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

#### **015-1.9 TELEMETRY**

- **Telemetry Requirement**

- The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data

- **On-Site Generation Telemetry**

If on-site generation is present behind the primary telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
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Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

Not applicable to Reserve Service unless otherwise specified by the System Operator.

**015-1.10 AFTER-THE-FACT METERING**

- **After-the-Fact Metering Requirement**

After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

**015-1.11 PERFORMANCE EVALUATION**

- **Rules for Performance Evaluation**

Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:

- Meter Before / Meter After
- Baseline Type-I
- Baseline Type-II
- Metering Generator Output



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
Requesters: DSM-EE Subcommittee  
Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**Business Practice Requirements:**

**Provision of Wholesale Electric Demand Response Regulation Products**

**Applicability**

The Standard applies to any entity that administers the wholesale Demand Response Regulation Products.

**Purpose**

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

**015-1.12 GENERAL**

• **Advance Notification**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Deployment Time**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Reduction Deadline**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Release/Recall**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Normal Operations**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Demand Resource Availability Measurement**

Not applicable to Regulation Service unless otherwise specified by the System Operator.

• **Aggregation**

The System Operator shall specify if aggregated Demand Resources are allowed to participate.

• **Transparency of Requirements**

Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

**015-1.13 TELEMETRY**

• **Telemetry Requirement**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
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Request No.: 2008 AP Item 5(a)**

**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**

If on-site generation is present behind the primary Telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

Demand Resources providing Regulation Service shall automatically respond to grid frequency deviations, similar to governor action provided by generation resources, unless otherwise specified by the System Operator.

**015-1.14 AFTER-THE-FACT METERING**

- **After-the-Fact Metering Requirement**

After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

**015-1.15 PERFORMANCE EVALUATION**

- **Rules for Performance Evaluation**

Performance shall be evaluated using telemetry data and additionally through the use of one of the following methods unless otherwise specified by the System Operator:

- Meter Before / Meter After
- Metering Generator Output



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For Quadrant: WEQ**

**Draft: October 3, 2008  
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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**Business Practice Requirements**

**Maximum Base Load Evaluation**

**015-1.16 BASELINE INFORMATION**

There are no Baseline calculations defined for Maximum Base Load evaluations. The Maximum Base Load Evaluation methodology shall be associated with a demand reduction obligation compared to the Demand Resource's average Load or as specified by the System Operator.

**015-1.17 EVENT INFORMATION**

• **Use of Real-Time Telemetry**

The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

• **Use of After-The-Fact Metering**

After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

• **Performance Window**

The Performance Window shall be the Sustained Response Period (Reduction Deadline through Release/Recall) unless otherwise specified by the System Operator.

• **Measurement Type**

During the Performance Window, the Demand Resource must maintain its electricity consumption at or below the Maximum Base Load. The criteria used to evaluate performance shall be one of the following unless otherwise specified by the System Operator:

- a) Peak consumption or Demand
- b) Average consumption or Demand

**015-1.18 SPECIAL PROCESSING**

The System Operator shall specify any special processing rules.

**Business Practice Requirements**

**Meter Before / Meter After**

**015-1.19 BASELINE INFORMATION**

• **Baseline Window**

The System Operator shall specify the Baseline Window.

• **Calculation Type**

During the Baseline Window, the energy consumption or Demand of the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:



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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

- a) Instantaneous
- b) Maximum
- c) Average

- **Sampling Precision and Accuracy**

Sampling is not permitted for this performance evaluation type, unless otherwise specified by the System Operator.

- **Exclusion Rules**

The System Operator shall specify any exclusion rules.

- **Baseline Adjustments**

The System Operator shall specify any event-day adjustments.

- **Adjustment Window**

No Adjustment Window is used for this model unless otherwise specified by the System Operator.

**015-1.20 EVENT INFORMATION**

- **Use of real-time Telemetry**

The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

- **Performance Window**

The Performance Window shall be the Sustained Response Period (Reduction Deadline through Release/Recall) unless otherwise specified by the System Operator.

- **Measurement Type**

During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:

- a) Instantaneous
- b) Maximum
- c) Average

**015-1.21 SPECIAL PROCESSING**

- **Highly-Variable Load Logic**

The System Operator shall specify any performance evaluation requirements for Highly-Variable Loads.



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

**Draft: October 3, 2008  
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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

- **On-Site Generation Requirements**

The System Operator shall specify any performance evaluation requirements for on-site generation.

### **Business Practice Requirements**

#### **Baseline Type-I (Interval Meter)**

##### **015-1.22 BASELINE INFORMATION**

- **Baseline Window**

The System Operator shall specify the Baseline Window.

- **Calculation Type**

The System Operator shall specify the method of developing the Baseline value using, but not limited to, the following calculation types:

- a) Maximum
- b) Average
- c) Regression

- **Sampling Precision and Accuracy**

Sampling is not permitted for this Performance Evaluation type, unless otherwise specified by the System Operator.

- **Exclusion Rules**

The System Operator shall specify any rules for excluding data from the Baseline Window. Exclusion rules may be based on, but are not limited to the following:

- a) Historical Demand Response Events
- b) Testing/Audit Periods
- c) Calendar data
- d) Outages
- e) Weather emergencies or force majeure events
- f) Usage threshold

- **Baseline Adjustments**

The System Operator shall specify any rules for Baseline Adjustments. Adjustment rules may be based on, but are not limited to the following:

- a) Temperature
- b) Humidity
- c) Calendar data
- d) Sunrise/Sunset time
- e) Event day operating conditions

- **Adjustment Window**

The System Operator shall specify the Adjustment Window.



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
For Quadrant: WEQ**

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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**015-1.23 EVENT INFORMATION**

- **Use of Real-Time Telemetry**

The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

- **Performance Window**

The System Operator shall specify the Performance Window.

- **Measurement Type**

During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:

- a) Maximum
- b) Average
- c) Regression

**015-1.24 SPECIAL PROCESSING**

- **Highly-Variable Load Logic**

The System Operator may specify performance evaluation requirements for Highly-Variable Loads.

- **On-Site Generation Requirements**

The System Operator may specify performance evaluation requirements for on-site generation.

**Business Practice Requirements**

**Baseline Type-II (Non-Interval Meter)**

**015-1.25 BASELINE INFORMATION**

- **Baseline Window**

The System Operator shall specify the Baseline Window.

- **Calculation Type**

The System Operator shall specify the method of developing the Baseline value using, but not limited to, the following calculation types:

- a) Maximum
- b) Average
- c) Regression



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
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**Draft: October 3, 2008  
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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

- **Sampling Precision and Accuracy**

The System Operator shall specify sampling precision and accuracy requirements.

- **Exclusion Rules**

The System Operator shall specify any rules for excluding data from the Baseline Window. Exclusion rules may be based on, but are not limited to the following:

- a) Historical Demand Response Events
- b) Testing/Audit Periods
- c) Calendar data
- d) Outages
- e) Weather emergencies or force majeure events
- f) Usage threshold

- **Baseline Adjustments**

The System Operator shall specify any rules for Baseline Adjustments. Adjustment rules may be based on, but are not limited to the following:

- a) Temperature
- b) Humidity
- c) Calendar data
- d) Sunrise/Sunset time
- e) Event day operating conditions

- **Adjustment Window**

The System Operator shall specify the Adjustment Window.

**015-1.26 EVENT INFORMATION**

- **Use of Real-Time Telemetry**

The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

After-the-fact metering or other energy measurement technology shall be used to measure performance, as a supplement to real-time Telemetry unless otherwise specified by the System Operator.

- **Performance Window**

The System Operator shall specify the Performance Window.

- **Measurement Type**

During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:

- a) Maximum
- b) Average
- c) Regression



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
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**Review and develop business practice standards to support DR and DSM-EE programs**

**Proposed Standards**

**015-1.27 SPECIAL PROCESSING**

The System Operator shall specify any special processing rules.

**Business Practice Requirements**

**Metering Generator Output**

**015-1.28 BASELINE INFORMATION**

The System Operator shall specify Baseline calculations for Metering Generator Output.

**015-1.29 EVENT INFORMATION**

• **Use of Real-Time Telemetry**

The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

• **Use of After-The-Fact Metering**

After-the-fact metering on the generator and optionally on the associated Load shall be used to measure performance unless otherwise specified by the System Operator.

• **Performance Window**

The System Operator shall specify the Performance Window.

• **Measurement Type**

During the Performance Window, the Demand Resource shall be evaluated using the total measured generation output unless otherwise specified by the System Operator.

**015-1.30 SPECIAL PROCESSING**

The System Operator shall specify any special processing rules.

124 FERC ¶ 61,270  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 35, 131, 154, 157, 250, 281,  
284, 300, 341, 344, 346, 347, 348, 375 and 385

[Docket No. RM01-5-000; Order No. 714]

Electronic Tariff Filings

(Issued September 19, 2008)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: The Federal Energy Regulatory Commission is revising its regulations to require that all tariffs and tariff revisions and rate change applications for the public utilities, natural gas pipelines, oil pipelines and power administrations be filed electronically according to a set of standards developed in conjunction with the North American Energy Standards Board. This rule is part of the Commission's efforts to comply with the Paperwork Reduction Act, the Government Paperwork Elimination Act (GPEA), and the E-Government Act of 2002 by developing the capability to file electronically with the Commission via the Internet. Electronic filing reduces physical storage space needs and document processing time, provides for easier tracking of document filing activity; potentially reduces mailing and courier fees; allows concurrent access to the tariff filing by multiple parties as well as the ability to download and print tariff filings; and provides automatic e-mail notification to an applicant of receipt of the

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filing and whether or not it has been accepted. Upon implementation of this rule, the Commission will no longer accept tariff filings submitted in paper format.

EFFECTIVE DATES: This rule will become effective [**Insert\_Date days after publication in the FEDERAL REGISTER**]. Implementation will begin April 1, 2010 pursuant to a six month staggered schedule.

FOR FURTHER INFORMATION CONTACT:

H. Keith Pierce (Technical Information)  
Office of Energy Market Regulation  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426  
(202) 502-8525  
Keith.Pierce@ferc.gov

Anthony Barracchini (IT Information)  
Office of the Executive Director  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426  
(202) 502-8940  
Anthony.Barracchini@ferc.gov

Andre Goodson (Legal Information)  
Office of the General Counsel  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426  
(202) 502-8560  
Andre.Goodson@ferc.gov

SUPPLEMENTARY INFORMATION:

124 FERC ¶ 61,270  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Electronic Tariff Filings

Docket No. RM01-5-000

ORDER NO. 714

FINAL RULE

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Regulatory Text  
Appendix

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Electronic Tariff Filings

Docket No. RM01-5-000

ORDER NO. 714

FINAL RULE

(Issued September 19, 2008)

1. The Commission in the last several years has expanded its capability to accept electronic filings. As part of this process, the Commission has sought to develop a means by which publicly regulated utilities could file tariffs, rate schedules, and other jurisdictional contracts and agreements electronically in a fashion that would permit the Commission to assemble and organize the disparate pieces of these agreements for display and for use by the Commission and the public. Commission staff in collaboration with the wholesale electric and gas quadrants of the North American Energy Standards Board (NAESB), and representatives from the Association of Oil Pipelines (AOPL) developed a set of standards to be used by companies in making tariff and tariff related filings at the Commission. The Commission is adopting these standards as the requirement for making tariff and tariff related filings.

**I. Background**

2. The development of these standards began in 2004 with a Notice of Proposed Rulemaking<sup>1</sup> in which the Commission proposed to require public utilities, power administrations, interstate and intrastate gas pipelines, and oil pipelines to file tariff and tariff related material electronically. The Commission proposed to develop an electronic tariff database to store tariff and tariff related information for retrieval by Commission staff and the public. In order to implement a tariff database system that would permit such functionality, Commission staff developed a software system for tariff filings similar to that used in filing forms with the Commission. Commission staff worked with many industry representatives and experts to test this software and held public meetings to demonstrate and receive comment on the software.

3. While some commenters supported using the Commission-provided software as an acceptable solution, others were concerned that this software might not work well for making tariff filings. Some also were concerned that the Commission software would not integrate well with their existing tariff management systems and that formatting tariffs to fit the parameters of the software could be difficult or time consuming.

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<sup>1</sup> Electronic Tariff Filings, Notice of Proposed Rulemaking 69 FR 43,929 (July 23, 2004) FERC Stats. & Regs., Proposed Regulations 2004-2007 ¶ 32,575 (2004) (2004 NOPR), Notice of Additional Proposals and Procedures, 70 FR 40941 (July 15, 2005), FERC Stats. & Regs. ¶ 35,551 (2005) (2005 Notice). The 2004 NOPR was the result of an earlier Notice of Inquiry and Informal Conference in this same proceeding (Electronic Tariff Filings, 66 FR 15673 (March 20, 2001), FERC Stats. & Regs. ¶ 35,538, at 35,789-91 (2001)).

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4. As a result of the review of the comments, on February 1, 2007, a public meeting was held with NAESB to discuss NAESB's assistance in the process of developing the protocols, standards, and data formats needed to provide tariff and related data to enable the Commission to develop a database to track electronic tariff and rate schedules filings. At the meeting, NAESB agreed to develop these standards and report back to the Commission.

5. NAESB established two committees, a business eTariff Subcommittee and an eTariff Technical Task Force. These committees included representatives from the wholesale natural gas industry, wholesale electric industry, oil pipelines, intrastate natural gas pipelines, and third party software developers who worked along with Commission staff to develop the applicable standards. Between February 1, 2007 and January 23, 2008, these committees held a total of 16 meetings in various cities over 24 days. Total attendance in all the meetings was 991 participants either in person or by electronic conferencing, with an average attendance of 62 people for each meeting.

6. The committees determined not to use the Commission developed software, but instead to develop standards that would enable individual companies to develop or procure software for making tariff filings that would best meet the needs of each company's business requirements. The Executive Committees for both the Wholesale Gas and Wholesale Electric Quadrants of NAESB approved the standards on March 4, 2008, and the NAESB membership ratified the standards on April 4, 2008.

7. On April 15, 2008, NAESB filed the standards with the Commission along with a record of the NAESB proceedings. This material included questions about the policies to be followed in using the standards to make tariff filings. NAESB also provided a copyright waiver stating: “While the eTariff standards are copyrighted by NAESB, a limited waiver is granted to the FERC to modify and post any excerpts of the eTariff standards and eTariff work products that they deem appropriate. These excerpts will be available for companies to reproduce only for their own internal use.”

8. On April 17, 2008, the Commission issued a Supplemental Notice of Proposed Rulemaking (NOPR) proposing to use the NAESB developed standards as the means to effectuate electronic tariff filing.<sup>2</sup> The NOPR also proposed solutions to several issues raised during the NAESB process, such as the filing process for shared and joint tariffs. Twenty comments were filed, with most generally favoring the use of the NAESB standards.<sup>3</sup>

## **II. Discussion**

9. As the background indicated, this proceeding has followed a long and winding road, with a number of detours and U-turns, but we have reached the end of the road and

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<sup>2</sup> As used in this Final Rule, the “NAESB standards” or “standards” refer to a set of data elements and requirements that are posted on the Commission website. Instruction Manual for Electronic Filing of Parts 35, 154, 300, 341 and 284 Tariff Filings. (<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=11683627>)

<sup>3</sup> Appendix A lists the commenters and the abbreviations used for each.

are adopting a final set of standards for electronic tariff filings.<sup>4</sup> We again want to thank NAESB, its Board of Directors, and the numerous volunteers from across the spectrum of the gas, electric, and oil industries who were able to meet with staff and develop a set of standards and protocols that will achieve the Commission's goal of establishing a robust electronic filing environment for tariffs and tariff related material and will make it possible for the Commission staff and the public to retrieve this material from a database. We will adopt the standards and protocols developed through the NAESB collaborative process in place of providing Commission-created software. Adoption of these standards and protocols will provide each company with enhanced flexibility to develop software to better integrate tariff filings with their individual tariff maintenance and business needs. These standards and protocols also will provide an open platform permitting third-party software developers to create more efficient tariff filing and maintenance applications, which will spread the development costs over larger numbers of companies.

10. Over the last few years, the Commission has greatly expanded its ability to accept electronically filed material, including interventions, protests, rehearings, complaints, and

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<sup>4</sup> Smith v. Lachter (In re Smith), 352 B.R. 702 (B.A.P. 9th Cir. 2006) (“This matter is reminiscent of that old Beatles' standard, ‘The Long and Winding Road,’ a brooding song about a road that never ends. One can only hope that, with this opinion, the end of the road is indeed in sight”).

applications for certificates and licenses.<sup>5</sup> We now are expanding these filings to include tariffs and tariff-related material, which comprise a large portion of the Commission's workload. But tariff filings raise special challenges that our current filing systems do not address. eLibrary is designed and works extremely well as a repository that stores, and permits retrieval of, all documents filed in individual docketed proceedings. But while an individual tariff filing is made in an individual docket, the tariff itself is an organically changing document that is comprised of individual filings made in many different dockets over time. In order for the Commission and the public to obtain a complete picture of a company's tariff, these various provisions need to be integrated into a single system that will provide information as to the status of tariff provisions, permit the assembly of a complete tariff, and permit tariff related research. Indeed, for tariffs filed on paper, the Commission has managed these tariffs as a database by keeping tariff books, open to the public at our headquarters, in which new pages are inserted to replace old pages to reflect revisions, and such changes are recorded in "numbering" sheets to

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<sup>5</sup> See Electronic Registration, Order No. 891, 67 FR 52,406 (Aug. 12, 2002), FERC Stats. & Regs. ¶ 31,132 (2002); Electronic Filing of FERC Form 1, and Elimination of Certain Designated Schedules in Form Nos. 1 and 1F, Order No. 626, 67 FR 36,093 (May 23, 2002), FERC Stats. & Regs. ¶ 31,130 (2002); Electronic Service of Documents, 66 FR 50,591 (Oct. 4, 2001), FERC Stats. & Regs. ¶ 35,539 (2001); Revised Public Utility Filing Requirements, Order No. 2001, 67 FR 31,043 (May 8, 2002), FERC Stats. & Regs. ¶ 31,127 (2002); Electronic Filing of Documents, Order No. 619, 65 FR 57,088 (Sept. 21, 2000), FERC Stats. & Regs. ¶ 31,107 (2000); Electronic Notification of Commission Issuances, Notice of Proposed Rulemaking, FERC Stats. & Regs. ¶ 32,574 (2004); Filing Via the Internet, Order No. 703, 72 FR 65,659 (Nov. 23, 2007), FERC Stats. & Regs. ¶ 31,259, P 33 (2007) (Order No. 703).

ensure that the tariff reflects the currently effective tariff.<sup>6</sup> The standards we are adopting in this Final Rule merely replace this paper system with a very similar electronic database that will similarly track the tariff submissions and tariff history, but in a form that will make tariff information more widely available over the Internet.

11. The database will provide easier access to tariffs and allow the viewing of proposed tariff sections in context. One of the principal benefits of such a database is the ability to do historical research into tariffs. For example, proceedings such as complaints may involve past tariff provisions that have already been revised by the utility by the time the complaint is considered by the Commission. In order to expeditiously process such filings, the Commission, the parties, and the public need to be able to obtain the tariff provision that applies to the time period under review, rather than the currently effective tariff provision. In fact, the effectiveness of tariff provisions arises in a number of contexts, particularly in complaint cases, in which the Commission and the participants need to know the effective tariff at a particular point in time.<sup>7</sup>

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<sup>6</sup> In fact, companies often arrange to view their own tariffs to try and recreate either effective tariffs or the tariff in effect during the time period of a particular proceeding.

<sup>7</sup> See FPL Energy Marcus Hook, L.P. v. PJM Interconnection, LLC, 123 FERC ¶ 61,289, at P 39 n.77, 77-80 (2008) (in a complaint case, the complainant and all other parties relied on the current version of a tariff provision rather than the provision in effect at the time).

12. The set of NAESB standards provides a foundation for building such a database. The standards define an extensible markup language (XML) schema<sup>8</sup> that will permit filers to assemble an XML filing package that includes the tariff changes, the accompanying tariff-related documents, such as the transmittal letter, rate schedules, and spreadsheets that are required to accompany various tariff filings, and other required information such as the proposed effective date of the filing. Upon the receipt of the filing electronically, the XML schema will enable the Commission to parse<sup>9</sup> (divide) the filed package into its component parts, place the filed documents into its eLibrary system and provide the metadata<sup>10</sup> that will permit automated organization of the tariff and permit the Commission and the public to search that database. As an example of the

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<sup>8</sup> XML schemas facilitate the sharing of data across different information systems, particularly via the Internet, by structuring the data using tags to identify particular data elements. For example, each filed tariff change will include tags for the relevant information, such as the utility name, the tariff section being changed, the name for that section, the proposed effective date, and certain sections of tariff text. The tagged information can be extracted and separately searched.

<sup>9</sup> Parse means to capture the hierarchy of the text in the XML file and transform it into a form suitable for further processing.

<sup>10</sup> The term metadata is based on the Greek word “meta” meaning after or beyond and in epistemology means “about.” Thus, metadata is data or information beyond or about other data. Digital Libraries, by William Arms (M.I.T. Press 2000), <http://www.cs.cornell.edu/wya/DigLib/MS1999/Chapter1.html> (visited April 11, 2008); The University of Queensland, <http://www.library.uq.edu.au/iad/ctmeta4.html> (visited April 11, 2008); The Linux Information Project, <http://www.linfo.org/metadata.html> (visited April 11, 2008). For example, in the XML schema, one required element is a proposed effective date and another element is the text of the tariff provision. The proposed effective date would be considered metadata relative to the tariff text.

expanded public access to tariffs, the Commission currently provides electronic access to approximately 150 NGA interstate pipeline tariffs utilizing the FASTR standards. That access under the NAESB standards should expand to at least 1600 companies' tariffs. The NAESB standards also will provide flexibility to companies making tariff filings by enabling each regulated company to design or purchase software for creating tariff filings that will best accommodate its filing patterns and needs.

13. Some of the principal requirements of the standards and regulations being adopted here are:

- Tariffs<sup>11</sup> may be filed either using the current sheet based nomenclature or using section-based numbering at the choice of the filer.<sup>12</sup>
- Tariffs may be filed as entire documents in either of two electronic formats, RTF<sup>13</sup> or PDF,<sup>14</sup> except with respect to open access transmission tariffs for electric utilities and interstate natural gas companies which would have to be filed as individual sheets or as sections in RTF format as defined in the regulations.
- Tariff filings can be served electronically using the same approach used for electronic service of other Commission filings.

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<sup>11</sup> The term tariff is used herein to refer to tariffs, rate schedules, jurisdictional contracts, and other jurisdictional agreements that are required to be on file with the Commission.

<sup>12</sup> Section-based filings will not have to include the sheet based nomenclature as a header or footer on the tariff page.

<sup>13</sup> RTF refers to Rich Text Format which is a standardized textual format that can be produced by a number of word processors.

<sup>14</sup> PDF refers to Portable Document Format which is a format used for representing documents that closely resembles the original formatting of the document.

- Filings of joint tariffs (tariffs covering two regulated entities) may be made with a single tariff filing by the entity designated to make the filing.
- Tariff filings for tariffs shared among companies (such as regional transmission organization (RTO) tariffs) can be made individually by any of the companies with rights to file tariff changes.
- During initial baseline implementation of electronic tariff filing, only open access transmission tariffs (OATTs) and agreements need to be filed.
- After implementation of electronic tariff filing, all new tariffs and agreements must be filed using the standards. Existing agreements need to be filed electronically only when they are revised.

14. Although the comments generally supported the adoption of the NAESB standards, some commenters suggested the adoption of alternative approaches. As the Commission has previously stated: “Standardization, by definition, requires accommodation of varying interests and needs, and rarely can there be a perfect standard satisfactory to all.”<sup>15</sup> We find that the NAESB standards best accommodate the needs of regulated utilities in making filings electronically and the needs of the Commission and the public for an electronic system that will enable efficient, user-friendly retrieval of tariffs. We will discuss below the technical requirements applicable to electronic tariff filing and the comments received on various aspects of the standards.

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<sup>15</sup> Standards For Business Practices Of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39,053, 39,057 (July 26, 1996), FERC Stats. & Regs. ¶ 31,038, at 30,059 (1996).

**A. Electronic Filing Requirements**

**1. Companies Required to File Tariffs Electronically**

15. The companies or entities covered by this Final Rule are those that submit tariffs, rates, or contracts with the Commission pursuant to the Natural Gas Act (NGA), the Natural Gas Policy Act of 1978 (NGPA), the Federal Power Act (FPA), the Interstate Commerce Act (ICA), the Flood Control Act, the Bonneville Power Act, the Northwest Power Planning Act, and other relevant statutes. Included among the companies or entities covered by the requirements are: RTOs and independent system operators (ISOs); power authorities and federal power marketing administrations which file rates, contracts, or tariffs at the Commission; intrastate natural gas pipelines that file rates and operating conditions pursuant to the NGPA; interstate natural gas pipelines subject to the NGA which serve only an industrial customer; and companies or entities that may make voluntary tariff filings, such as reciprocity filings pursuant to Order No. 888.

**2. Procedures for Making Tariff Filings**

16. Using the new XML schema, companies, and all those authorized to make filings on behalf of the company, such as outside counsel, will make tariff related filings using the existing eFiling portal. As described below, the filing process will be modified slightly from the current eFiling process, in particular to include a company registration that will provide increased security for the filing, as well as additional e-mail notifications of potential problems with the filing.

17. The person making a tariff filing must have previously registered in eFiling (Filer). Upon successfully logging into the FERC eFiling portal, the Filer will be presented with the introductory screen indicating success in accessing the site, and presented with a link to the filing creation part of the site, which will include an option to make a Tariff filing (eTariff portal).

18. The eTariff portal will prompt the Filer to enter the company identification number assigned during the company registration process and an associated password. After successfully passing this step, the Filer will upload an eTariff XML filing package that conforms to the XML schema. Once the filing is uploaded, the eFiling web page will indicate the filing has been submitted.

19. After the filing has been submitted, a Confirmation of Receipt will be e-mailed to both the e-mail address of the Filer and to the e-mail address on file with FERC for the company identification number. This e-mail only acknowledges the receipt of the filing through the eFiling portal, provides a timestamp, and indicates that the filing is placed in the queue to be processed.

20. The XML filing package will be validated programmatically by an eTariff verification process. Depending upon the success of the verification process, a number of e-mails will be sent.

- If the verification is completed successfully, an e-mail will be sent to the validation e-mail address provided in the XML package and to the e-mail address

associated with the company whose tariff is being revised.<sup>16</sup> This e-mail means only that the filing has passed the validation, not that it has been officially accepted by the Secretary of the Commission.

- If the XML filing package can be parsed (and the validation e-mail address can be obtained), but the package does not otherwise pass verification, an e-mail will be sent to the validation e-mail address provided in the XML filing package. This e-mail will provide information about the problems encountered during the verification process.
- If the XML filing package cannot be parsed at all (is unreadable), an e-mail will be sent to the Filer and to the e-mail address associated with the company identification number indicating a problem has been encountered with the filing.

21. Once passed validation, the standard eFiling e-mail will be sent to indicate whether the Secretary of the Commission has accepted and docketed the filing or rejected it. As occurs with all filings, the docketing e-mail does not guarantee that other filing deficiencies will not result in rejection or other action pertaining to the filing later in the review processes within the Commission. After this step, the filing is passed on to eLibrary, the tariff database and other Commission systems.

22. INGAA requests that the Commission establish a procedure for submission of tariff filings in the event of an electronic failure of the Commission's eFiling and eTariff system. Such a request is beyond the scope of this rulemaking. In Order No. 703, the Commission delegated to the Secretary of the Commission the authority to develop procedures for electronic filing, including procedures to be followed in case of an

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<sup>16</sup> This may not be the same company making the filing; for example, in the case of a shared tariff, one notification will go to the company making the filing and the other will go to the ISO or RTO whose tariff is being revised.

electronic failure of the eFiling system.<sup>17</sup> Since the tariff filing component will be a part of the eFiling system, the same procedures followed by the Secretary for electronic failure will apply to eTariff as well.

### **3. XML Schema and Tariff Database**

23. Under the standards, the tariff filing must be made in conformance with the XML schema. The schema essentially is a method by which the filing entities can communicate information to the Commission. The schema proscribes the metadata elements and the textual information that must be included in the filing package. The data elements included in the XML package are required to properly identify the nature of the tariff filing, organize the tariff database, and maintain the proper relationship of tariff provisions in relation to other provisions. For example, these elements will identify which tariff provision is being revised so that the revised tariff provision can be placed electronically in the proper location within the tariff hierarchy. The filing package itself will include the text of tariff changes as well as all filing attachments, such as transmittal letters.<sup>18</sup> The XML schema will be maintained on the Commission website along with the required codes, descriptions, and other requirements, as well as information that may

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<sup>17</sup> Filing Via the Internet, Order No. 703, 72 FR 65659, FERC Stats. & Regs. ¶ 31,259, at P 33 (2007).

<sup>18</sup> The XML package must be filed as a zip (compressed) file.

be useful to those developing filing software.<sup>19</sup> Contemporaneously with the issuance of this Final Rule, we are posting on the website the XML schema along with the descriptions of the fields used in the schema, the instruction manual and codes to be used with the XML schema.

24. Although we do not envision that the schema and related code values will need to be changed frequently, the Secretary of the Commission, under Order No. 703, has delegated authority to make modifications to them if necessary.<sup>20</sup> Before any such changes are made, a notice of the proposed change will be issued sufficiently in advance to permit companies to revise their software.

25. A few commenters object to the use of the XML schema for electronic filing and argue that the Commission should simply rely on filings in eLibrary.<sup>21</sup> They argue that documents are maintained in standard word processing formats and that filing such tariffs through eLibrary would be easier on the filer. They assert that any tracking of such filings could be accomplished by assigning a docket number. Nevada Power, for example, argues that managing tariffs is a document management, rather than a database function. It maintains that the ability to access prior tariffs can be solved by retaining all previous effective versions of the tariff.

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<sup>19</sup> Currently located at [www.ferc.gov](http://www.ferc.gov) under the tab Documents and Filings, eTariff.

<sup>20</sup> 18 CFR 375.302(z).

<sup>21</sup> Duke Energy, EEI, Nevada Power, Southern California Edison, and PSEG.

26. As explained above, eLibrary is principally a system that manages and tracks filed documents based on individual proceedings (dockets). It was neither designed, nor will it function well, to retrieve individual sections or pages of tariffs that are filed in different dockets over the course of many years. The tariff database, on the other hand, will enable the Commission staff, as well as the public, to access all or portions of a company's tariffs and rate schedules compiled using date, text, and status criteria.

27. The use of a database to track individual pages or sections of tariffs is not inappropriate to the task of managing tariffs, as the comments suggest. The Commission has for over twenty years maintained the FASTR database for gas tariff filings and has made the results of that database available to the public. The XML schema on which the industry agreed, will update the FASTR methodology to provide an even more effective database for managing tariffs and conducting tariff searches.

28. Some commenters suggest assigning a docket or other unique number to each tariff or rate schedule, and Nevada Power suggests that instead of an electronic database, each utility could file an updated history of changes to its tariff so that customers can determine where to find specific sheets in which they are interested. Nevada Power attached, as an example of its proposal, a history for its OATT that is only six pages long covering a relatively small number of tariff filings.

29. These solutions would require users to search through reams of filing materials to obtain the particular section or page of the tariff that they need. Such solutions are not a reasonable substitute for a database, given the large number of gas, oil, and electric

companies, some of whom may make hundreds of tariff filings a year, with a list of changes that would eventually grow to hundreds of pages using the Nevada Power approach. PJM Interconnection, LLC for example made over 130 tariff related filings in a one year period. Trying to keeping track of, and find, particular tariff provisions in this massive amount of data using only a docket or other numeric identifier and a spreadsheet would be a monumental task.<sup>22</sup> But the tariff database, using the metadata supplied with each filing, will be able to store and retrieve this information.

30. Those arguing for an eLibrary approach envision that tariff documents would not be filed in individual sections, but as entire documents. But not all industry members supported this entire document approach. The gas pipelines, for example, supported the continued use of sheet based filings in which utilities file only the specific tariff sheet that is being revised.<sup>23</sup> Other tariffs are so large that filing them as a single document would be unwieldy.<sup>24</sup> The flexibility to file tariffs using different approaches was key to

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<sup>22</sup> Nevada Power's listing is similar to the Commission's current numbering sheets used in its paper tariff database. These numbering sheets run to 70 linear feet for all utilities. Using such a system to research extensively revised tariffs is difficult, time consuming, and prone to error.

<sup>23</sup> Minutes of February 1, 2007 eTariff Meeting, ("Ms. Nagle [Tennessee Gas Pipeline] asked whether FERC Staff supported using a section-based tariff system (in lieu of a sheet based system) and if so does everyone need to move to the section-based system"), <http://www.naesb.org/pdf2/etariff020107fm.doc>.

<sup>24</sup> For example, PJM's posted tariff is over 8 megabytes. <http://www.pjm.com/documents/agreements.html>, and the California ISO's tariff is over 4 megabytes. ISO New England (<http://www.iso-ne.com/regulatory/tariff/index.html>)

developing the NAESB standards, and the industry consensus supporting those standards.<sup>25</sup> The approach suggested by the commenters would not provide the flexibility the industry sought. The use of a database utilizing the NAESB standards provides that flexibility and is the most efficient method of processing such filings in a way that will permit the easy and efficient integration of such individual filings into an entire tariff.

31. As we have discussed above, the development of standards requires cooperation and accommodation between companies with different needs and requirements. The NAESB process provided a means by which various members of the affected industries and customers, including those from the oil pipeline industry, could develop a set of standards that reasonably meet the needs of a large range of different types of tariff filers, large and small companies, frequent and infrequent tariff filers, companies using different methods of storing tariffs, including databases, word processing software, and spreadsheets. After examining a variety of alternative approaches over 24 days of

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and the New York ISO (<http://www.nyiso.com/public/documents/tariffs/oatt.jsp>) post tariffs that already are divided into sections.

<sup>25</sup> Minutes of July 27, 2008 eTariff Meeting, at P 5 (“flexibility is present to support whole document filings, sheet based filings and section based filings. This flexibility is provided for individual companies and for the industries themselves, as a given company may choose to use any of the three choices depending on the filing to be made. This flexibility is a key underlining assumption from which all the work papers were developed and as such, was reflected in the vote just taken”), <http://www.naesb.org/pdf3/etariff072707fm.doc>.

meetings, a consensus of the gas and electric industry<sup>26</sup> agreed upon the use of the data elements and XML schema as the most efficient means for electronically filing tariffs.<sup>27</sup>

We therefore will adopt the database approach and standards as approved through the NAESB process.

32. CAISO asks that the RTOs not be required to provide all the metadata required by the standards or, if it is not possible to eliminate the metadata, that such metadata be kept to a minimum. The technical meetings with NAESB were designed to develop the minimum required metadata that would be necessary to feed and operate the database. The CAISO has not indicated specific metadata elements that can safely be eliminated and still maintain the integrity of the database.

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<sup>26</sup> Although the oil pipelines and their customers did not have an official vote during the NAESB process, they participated in formulating the requirements and have supported the data elements and XML schema in their comments in this rulemaking.

<sup>27</sup> APS, an active participant in the beta testing of the Commission's original software, as well as a participant in the NAESB process, recognizes that the standards provide "a useable platform for industry compliance with the new standardized requirements for electronic filing of tariff, as well as a convenient tool for market participants and FERC staff to access and review tariffs and agreements ... [and this methodology] to be the superior choice to implement this Commission requirement." APS Comment, at 2. AOPL similarly recognizes that compromises were necessary to meet the needs of all the industries, stating the standards "reflect significant improvements to the proposed electronic filing regulations, in light of the particular circumstances and needs of the oil pipeline industry." AOPL Comment, at 1.

**B. Tariff Filing Requirements**

33. The Commission's current regulations require companies to file tariff sheets that include specifically defined nomenclature to identify each sheet of the tariff.<sup>28</sup> A company is required to file only the tariff sheets containing the tariff revisions or changes.

34. Based on the NAESB meetings and the comments submitted, we will allow far more flexibility in the structure and identification of tariffs. Companies may determine to structure their tariffs either using the existing tariff sheet format or as sections.

Companies will also be given more flexibility to file tariffs either by dividing the tariff into sheets or sections and filing only the revised sheet or section, or for a wide range of tariff documents, by filing the entire tariff document that is revised. In order to ensure that the Commission and the public have the ability to identify specific tariff provisions, versioning information is required to be included as part of the XML package. But, this information has been simplified and will no longer need to be included as text on individual sheets or sections, with the exception of certain documents filed as PDFs.

**1. Sheet or Section Filing Requirements**

35. In order to compile the tariff database, the standards require companies to file tariff text as a specific data element. Companies, however, will be permitted to choose whether to continue to number tariff provisions as individual tariff sheets (e.g., Sheet

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<sup>28</sup> 18 CFR 35.9; 154.102(e).

No. 1) or sections (e.g., Section 1.1.1). Except as discussed in the following section with respect to open access tariffs, companies will be allowed to determine based on the nature of the tariff and frequency of filing whether to file tariffs by breaking the tariff into sheets or sections or by filing the tariff as an entire document. Companies that initially file using the entire document option will be allowed later to divide the tariff document into sections or sheets. However, a company that has already broken its tariff into sections or sheets, will not be able to recompile those sheets or sections and use the entire document option unless a company files a request for waiver.

36. The NAESB standards provide that tariff text must be filed either using the RTF file format or the PDF file format.<sup>29</sup> Tariffs filed under the entire document option may be filed either in RTF or PDF. Tariffs filed as sections or sheets must be filed in RTF, due to limitations on the ability to process and assemble PDF files.<sup>30</sup>

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<sup>29</sup> The requirements adopted by the Commission in Order No. 703 will apply to PDF formatted documents filed as tariff text. Tariffs filed in PDF format must use the print-to-pdf feature as opposed to an unsearchable scanned format, except that tariff documents existing only on paper may be scanned into PDF. Order No. 703, FERC Stats. & Regs. ¶ 31,259 at P 23. We, however, encourage filers that scan old paper tariff documents to use an optical character recognition program to convert the scanned file to text prior to filing, so that copy and paste and search functions may be used.

<sup>30</sup> RTF is a text format that will enable the Commission's software to assemble quickly the sheets or sections into a complete tariff document. In contrast, PDF is not a textual format, and does not permit such processing.

37. The comments support the flexibility to use sheet, section, and entire document options using PDF format.<sup>31</sup> AOPL for example “strenuously supports this aspect of the rule which provides benefits to both shippers and pipelines.”<sup>32</sup>

38. TransCanada asks that the Commission clarify whether and under what conditions companies that initially file using the sheet-based option may be allowed to later re-file using the section-based option, and vice-versa. For both the shipper and Commission staff benefit, we certainly would not encourage utilities to switch back and forth frequently between a sheet and a section-based system, because such a change will make the ability to research past provisions more difficult.<sup>33</sup> But because both the sheet and section approaches provide equivalent granularity and flexibility for users, utilities can make such a change without obtaining special permission. The only time special permission is required is if a utility wants to covert from a sheet or section based approach to entire document, because such a change does reduce usability.

39. AGA requests that tariffs be fully text searchable. As described above, all tariffs, including those filed using PDF, must be filed in text searchable format.

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<sup>31</sup> Midwest ISO, INGAA, and AOPL.

<sup>32</sup> AOPL Comment, at 4.

<sup>33</sup> The database will store each sheet or section so that a user wishing to examine a past sheet or section can do so. If the utility decides to change between sheets and sections, the prior history of a particular provision may be more difficult to access. For example, in a sheet to section change, the past sheet (record) will still appear in the database, but it will not be linked to the section (record) that will replace it.

## 2. Gas and Electric Open Access Transmission Tariffs

40. Tariffs for interstate natural gas pipelines and electric utilities must be filed by breaking the document into sheets or sections. Unlike individual service agreements or contracts that affect only the signatories to the agreements, the open access transmission tariffs affect a wide variety of customers and are the most frequently revised. Moreover, because of the breadth of these tariffs, and the need to review and research portions of these tariffs, it would not be efficient for staff or for the public to have these documents refiled in their entirety every time a company proposes to revise an individual tariff section or page.

41. We are revising §§ 35.9 and 154.102 to require that open access transmission tariffs, which will include other open access documents and documents of general applicability, such as ISO/RTO operating agreements and market rules, must be filed as sheets or sections. Because the electric OATTs are based on the Commission's pro forma OATT, we have specified the minimum required divisions for such filings. For non-ISO/RTO OATTs, the OATT must be divided at least at the section 1.0 level, with individual sections for each schedule or attachment. Because ISO/RTO OATTs are much more complex, ISO/RTOs will be required to divide their OATTs at the 1.1 level at a minimum. Filers are encouraged to use even smaller divisions that are appropriate to their individual tariffs and filing patterns. In addition, to aid electric utilities in filing their OATTs, we are posting on our website a pro forma OATT divided into the largest

allowable sections, as well as information that will help companies develop Microsoft® Word macros to electronically divide tariffs at this level.

42. Because we have not specified a pro forma interstate natural gas transportation tariff, the regulation we adopt requires that the interstate natural gas pipeline open access tariffs filed as sections be divided so that each section includes only related subject matter and is of reasonable length.<sup>34</sup> Negotiated rate agreements and other non-conforming service agreements need not be divided, but can be filed as entire documents.

43. EEI requests that non-RTOs be allowed to file their OATTs as single documents, maintaining that these are relatively static documents and that allowing the filing of an entire document will reduce the time and expense necessary to break such tariffs into sections and may simplify the filing software that such companies need to build or acquire.

44. We will not relax the requirement to at least divide the pro forma OATTs at the 1.0 level. As described above, OATTs can be large and unwieldy documents and run to over 160 pages; dividing the document at the 1.0 level will ensure that Commission staff and the public can review and search for tariff provisions relating to the same subject matter. Dividing the OATT at the 1.0 level will result in only 57 sections, each addressing a different topic, and such division will only have to be done once. Moreover, EEI maintains that most OATTs are maintained as Microsoft Word documents.

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<sup>34</sup> 18 CFR 154.102.

Commission staff has developed and will post a macro that in many cases will divide the OATT at the appropriate level. Commission staff also has posted a pro format OATT divided into the requisite sections that can be used as a reference. Creating the sectionalized pro forma OATT manually only took one hour. In balancing the burden of a one-time conversion of an OATT into individual sections against the benefits of being able to easily locate and search for specific OATT sections, we find that the benefits of requiring that OATTs be broken into sections outweigh the costs.

45. AGA argues that the Commission should set a minimum requirement for gas pipelines similar to that set for electric utilities and suggests that the minimum should at least match the table of contents and include as a separate section each topic listed under General Terms and Conditions of Service. We find that this suggestion does provide useful guidance as to the minimum sections required and therefore revise the regulation in §154.102 accordingly.

### **3. Versioning**

46. The Commission currently requires each tariff page to include a version number that can be used to identify the particular revision of that page (e.g., First Revised Sheet No. 1 would replace Original Sheet No. 1). Because tariff provisions change, often frequently, this convention is useful over time for identifying and referring to particular tariff provisions in orders. With the adoption of the NAESB standards, the versioning requirement will be modified and made less complicated.

47. The NAESB standards require that each sheet, section, or entire tariff document be identified with a version number in an x.y.z format.<sup>35</sup> The x.y.z format will accommodate the same level of identification as our existing nomenclature, including items such as squeezed and retroactive sheets. As long as each tariff section, sheet, or entire document is identified uniquely, companies can choose how complex to make their identification. Some companies may want to continue this detailed approach to better identify the placement and relative position of tariff sheets and sections, and the x.y.z format will accommodate such identification. Other companies may not choose to include such a detailed hierarchy of changes. Companies, for example, may choose simply to numerically number each section, sheet, or entire tariff document as they file it, using just the x field.

48. As proposed in the NOPR, and adopted in this Final Rule, identification of versioning need not be included in the text of the individual tariff revisions that are filed with the exception of tariffs filed in PDF format. Companies however may choose to include such identification in the tariff text if they desire. The XML schema requires that the requisite versioning information be included as metadata, and versioning information

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<sup>35</sup> The x.y.z format is a representation of the version (designation) of a tariff filing where “x” represents revision number for the given tariff provision (tariff record), “y” delineates that it is a substitute for a previously filed tariff provision, and “z” indicates that it is a “squeeze” tariff provision. A "squeeze" tariff provision occurs when a tariff provision needs to be made effective on a date which occurs between the effective dates of two tariff provisions that already are filed with the Commission.

will be made available to staff and the public in the tariff database. Moreover, to ensure that the versioning information is available to the public on eLibrary, the Commission will use the metadata provided in the XML package to generate a document on eLibrary that contains the appropriate versioning information. Because we are creating this document by electronically combining information from the XML package, the formatting of the versions and tariff text may not appear identical to the filing made by the company.

49. The only exception to this rule is for tariff documents filed using PDF. Because PDF is not a textual format and does not permit easy electronic manipulation, we cannot generate a document for eLibrary that contains the correct versioning information. For these documents, therefore, the Instruction Guide requires that the first page of the tariff document include the required information: company name, tariff title (if applicable), and the appropriate version number.

50. INGAA suggests that for gas tariffs, the regulations should continue to require that the first section or sheet of the tariff include: The FERC Gas Tariff Volume Number, the name of the natural gas company, as well as the name, title, address, telephone number, e-mail address and facsimile number of a person to whom communications concerning the tariff should be sent. We will modify the regulation to continue this requirement.

51. EEI recommends that the Commission eliminate various formatting requirements required under Order No. 614.<sup>36</sup> As we have discussed above, we are eliminating a variety of the required formatting requirements because they are included in the XML metadata and the other formatting requirements are included in the standards. As a result, the formatting and filing requirements of Order No. 614 have been supplanted by the regulations and requirements addressed in this rulemaking.<sup>37</sup>

#### **4. Marked Tariff Changes**

52. The Commission's current interstate natural gas pipeline (§ 154.201) and electric utility regulations (§ 35.10), require companies to provide a marked version of the tariff text in the tariff filing indicating the changes and deletions made to the existing tariff text. The oil pipeline regulations (§ 341.3) provide for the use of special symbols to denote changes.

53. We are continuing the requirement for filing marked versions of tariffs. We also are modifying the symbols used by the oil pipelines using the symbols proposed by

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<sup>36</sup> Designation of Electric Rate Schedule Sheets, Order No. 614, 65 FR 18,221 (Apr. 7, 2000), FERC Stats. & Regs. ¶ 31,096 (2000).

<sup>37</sup> The provisions of §35.5 regarding rejection of material (adopted in Order No. 614) are being retained. In filing pre-existing contracts and rate schedules, electric utilities are still required to eliminate the use of supplements and include in their filings only effective provisions. See 18 CFR 35.1 (revised to remove the use of supplements); Boston Edison Company, 98 FERC ¶ 61,292 (2002) (utilities must file effective tariff provisions); Vermont Yankee Nuclear Power Corporation, 98 FERC ¶ 61,122, at 61,366 (2002) (utility required to remove tariff language that was no longer effective from its rate schedule).

AOPL so that the symbols can be entered into a find or search message box using keystrokes available on a keyboard. In contrast to past practice in which tariff changes were filed only as individual sheets or supplements, the standards permit tariff documents to be filed as large sections or as entire documents. Although we are confident that filing companies will not intentionally make unmarked changes to tariff text, we want to ensure that both staff and the public are not put in the position of having to read the entire tariff text of large sections or an entire document to ensure that unmarked changes were not made. As a precaution, therefore, we are revising our regulations to make clear that only the sections of the tariff document appropriately identified in the filing will be considered part of the filing and any acceptance of a filing by the Commission will not constitute acceptance of an unmarked tariff change.

54. INGAA supports the regulation, but requests that the Commission modify it to state that “interested parties may comment only on those revisions appropriately designated and marked to constitute the filing; provided, however, comments on unmarked and undesignated language will be permitted when such comments provide useful information to the Commission for the resolution of issues directly related to the filing.” We will not adopt the proposed language as part of the regulation because, as INGAA itself recognizes, determinations as to the appropriateness of such comments need to be made on a case by case basis. The Commission must in individual cases determine if the protest or comment on the unchanged tariff text bears upon the justness

and reasonableness of the proposed tariff change or is a request for the Commission to take action under section 5 of the Natural Gas Act to revise the unchanged provision.

55. AOPL argues that the Commission should remove the proposed language in § 341.3 of the regulations arguing that a filed tariff change should be deemed effective even if a symbol is misplaced or incorrect. AOPL states that under long-standing ICA precedent the omission of a symbol in a tariff denoting a change in rate does not affect the validity or applicability of the tariff item.

56. We never meant for this provision of the regulations to constitute a trap that would penalize an oil pipeline if it simply used the wrong symbol or failed to include a symbol in the tariff as long as its overall filing was sufficient to provide notice of the proposed change. We therefore have revised the regulation from that proposed in the NOPR to make clear the regulation does not apply to an improper or omitted symbol so long as the change is identified in the tariff filing.<sup>38</sup> The purpose of this regulation is to ensure that shippers and the Commission receive the required notice of proposed changes by the pipeline and that shippers are not penalized by the failure of the pipeline to provide the requisite notice. As part of the NAESB process, agreement was reached on allowing oil pipelines to file entire tariffs as PDF files. Because of the nature of PDF files, however,

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<sup>38</sup> The NOPR used the phrase “revisions that are marked appropriately,” which in the context of the oil pipeline regulations might be read to connote marked with the correct symbol. We are revising the regulation to read “revisions to tariffs identified in the filing” which will cover revisions that are explained in the transmittal letter even if the symbol is incorrect or omitted in the tariff.

it will be difficult for the Commission staff or the pipeline's customers to create a document comparison of a PDF document. Thus, the oil pipeline would be in the best position to create a document comparison, and we find the burden of ensuring proper notice legitimately should fall on the oil pipeline making the filing. The oil pipeline could for example satisfy this requirement by indicating its changes in the transmittal letter or attaching to the transmittal letter a redline-strikeout version of the tariff being revised.

57. Section 6(3) of the Interstate Commerce Act (ICA) recognizes that it is the responsibility of an oil pipeline in making a filing to change its tariff to "plainly state the changes proposed to be made in the schedule then in force." ICC v. American Trucking Association,<sup>39</sup> cited by AOPL, does not establish the invalidity of the Commission's regulation. In American Trucking, the Interstate Commerce Commission (ICC) sought to reject tariff rates based on violations of rate bureau agreements. While the Court found that the ICC was without statutory authority retroactively to reject a tariff in violation of the rate bureau agreement after the tariff has taken effect, the Court found that the ICC did have authority to condition tariff approval in a manner reasonably tied to statutory objectives. In this regulation, we are not retroactively rejecting a tariff we have previously accepted; rather we are imposing a regulatory condition governing the filing prior to acceptance that will ensure that customers are protected in the event that the oil

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<sup>39</sup> 467 U.S. 354 (1984) (American Trucking).

pipeline fails to provide sufficient notice of a tariff change. Moreover, the regulation does not determine the regulatory outcome of any challenge to the unidentified rate. We recognize the regulatory differences between the ICA and the FPA and NGA,<sup>40</sup> and that interpretations of the ICA have provided that, in some circumstances, the failure to identify a rate change could be deemed a technical defect that would not necessarily void an unidentified rate, but could subject the pipeline to damages or other remedies as provided in the ICA.<sup>41</sup>

#### **5. Clean Tariff Sheets Filed as Attachments**

58. As discussed above, the tariff text for use by the database will be filed as a separate data element, and the Commission may not be able to generate a formatted version of that tariff text acceptable to the filer for inclusion in eLibrary. For this reason, the standards provide that companies will also include as an attachment to their filing a clean copy of the relevant tariff sheets, sections, or entire document formatted as the filer

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<sup>40</sup> The ICA for example provides a two-year period for reparations, which is not part of the NGA or FPA. 49 App. U.S.C. §16(3)(b) (1988).

<sup>41</sup> See Genstar v. ICC, 665 F.2d 1304, 1308 (D.C. Cir. 1981) (for rates with procedural irregularities, the remedy is correction of the “harm if any caused by unlawfulness or irregularity”). For example, a shipper that does not have effective notice, may not be able to protest the filed rate and may only be aware of, and challenge, a rate after it has received a bill. After such a challenge is filed, the Commission could review the rate to determine if it is just and reasonable. If the Commission were to determine that the filed rate is not just and reasonable, but that a different rate is justified, the damages could be computed based on the difference between what the pipeline charged and the just and reasonable rate ultimately determined by the Commission.

prefers.<sup>42</sup> The clean version of the tariff text may be filed using any electronic file format currently approved by the Secretary of the Commission for eFiling.

59. AOPL requests clarification as to which of the tariff documents included in the XML package, including the marked version made by the utility, constitutes the official version of the tariff filing. As stated above, no substantive differences should exist between the tariff provisions filed as part of the XML data and the tariff provisions filed as attachments. To the extent that such differences exist, and they are significant, they will need to be addressed on a case-by-case basis by the Commission.

#### **6. Joint, Shared, and Section 206 Filings**

60. All utilities, but principally the electric industry, may make joint and shared tariff filings. Joint filings refer to tariffs applicable to more than one company. Shared tariffs refer to a tariff that can be revised by one or more parties. Shared tariffs principally refer to ISO or RTO tariffs, sections of which can be revised by the ISO and RTO as well as by individual transmission owners. Section 206 tariff filings again relate principally to ISOs and RTOs, which may not have the ability to make tariff filings under section 205 of the FPA, but have the right under their operating agreements to make tariff filings under

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<sup>42</sup> The text of the tariff provisions (including the entire tariff document if that option is chosen) to be included in the database must, of course, match exactly the text of the clean copy of the tariff provisions filed as an attachment. The standards also will require the company to include a non-formatted plain text copy of the tariff provisions for search purposes.

section 206 of the FPA. The following approaches should ensure that parties with filing rights can make appropriate filings without undue burden.

**a. Joint Tariff Filings**

61. Section 35.1(a) of the Commission's regulations establishes two methods by which public utilities that are parties to the same rate schedule may file the rate schedule with the Commission: (1) each public utility can file the rate schedule itself, or (2) "the rate schedule may be filed by one such public utility and all other parties having an obligation to file may post and file a certificate of concurrence."<sup>43</sup> Prior to Order No. 614, when filers made a single filing, Commission staff would copy the rate schedule or tariff for the number of joint filers, place the appropriate designations on the documents, and put them in the tariff books. In Order No. 614, the Commission stated in the preamble that "on joint services, each utility offering a service must file its own tariff sheets."<sup>44</sup> Currently, we therefore receive a single filing usually from a designated filer with identical tariff sheets for each joint filing utility, except that each utility's tariff contains the appropriate sheet designation for that utility.

62. In the Commission's current state of software development, we are not in a position to permit a single designated filer to submit tariff provisions on behalf of multiple entities as part of a single filing. We, however, recognize the inefficiency and

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<sup>43</sup> 18 CFR 35.1(a).

<sup>44</sup> Order No. 614, FERC Stats. & Regs. ¶ 31,096 at 31,503.

confusion for the filer, the staff, and the public in having multiple identical filings made on behalf of different companies. To deal with this issue, the following approach will minimize the burden on the filer and also provide ready access to the tariff.

63. We will no longer require utilities to follow the Order No. 614 preamble instructions to file multiple copies of a tariff. Instead, the joint filers will be permitted to designate one filer to submit a single tariff filing for inclusion in its database that reflects the joint tariff, along with the requisite certificates of concurrence. The non-designated joint filers would include in their tariff database a tariff section consisting of a single page or section that would provide the appropriate name of the tariff and the identity of the utility designated as the filer for the joint tariff. In this way, the staff or the public will be able to find quickly the appropriate tariff in the database, without the need for multiple filings by each of the filers.

64. EEI maintains that parties with joint tariffs should have flexibility to make modifications to these tariffs, but it does not object to the procedure outlined above. We, therefore, will adopt this approach to joint tariffs.

**b. Shared Tariffs**

65. Shared tariffs refer principally to ISO and RTO tariffs, portions of which may be revised by FPA section 205 filings by the ISO/RTO or other transmission owners.

Depending on the tariff section involved, one party may have exclusive rights to modify the section or multiple parties may have rights to modify the section. The structure of all the ISO and RTO tariffs as well as their filings rights are different.

66. In order to file revisions to shared tariffs today, parties with shared filing rights have to share information about the tariff, such as the current section numbering and sheet designations as well as the text of the provisions. Some ISOs and RTOs provide in their tariffs that the ISO/RTO is responsible for administering the tariff.<sup>45</sup>

67. The use of electronic filing will provide parties with shared tariffs with greater opportunities to develop electronic filing methods that fit their respective tariff structure, filing rights, and business processes. First, parties in organized markets can develop or obtain filing software to be shared among those with filing rights that imposes restrictions on filing rights as applicable under the individual ISO or RTO tariff. Second, ISOs and RTOs can agree to make all filings on behalf of the members in order to maintain administrative control over the tariff. Third, each of the respective parties with filing rights can continue to make individual filings as they do today by sharing certain relevant tariff and metadata among the parties with shared rights.

68. With respect to the third option, individual filings by each company, we have developed a method for making such filings. The party initiating the filing (Company A) would need to have an eRegistered party (Filer) log-on to make the filing. The Filer would have to know Company A's company identification number and password. In

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<sup>45</sup> Midwest ISO Transmission Tariff, Appendix K, § F.  
[http://mktweb.midwestiso.org/publish/Document/469a41\\_10a26fa6c1e\\_-6d790a48324a/TOA%20\(As%20Accepted%20on%2012-03-07%20EC07-89\).pdf?action=download&property=Attachment](http://mktweb.midwestiso.org/publish/Document/469a41_10a26fa6c1e_-6d790a48324a/TOA%20(As%20Accepted%20on%2012-03-07%20EC07-89).pdf?action=download&property=Attachment).

order to make such a filing, the ISO and RTO would have to share with Company A its company identification number (but not its password) and tariff identifier used in the XML schema for the ISO or RTO's tariff along with other required metadata for making the filing.

69. Currently, for some ISOs and RTOs, when a transmission owner makes a section 205 filing to revise an ISO or RTO tariff, the ISO or RTO is notified only through service. In order to provide greater security and more immediate notification to the ISO or RTO, we will provide an e-mail notification to the ISO or RTO when the XML filing passes verification checks. This notification will ensure that the ISO or RTO can detect immediately any potential unauthorized filing. Moreover, because the person making the filing will be eRegistered and will be using the company identification number of the filer (Company A), we will be able to easily identify who made the filing in case any questions are raised.

70. New England PTOs support the Commission's approach to shared document filings, but request that the Commission provide additional time for possible needed revisions to the OATT of ISO New England. As discussed later, the Commission will be providing sufficient time to develop software and implement the electronic filing requirements. Such time should be sufficient to make whatever tariff or other changes may be needed to accommodate shared document filings. If ISO New England can show that additional time is required, it may file for an extension of time.

71. While generally supporting the Commission's approach, ISO New England suggests that the Commission should provide additional security for shared tariff filers by developing and administering a database that would permit a tariff owner to control the parties authorized to file tariff changes to its tariff.<sup>46</sup> We have closely examined the potential security risks to the eTariff system and find that at this point the benefits of ISO New England's proposal for increased security do not justify the enhanced costs for the Commission to build and support an administrative website and database necessary to implement ISO New England's proposal.

72. The eTariff system will be more secure than the current paper filing system and the current eFiling system, and we have not experienced unauthorized filings to date through either our paper or eFiling system. In the current eFiling system, a filer need only be eRegistered.<sup>47</sup> The eTariff system, however, will provide additional security because in addition to eRegistration, the filer must possess both a company registration number and a password. These forms of identification will be limited to regulated utilities. The RTO's or ISO's password will be unique to each company and need not be shared with another utility having shared filing rights, thereby providing enhanced

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<sup>46</sup> For example, the website would permit ISO New England to select those transmission owners with the authority to make filings to amend the ISO New England's OATT.

<sup>47</sup> Paper filings are delivered by courier or mail with no way for the Commission to verify that the filing is authorized by the purported filer.

security. Further, any filing made using the RTO's or ISO's company registration number will generate an e-mail to the RTO or ISO, so that it can monitor actively any potential unauthorized filings.

73. After comparing the potential benefits of ISO New England's approach against the costs of implementation, we have decided not to try to implement the authorized filer proposal. If we find after implementation that additional security is necessary, we will reconsider this option at that time.<sup>48</sup>

c. **Section 206 Filings Related to ISOs/RTOs**

74. ISOs and RTOs sometimes have tariff or operating agreement provisions that require a certain percentage of stakeholder support for making FPA section 205 filings. As a result, if the requisite stakeholder approval is not obtained, ISOs and RTOs have retained rights to make filings pursuant to section 206 of the FPA, and may make a single filing under both section 205 and section 206.<sup>49</sup> In addition, transmission owners that are

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<sup>48</sup> First Energy raises a question about filings by outside counsel, and similarly suggests a system of having administrators provide passwords with respect to filings by outside counsel. As discussed above, outside counsel will be able to submit filings as long as they adhere to the standards, and the company provides them with the appropriate filing identifiers, passwords, and other information. Just as companies have to protect their internal use of passwords, they will need to protect against the use of passwords by outside counsel or others making filings on their behalf. Companies of course can design their own software to provide administrative password rights, but for the reasons discussed above, we do not find it necessary for the Commission to provide such administrative control.

<sup>49</sup> See, e.g., PJM Interconnection, LLC, 115 FERC ¶ 61,079 (2006).

part of the RTO also may file complaints under FPA section 206 contending that the ISO or RTO tariff is unjust and unreasonable.

75. For ISO or RTO transmission owners filing a complaint against the ISO or RTO, the complaint must be filed pursuant to the standard complaint mechanism. While these transmission owners may have legal rights to make section 205 filings to change certain aspects of the ISO or RTO tariff, they do not have any different rights than any other party to file complaints under section 206. If the Commission agrees with the complainant, the ISO or RTO would then be directed to submit a compliance filing through the eTariff portal to make the required tariff changes.

76. However, the RTO or ISO making a filing to revise its own tariff pursuant to section 206 should make such a filing through the eTariff portal with the appropriate tariff revisions using the NAESB standards. Because such a filing relates to the ISO's or RTO's own tariff, and the ISO or RTO has a reserved right to make such a section 206 filing, such a filing is more similar to a standard tariff filing by a utility as opposed to a complaint filing. In addition, since RTOs or ISOs may make a single filing in one proceeding under both sections 205 and 206, it seems appropriate to have such a filing made using the standard eTariff mechanism.<sup>50</sup>

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<sup>50</sup> No comments were filed on this approach.

**C. Other Business Practice Changes**

**1. Electronic Service**

77. In the NOPR, the Commission proposed to permit electronic service for initial filings.<sup>51</sup> We are revising our regulations to permit electronic service according to the same procedures and protocols used for other forms of service under the Commission's regulations.<sup>52</sup> Customers and state agencies wishing to receive service will be required to provide the company with an applicable e-mail address (since a service list will not exist at the time of an initial filing). Any customer believing it is unable to receive electronic service will need to request a waiver of electronic service as provided in the regulations.<sup>53</sup>

78. EEI asks for further clarification of how electronic service should be made, including questions about the provision of e-mail addresses, suggestions related to the use of generic service e-mail addresses and the ability to serve after a filing has been posted. In this rulemaking, we have expanded the scope of electronic service to include initial filings. We have expressly provided in the regulations that customers must provide an e-mail address for initial service to the utility unless they obtain a waiver of electronic service under Part 390 of our regulations. Other than establishing a procedure for obtaining customer e-mail address, all other aspects of electronic service for initial filings

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<sup>51</sup> Notice of Additional Proposals and Procedures, FERC Stats. & Regs. ¶ 35,551 at P 7.

<sup>52</sup> 18 CFR 385.2010.

<sup>53</sup> 18 CFR 390.3.

will be the same as those for service in a proceeding with a service list, including the e-mail addresses to be used for service, and the use of a link to the filing in eLibrary as the means of providing service.<sup>54</sup>

## **2. Attachment Documents**

79. Under the standards, all attachments to a filing, such as the transmittal letter, testimony, and cost-of-service statements, will be included as part of the XML package. The attachments must meet the formatting requirements for any other eFiled document, as set forth by the Secretary of the Commission. AOPL suggests deleting the requirement to file a proposed form of protective agreement in the existing (and proposed) § 348.2. AOPL does not explain its suggestion, and we do not find that the adoption of electronic filing requirements for tariffs necessitates removal of the requirement to file proposed forms of protective agreements. Under the NAESB standards, proposed forms of protective agreements must be filed as attachment documents.

## **3. Withdrawal of Pending Tariff Filings and Amendments to Tariff Filings**

80. As discussed in the 2004 NOPR, the electric, gas, and oil industries have different procedures for withdrawing and amending a tariff filing. For example, the regulations governing oil pipelines permit withdrawal of proposed tariff filings before the tariff filing

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<sup>54</sup> See 18 CFR 385.2010(f)(3).

**TO REGISTER**

Fax the form below to 713-356-0067, or mail it to NAESB, 1301 Fannin, Suite 2350, Houston, TX 77002.

**CANCELLATION POLICY**

Refunds requested in writing prior to November 10, 2008 will be subject at a \$30 processing fee. No refunds will be granted after November 10, 2008.

**REGISTRATION FORM**

**NAESB eTariff Standards - Electronic Tariff Filing**

November 21, 2008

Name: \_\_\_\_\_

E-mail: \_\_\_\_\_

Company: \_\_\_\_\_

Job Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Form of Payment: Check \_\_\_\_\_ Visa \_\_\_\_\_

MasterCard \_\_\_\_\_ American Express \_\_\_\_\_

Card No.: \_\_\_\_\_

Exp.: \_\_\_\_\_ Amount charged: \_\_\_\_\_

Signature: \_\_\_\_\_

**Registration fee: Members, \$300; Nonmembers, \$400, (Register by November 10, 2008 and SAVE! - Members, \$200, Nonmembers \$300) Registration fee is waived for staff of federal or state regulatory agencies.**

*Continuing Legal Education (CLE) credit the State Bar of Texas — 6.25*



**NAESB  
eTariff Standards -  
Electronic Tariff Filing  
Workshop**

**November 21, 2008  
Austin, TX**

*Important class information  
enclosed. Register early and  
save!*

North American Energy Standards Board  
1301 Fannin, Suite 2350  
Houston, TX 77002



# NAESB eTariff Standards - Electronic Tariff Filing Workshop

## WHEN

**Friday, November 21, 2008  
8:00 A.M. - 4:00 PM (Central Time)**

## WHERE

**Driskill Hotel  
604 Brazos Street  
Austin, Texas 78701  
(512) 474-5911**

## PURPOSE OF SEMINAR

This course is designed to provide an overview of NAESB eTariff Business Practice Standards that apply to federally jurisdictional entities for the wholesale gas and electric markets and for oil pipelines. Students will be introduced to the definitions, standards and Appendix A - Implementation Guide for Electronic Tariff Filing. Students will learn how to implement the Electronic Tariff Filing in house and via third party solutions. Technology issues will also be addressed during the course.

The class will discuss the NAESB approved standards with respect to the electronic filing of tariffs and the procedures proposed by the Commission as outlined in the final rule, FERC Order No. 714, Rule-making Docket No. RM01-5-000.

## WHO SHOULD ATTEND

This course is designed for those responsible for preparing and submitting tariffs, rate schedules and service agreements pursuant to Title 18 Code of Federal Regulations Parts 35, 154, 284, 300, 341 or Parts as required by FERC.

## PREREQUISITE

Attendees are encouraged to familiarize themselves with the [NAESB report](#) regarding electronic tariff filings submitted to the FERC on April 15, 2008. They are invited to bring specific questions about standards to the workshop.

## FORMAT

This course is composed of formal presentations, using handouts and slides, and open discussion. The standards and materials will be provided to the attendees on CD.

## CONTENT

### NAESB Process

Ms. McQuade, President and COO of NAESB will explain the NAESB process and procedures used to develop the eTariff standards, and will review the structure of the organization, its work products and participation in NAESB.

## eTariff Standards

Presenter, Leigh Spangler is a NAESB Board Member, Co-Chair of the NAESB WGQ EDM Subcommittee and President of Latitude Technologies, a provider of technology services to the energy industry. Mr. Spangler will lead discussion and review of the NAESB standards related to electronic tariff filings. Mr. Spangler was a key contributor to the creation of the eTariff standards.

## How to Implement the Electronic Tariff Filing

Mr. Spangler will describe the process and the various mechanisms, data tables, code values/reference tables, and technical specifications used in the submission of eTariff filings. Specifically the course will describe:

- The components of eTariff filings, including Tariff metadata
- The placement of these components into identifying information in an XML schema
- The compilation of these components and their accompanying tariff records into a filing package for electronic tariff filing at FERC
- The options available for implementation

*Other workshops are scheduled for:*

- New Orleans, LA  
Monday, January 12, 2009

## FOR MORE INFORMATION

- NAESB room block rate at the Driskill Hotel is \$239.00 per night for a "historic 1 bed" - Reservations (512) 474-5911 or (800) 252-9367; cut-off is November 7, 2008
- Phone 713-356-0060, or go to [www.naesb.org/materials/training.asp](http://www.naesb.org/materials/training.asp)

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Electronic Tariff Filings

Docket No. RM01-5-000

NOTICE OF TECHNICAL CONFERENCE REGARDING  
ELECTRONIC TARIFF FILING

(October 24, 2008)

Take notice that on Wednesday, December 3, 2008, a technical conference will be held to discuss the implementation of electronic tariff filing. In Order No. 714,<sup>1</sup> the Commission adopted regulations requiring that, as of April 10, 2010, tariff and tariff related filings must be made electronically. The Commission adopted a set of protocols and standards developed through a consensus process under the auspices of the North American Energy Standards Board (NAESB) to govern the manner and format in which such filings must be made. NAESB developed these standards and protocols to provide each filing company with the “flexibility to develop software to better integrate tariff filings with their individual tariff maintenance and business needs.”<sup>2</sup> As part of the compliance process, the Commission authorized Commission staff to continue their dialog with “the industries involved to help the industries better understand the use of the code values as well as to discuss issues that may arise regarding methods of implementing the standards.”<sup>3</sup>

This first technical conference is designed to provide tariff filers and third-party software developers with an opportunity to obtain technical information about the requirements of the standards to assist companies in developing software and in determining whether developing or purchasing software would best fit their tariff maintenance needs. The conference also will consider the schedule for future conferences and the subjects to be discussed at those conferences.

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<sup>1</sup> Electronic Tariff Filings, Order No. 714, 73 FR 57,515 (Oct. 3, 2008), 124 FERC ¶ 61,270 (Sept. 19, 2008).

<sup>2</sup> Order No. 714, at P 9. The Commission also recognized that “these standards and protocols also will provide an open platform permitting third-party software developers to create more efficient tariff filing and maintenance applications, which will spread the development costs over larger numbers of companies.” *Id.*

<sup>3</sup> Order No. 714, at P 88.

The format of the conference will be interactive, and companies are encouraged to ask questions about the technical aspects of the standards. To help Commission staff in planning the conference so that it will provide as much assistance to the industries as possible, participants are encouraged to submit by email in advance of the meeting the topics or questions they would like discussed. Emails should be directed to [eTariff@ferc.gov](mailto:eTariff@ferc.gov) and should include “**Discussion Topic**” in the subject line.

Background material on the standards and requirements can be found on the Commission’s website ([www.ferc.gov](http://www.ferc.gov); click on eTariff under the Documents and Filings Heading).

The technical conference is open to the public. The conference will be held from 10:00 AM until 4:00 PM (EDT) at the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. In addition, the conference will be accessible via WebEx and telephone.

Those wishing to participate via a WebEx ([www.webex.com](http://www.webex.com)) computer connection and telephone must submit by no later than **November 24, 2008**, a request to [eTariff@ferc.gov](mailto:eTariff@ferc.gov). The email must include **Registration** in the subject line and **the requester’s name, email address, and telephone number** in the body of the email. Only the first 50 requests to use the WebEx computer connection to view documents can be honored. All telephonic connection requests can be honored. We will notify WebEx requesters if their request to use WebEx computer connections can be granted and will provide the appropriate Logon information by email prior to the conference. We anticipate that most of the material to be referenced on WebEx during the conference is posted on the Commission’s website, so even those without the WebEx computer connection should be able to follow most of the discussion.

For more information, contact Keith Pierce, Office of Energy Markets and Reliability at (202) 502-8525 or [Keith.Pierce@ferc.gov](mailto:Keith.Pierce@ferc.gov).

Nathaniel J. Davis, Sr.,  
Deputy Secretary.



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)

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**October 20, 2008**  
**Via email and posting**

**TO:** NAESB Executive Committee (EC) Members, EC Alternates

**Submitters:** Jeffrey Bittel and Paul Love

**Subcommittee Chairs for Notification:**

Valerie Crockett, Richard Smith, Kim Van Pelt, Dolores Chezar (WGQ BPS)  
Leigh Spangler and Christopher Burden (EDM)

**FROM:** NAESB Office

**RE:** NAESB Triage Actions Taken for R08007 and R06016

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Dear Triage Committee and EC members,

Two requests, R06016 and R08007, were assigned to the WGQ and further assigned to the WGQ Business Practices Subcommittee (BPS). Both were approved by the Triage Subcommittee and by the EC in total for assignment to the WGQ, and the WGQ EC approved the subcommittee assignments to the BPS. It has been raised to the NAESB office that both of these requests should have been assigned to the WGQ Electronic Delivery Mechanism (EDM) Subcommittee. The WGQ leadership has concurred through exchanges of emails to corrections of the assignments to the WGQ EDM Subcommittee. Unless our office received other communications, we will change the assignments of these requests.

For [R06016](#) – submitted by [Jeffrey Bittel](#) on behalf of Texas Gas Transmission, LLC:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request that the processing function definition for “Submit” found in standard 4.3.69 be expanded to include the sending of records to the TSP for processing from the Form as well as the Matrix, it should be re-assigned from the WGQ BPS to the WGQ EDM Subcommittee. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ EDM.

For [R08007](#) – submitted by [Paul Love](#) on behalf of Natural Gas Pipeline Company of America:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request that WGQ Standard 4.3.16 as modified in Version 1.8 does not state that RTF format or other formats that comply with the Browser Capabilities as specified in Appendix C of the NAESB WGQ Quadrant Electronic Delivery Mechanism Related Standards are valid formats for displaying and downloading information posted to a TSP Informational Postings web site unless other standards explicitly define a specific format, it should be re-assigned from the WGQ BPS to the WGQ EDM Subcommittee. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ EDM.

Unless other communications are received contesting the reassignment or requesting a conference call to discuss the reassignment, such reassignment will immediately take place.



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Home Page: www.naesb.org

**September 8, 2008**  
**Via email and posting**

**TO:** NAESB Executive Committee (EC) Members, EC Alternates

**Submitters:** Micki Schmitz, Mike Stender, Cynthia Corcoran, Paul Love, Mitchell Whitehead, Valerie Crockett, Ed Skiba, Michael Desselle, Andy Ott, Rana Mukerji, Kevin Kirby, Bill Phillips

**Subcommittee Chairs for Notification:**

Ed Skiba (WEQ BPS)

Valerie Crockett, Richard Smith, Kim Van Pelt, Dolores Chezar (WGQ BPS)

Dale Davis and Christopher Burden (WGQ IR)

Leigh Spangler and Christopher Burden (EDM)

Keith Sappenfield (WGQ Contracts)

Phil Precht, Mary Edwards and Dan Jones (Retail BPS)

**FROM:** NAESB Office

**RE:** NAESB Triage Actions Taken for R08012 to R08023

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Dear Triage Committee and EC members,

Several requests – R08012 to R08023 -- all provided below as hyperlinks, were sent out for consideration on August 14. There were no requests for conference calls for discussions, and no adverse comments received. The requests were triaged as follows:

For [R08012](#) – submitted by [Micki Schmitz](#) on behalf of Northern Natural Gas:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add 2 detail (contract) level code values to Validation Code and Message elements in Nomination Quick Response (WGQ Standard No. 1.4.2) dataset, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that EDI shippers have requested that NNG generate an error message when nominated quantity is below EPSQ. The error is at a contract level, which will allow/ensure that the shipper sends lower quantities for each nomination of the contract.

For [R08013](#) – submitted by [Paul Love](#) on behalf of Kinder Morgan Inc.

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add nominations Transaction Type code value to support wheeling service on Rockies Express Pipeline LLC, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that operational sales and purchase transactions are used on the Kinder Morgan family of pipelines.

For [R08014](#) – submitted by [Paul Love](#) on behalf of Kinder Morgan Inc.

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new nominations Transaction Type code value to support operational sales and operational purchases for nominations and all related documents where Transaction Type appears, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that wheeling service exists in the Rockies Express Pipeline LLC tariff and is defined as: the receipt of Gas by a Parking And Wheeling Service (PAWS) shipper, or for a PAWS Shipper's account, at a physical point or Hub Pooling Point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

For [R08015](#) – submitted by [Paul Love](#) on behalf of Kinder Morgan Inc.

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ) and the retail quadrants (RGQ and REQ) as all three quadrants maintain a trading partner agreement (TPA) standard; and (3) because it is a request to modify the TPA to be streamlined to remove the Exhibits from the agreement and relegate such



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information as contained in the exhibits to operational worksheet(s), it should be assigned to the WGQ Contracts Subcommittee and the WGQ Electronic Delivery Mechanisms Subcommittee jointly, along with the Retail BPS should there be any changes needed to the retail documents. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the noted subcommittees.

The request notes that it is Kinder Morgan's opinion that including operational information in the TPA, as opposed to confining it to worksheet(s) outside the agreement, results in un-necessary administrative burdens that produce no practical benefit to anyone. It is Kinder Morgan's opinion that the operational details contained in the current Exhibits is fluid over time and that any change to this information is best resolved by the trading partners' operational contacts exchanging such information, as opposed to contract administrators amending the TPA to reflect such operational changes.

For [R08016](#)– submitted by [Micki Schmitz](#) on behalf of Northern Natural Gas:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a Reduction Reason code to Operator Scheduled Quantity, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the additional code value will be used to support existing business practices and to more accurately define decreased quantities for shippers and operators.

.For [R08017](#)– submitted by [Mitchell Whitehead](#) on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new transaction type code to the Transportation/Sales Invoice dataset and two new code values for the service requester level charge/allowance amount descriptor to the Transportation/Sales Invoice and the Service Requester/Charge Allowance Invoice datasets, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the addition of the transaction type 'Reservation/Enhanced Hourly Flow' to NAESB WGQ Standard 3.4.1 Transportation/Sales Invoice, and the code values (MIS) Miscellaneous and (SST) State Sales Tax for the data element 'Service Requester Level Charge/Allowance Amount Descriptor' to NAESB WGQ Standard 3.4.1 Transportation/Sales Invoice and NAESB WGQ Standard 3.4.4 Service Requester/Charge Allowance Invoice will identify transportation which exceeds hourly contract capacity rights for which authorization has been granted.

For [R08018](#)– submitted by [Mitchell Whitehead](#) on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new code value for Rate Identification Code, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the addition of 'Reservation and Commodity' as a new Rate Identification Code within the dataset Transactional Reporting – Firm Transportation is needed to better utilize the Rate Form/Type Code of 'Blended' when the rate is a combination of reservation and commodity.

For [R08019](#)– submitted by [Mitchell Whitehead](#) on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to change the usage for the data element 'Maximum Tariff Rate' from mandatory to sender's option within the dataset Award Download, and is lined to request no. R07018 as requested by Spectra Energy Transmission, it should be assigned to the WGQ Business Practices Subcommittee (BPS). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ BPS.

The request notes that if the TSP has market based rate authority and an award will have market based rates, there will not be a maximum tariff rate so therefore the data element should be sender's option, and the usage should change to accommodate market based rate authority.



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For [R08020](#)– submitted by [Valerie Crockett](#) on behalf of TVA and other parties:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ); and (3) because it is a request to provide for enhanced granularity for public utilities in identifying critical operational flow orders, it should be assigned to the WGQ Business Practices Subcommittee (BPS) and the WEQ Business Practices Subcommittee (BPS). Should it be determined that only one quadrant's standards are affected, then the assignment to change to reflect only that quadrant. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of both the WGQ and WEQ BPSs.

The request notes that under the current implementation of FERC Order No. 698, the public utilities have signed-up to receive Operational Flow Orders and other Critical Notices. As a result of this implementation, the public utilities in many instances are receiving substantially more information, which does not have an impact on its operations. As a result of meeting the letter of the Order, the public utilities are finding the applicable notices have the potential of being lost in the volume of non-applicable notices. The request further notes that the Wholesale Electric Quadrant and the Wholesale Gas Quadrant should review how/which notices are sent to public utilities to reduce the risk of critical notices being missed or overlooked based on the volume of notices now being sent to public utilities.

For [R08021](#)– submitted by [Mike Stender](#) on behalf of El Paso Natural Gas:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to implement a minor adjustment to the Measured Volume Audit Statement to allow for 40 instances of the MEA segment in the QTY loop, it should be assigned to the WGQ Technical Subcommittee. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ Technical Subcommittee.

The request notes that the NAESB standards permit multiple MEA segments but the EDI mapping permits only one.

For [R08022](#)– submitted by [Micki Schmitz](#) on behalf of Northern Natural Gas:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a Rate Identification Codes in the transactional reporting data sets, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the additional code value will be used to support existing business practices and to more accurately define identify storage related transactional reporting.

For [R08023](#)– submitted by [Cynthia Corcoran](#) on behalf of Enbridge Energy Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to additional Surcharge Codes for Capacity Release Transactions, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the additional code values "Fuel Surcharge" and "Event Surcharge" should be added to the Surcharge Identification Codes in the Code Values Dictionary for Standards 5.4.1 – Offer Download, 5.4.2 – Bid Download, 5.4.3 – Award Download, 5.4.7 – Offer Upload, 5.4.9 – Offer Upload Identification, 5.4.18 – Bid Upload, 5.4.20 - Transactional Reporting – Capacity Release, 5.4.21 - Transactional Reporting – Firm Transportation and 5.4.22 - Transactional Reporting – Interruptible Transportation. These additions will clarify the surcharge types available for transactions.

The noted dispositions for the requests and the requests themselves were forwarded to the Triage Subcommittee and the EC members on August 14. There were no dissenting comments received. A comment was received on Request No. R08015 to extend the assignment to the Retail BPS. After recirculation with the extension noted as an edit, no adverse comments were received. As such, the requests are considered in scope and assigned to the indicated subcommittees for development. Please note that this communication serves as notice to the subcommittee chairs of the subcommittees to which the requests are assigned.



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS**  
**Adopted by the NAESB Board of Directors on October 20, 2008**

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Item Number & Description <sup>1</sup>	Completion <sup>2</sup>	Assignment <sup>3</sup>
1 Electronic Retail Billing.		
Develop Technical Electronic Implementation Standards – Electronic Retail Billing	4 <sup>th</sup> Q, 2008	TEIS
Status: Underway		
2 Customer Enrollment, Drop and Account Information Change including Using a Registration Agent		
a. Develop information requirements for submitting and receiving, processing and fulfilling a customer’s request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.	3 <sup>rd</sup> Q, 2008	IR
Status: Completed		
b. Develop Technical Electronic Implementation Standards – Customer Enrollment, Drop and Account Information Change,	3 <sup>rd</sup> Q, 2008	TEIS
Status: Completed		
3 Customer Enrollment, Drop and Account Information Change Using a Registration Agent		
Develop practices when using a Registration Agent for submitting and receiving, processing and fulfilling a Customer’s request to enroll with or leave a Supplier (including Suppliers dropping Customers) and for maintaining current Customer account information, and for notifying affected parties.		
i) Customer Enrollment	4 <sup>th</sup> Q 2007	Texas Task Force/ BPS
Status: Completed		
ii) Customer Drop	1 <sup>st</sup> Q 2008	Texas Task Force/ BPS
Status: Completed		
iii) Account Information Change	1st Q 2008	Texas Task Force/ BPS
Status: Completed		
iv) ESI ID Setup	4 <sup>th</sup> Q 2008	Texas Task Force/ BPS
Status: Underway		
v) ESI ID Change	4 <sup>th</sup> Q 2008	Texas Task Force/ BPS
Status: Underway		
4 Review and Discuss application of any other existing model business practices for the Registration Agent model	3 <sup>rd</sup> Q 2008	BPS
Status: Completed		
5 Customer Inquiries		
a. Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	4 <sup>th</sup> Q 2008	Texas Task Force/BPS
Status: Not Started		
6 Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the	2009	TEIS



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**NORTH AMERICAN ENERGY STANDARDS BOARD  
 2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS  
 Adopted by the NAESB Board of Directors on October 20, 2008**

<b>Item Number &amp; Description<sup>1</sup></b>	<b>Completion<sup>2</sup></b>	<b>Assignment<sup>3</sup></b>
<p>NAESB Certification Program.</p> <p>Status: Not Started. Dependent upon publication of Version 1.1 at a minimum, but more dependent upon completion of Customer Choice efforts.</p>		
<p>7 Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations.</p> <p>Status: Completed</p>	1 <sup>st</sup> Q 2008	TEIS
<p>8 Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program.</p> <p>Status: Underway</p>	2008	Joint WEQ/Retail DSM Subcommittee
<p>a. Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas.</p> <p>Status: Underway</p>	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM Subcommittee
<p>b. Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas.</p> <p>Status: Underway</p>	TBD	Joint WEQ/Retail DSM Subcommittee
<p>c. Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs.</p> <p>Status: Underway</p>	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM Subcommittee
<p>d. Develop glossary for business practice standards</p> <p>Status: Underway</p>	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM Subcommittee
<p>e. Support retail development of matrix and model business practice standards for measurement and verification for demand response programs</p> <p>Status: Underway</p>	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM Subcommittee
<p>f. Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard.</p> <p>Status: Not Started</p>	Phase 2	Joint WEQ/Retail DSM Subcommittee
<p>g. Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations.</p> <p>Status: Not Started.</p>	Phase 2	Joint WEQ/Retail DSM Subcommittee
<p>h. Develop business practice standards to support cap and trade programs for green house gas.</p> <p>Status: Not Started.</p>	Phase 2	Joint WEQ/Retail DSM Subcommittee



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

**NORTH AMERICAN ENERGY STANDARDS BOARD  
 2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS  
 Adopted by the NAESB Board of Directors on October 20, 2008**

Item Number & Description <sup>1</sup>	Completion <sup>2</sup>	Assignment <sup>3</sup>
<b>Program of Standards Maintenance &amp; Fully Staffed Standards Work<sup>4</sup></b>		
Business Practice Requests	Ongoing	Assigned by the EC
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary

### Provisional Activities

#### Joint Effort:

Supplier Certification: Develop practices for Distribution Companies to register/certify new Suppliers when they seek to begin doing business in the Distribution Company's service area.

Modify TPA as necessary.

Review security standards as may be deemed necessary, such as Public Key Infrastructure (PKI).

Review existing body of model business practices for consistency and develop or modify model business practices as needed.

#### Retail Electric Quadrant Effort Only:

Retail Meter Data Validation, Editing & Estimating: Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, etc. Issues related to unbundled or competitive metering are not to be considered.

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ for the REQ.

#### Retail Gas Quadrant Effort Only:

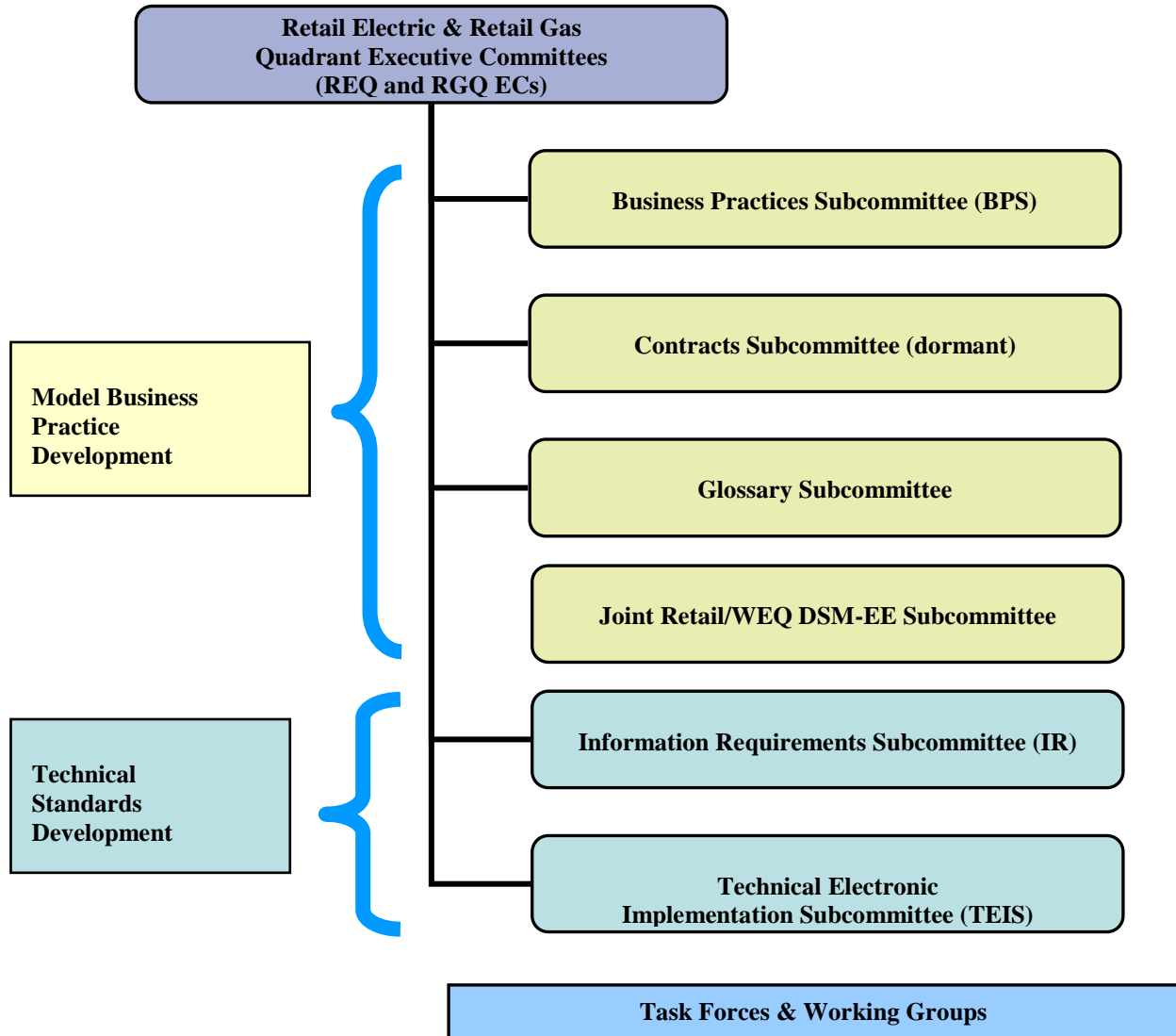
Examine Wholesale Gas Quadrant Non-EDM Standards for applicability to retail business practices.

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market.



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Home Page: [www.naesb.org](http://www.naesb.org)



### NAESB Retail Subcommittee Leadership: <sup>5</sup>

Executive Committee: Mike Novak, Chair (RGQ), Ruth Kiselewich, Chair (REQ)  
Business Practices Subcommittee: Phil Precht (RGQ), Mary Edwards and Dan Jones (REQ)  
Information Requirements Subcommittee: Jennifer Teel (REQ)  
Technical Electronic Implementation Subcommittee: Dan Rothfuss (RGQ)  
Glossary Subcommittee: Don Sytsma (RGQ), Mary Edwards and Patrick Eynon (REQ)  
DSM-EE Subcommittee: Ruth Kiselewich, David Koogler (REQ), Roy True (WEQ), Paul Wattles (WEQ)



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### End Notes Retail Plan:

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<sup>1</sup> As outlined in the NAESB Bylaws, the REQ and RGQ will also address requests submitted by members and assigned to the REQ and RGQ through the Triage Process.

<sup>2</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>3</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

<sup>4</sup> This work is considered routine maintenance and thus the items are not separately numbered. The REQ and RGQ ECs will assign maintenance efforts on a request-by-request basis.

<sup>5</sup> The ECs and the subcommittees can create task forces and working groups to support their development activities for development of model business practices and technical standards.

To: REQ/RGQ Executive Committee

From: Joint REQ/RGQ Business Practices Subcommittees

Subject: Minor Corrections of Model Business Practices

Date: October 29, 2008

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The Joint Retail Electric (REQ) and Retail Gas (RGQ) Quadrant Business Practices Subcommittees (BPS) have completed a comprehensive review of all Model Business Practices (MBPs) that have been developed to date. The purpose of this review was to make the MBP language consistent throughout. While there are a large number of changes, the Joint REQ/RGQ BPS believes that there are no significant changes, and that the content and intent of the MBPs remains unchanged. The Joint REQ/RGQ BPS did not review Book 5 - Quadrant Electronic Delivery Mechanism or Book 7 - Internet Electronic Transport since these are technical Books. The following changes were made:

- The title of Book 0 - Master List of Defined Terms was revised to insert the word "Business" to reflect the fact that only business definitions are included. Technical definitions are contextual and only included in individual Books.
- RXQ.x.2A - Business Definitions was added to all Books to separate them from any Technical Definitions which would become RXQ.x.2B
- Over time, some of the definitions have been revised. The definitions in all Books have, therefore, been updated to the latest versions. This was done in collaboration with the Retail Glossary Subcommittee.
- During discussions of the development of MBPs in Book 10 - Customer Enrollment, Drop and Account Information Change, BPS determined that the term "switch" was really the same as a Drop from one Supplier and an Enrollment with another. Therefore, the term "switch" was eliminated. Consequently, Book 0 - Master List of Defined Terms and Book 1 - Market Participant Interactions have been revised to eliminate the definition of "Switch Request". RXQ.1.3.5.4 was also revised to replace "Switch Request" with "Enrollment Request" and "Drop Request".
- Throughout all Books:
  - The term "will" was replaced with "should"
  - The term "shall" was replaced with "should"
  - The term "forward" was replaced with "send"
  - The term "submit" was replaced with "send"
  - The phrase "via Uniform Electronic Transaction" was moved to appear after the name of the transaction it referred to. The convention used is "send the"(name of the transaction)"via Uniform Electronic Transaction"(to the receiving Party)
    - All defined terms were capitalized and any term that was capitalized and is not defined was changed to lower case.
- The definition of Market Participant was added to Book 10 - Customer Enrollment, Drop, and Account Information Change.
- In Book 6 - Contracts, RGQ.6.3 - Distribution Supplier Service Agreement Outline and REQ.6.3 - Distribution Supplier Service Agreement Outline were identical except that REQ.6.3 used

"electric" while RGQ.6.3 used "gas". REQ.6.3 and RGQ.6.3 were deleted and replaced with RXQ.6.3 which uses the term "energy" in place of "electric" and "gas".



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067  
email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

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October 1, 2008

**TO:** NAESB Membership  
**FROM:** Michael Desselle, Chairman and Rae McQuade, President  
**RE:** Recent Board Actions

Dear Members,

At our Board meeting last week, several actions were taken to improve the financial health of the organization, to increase the efficiency of standards development, and to address the issue of vacancies in segments as they impact Board and Executive Committee (EC) voting on items requiring super-majority votes.

First, the Board addressed the ongoing financial well being of the organization. Overall, in order to reach the desired degree of financial health and ability to respond to all appropriate challenges, the Board endorsed a three-prong approach, to fund some of the target through dues increases, some through increases in the prices for NAESB products for non-members, and some through aggressive growth targets in membership. As for the first prong, the Board unanimously endorsed an increase of the membership dues from \$5000 to \$6500, effective January 1, 2009. This action was taken to improve the financial well being of the organization with the recognition that NAESB continues to address standards development of an increasingly complex nature. Dues have not been raised since 1996; and to put this in perspective, the change in the dues amount represents a 1.9% increase over the years. Expenses will continue to be scrutinized to support the most cost effective means for standards development. In addressing the second prong and to reflect better the cycle cost of developing the standards, the fees for work products for non-members will see an increase as well, much more substantial in percentage terms. The costs to the non-members for these work products will still be subsidized by membership but not at the current level. In an effort to be more environmentally aware and to further reduce costs, the standards previously offered on paper media will now only be made available on electronic media instead. The third financial prong, membership, is being aggressively addressed by your Resources Committee, and ideally will be enhanced by expanded and increasingly sophisticated copyright protection for NAESB work product. The Board felt it was particularly important to follow these multiple avenues, rather than simply asking the existing membership to fund 100 percent of the target.

Second, the Board addressed a recommendation of a Board committee regarding the efficiency of standards development in NAESB. As we become more efficient, both the time spent developing standards and the related development cycle costs to NAESB and all of its volunteers will be reduced. The policy was unanimously endorsed by the Parliamentary Committee, the Managing Committee and the Board itself; and can be found at the following link: <http://www.naesb.org/pdf3/bd092508a2.doc>.

Third, the Board addressed the issue of Board or EC vacancies impacting the super majority voting provisions for standards adoption at the EC level and governance issues at the Board level. Changes were made to the NAESB Certificate and Bylaws and can be reviewed at the following links: certificate redlined changes (<http://www.naesb.org/pdf3/parliamentary090908a1.doc>) and bylaws redlined changes (<http://www.naesb.org/pdf3/parliamentary090908a2.doc>). The proposed changes were driven by unanimous recommendations of the Board Committee that proposed the standards efficiency proposals, and were unanimously endorsed by the Parliamentary Committee and the Managing Committee. The changes were also were unanimously supported by those Board members present or returning notational ballots. The notational balloting period is still open, but we have received no negative votes to date. After the notational balloting period concludes, should both the certificate and bylaws changes be approved, the certificate will require membership ratification before the changes can take effect.

As you can see, the September 25<sup>th</sup> Board meeting was important on many levels – offering changes to our governance documents to improve the timely decision making of both the Board and EC, improving the efficiency of the standards development process, and taking steps to secure the financial well being of our organization.

NAESB is a member-driven organization, and your participation and membership is crucial to our credibility and the applicability of our work products. We want to thank the Board for taking these steps to make us a stronger organization. As important, we thank you as our members for providing the foundation, and then the guidance from which to build standards helpful to the industry.

With Best Regards,

Michael D. Desselle  
Chairman, NAESB

Rae McQuade  
President, NAESB



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### NAESB Policy on Efficient Standards Development

NAESB is an American National Standards Institute accredited member-driven organization whose purpose is to develop voluntary standards through a consensus-based process. The organization encourages broad based participation in an open and balanced standards development process to ensure that the standards are applicable and representative of the industry.

While segment blocks<sup>1</sup> play an important role in protecting the interests of a market segment and protecting the interests of a minority position, it is the hope of the Board of Directors that segment blocks are rare, minimized and not a part of a routinely used strategy for voting. If a segment block is inevitable, it should be determined quickly and processed quickly. Where segment blocks may occur due to the controversial nature of the standards development that may indicate unresolved policy issues, steps should be taken to expedite the definitive determination of opposition and if progress could be made through a variety of actions. Should it be determined that consensus is not possible, then a decision can be made so that resources can be more effectively applied to other development efforts. Below are four actions that may be taken to increase standards development efficiency and to obtain decisions quickly when it may be difficult to achieve support from all segments in a given standards development project:

- For controversial and high visibility projects, the board may establish timelines at the outset for the entire project in more detail than just the date provided for the annual plan entry.
- For controversial or high visibility projects, EC leadership or the Executive Director may request of the Managing Committee, that facilitators be engaged at the onset to support the standards development process.
- When the Executive Committee leadership determines that a single segment block is expected and this is communicated to the Managing Committee or the board, all board members of the relevant quadrant will be contacted to determine if steps can be taken that would prevent a single segment block. The board may establish timelines to ensure the effective use of resources.
- FERC staff or other applicable regulatory staff assistance shall be requested only by the Managing Committee if needed to overcome technical questions that are impeding the progress of subcommittees in standards development efforts.

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<sup>1</sup> Segment block refers to the inability of a segment of the EC to achieve the 40% affirmative vote for a standard action to be approved (see Article V, § 4 of the NAESB Certificate of Incorporation and Article 2, § 2.3 of the NAESB Bylaws).



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008**

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<b>Damage Reporting for Natural Gas Pipeline Facilities</b>		
1 Review and develop standards as appropriate to support posting of information as noted in Docket No. RM06-18-000, <a href="#">Order No. 682</a> and Docket No. RM06-18-001, <a href="#">Order No. 682-A</a> . Review transmission line damage reporting to identify commonality and apply as appropriate.  Status: Underway	4 <sup>th</sup> Q 2008	BPS
<b>Electronic Delivery Mechanisms and Related Activities</b>		
2 Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations.  Status: Completed	1st Q, 2008	BPS/EDM
<b>Contracts Activities</b>		
3 Update ISDA Gas Annex to correspond to the updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas, dated September 5, 2006.  Status: Underway.	4th Q, 2008	Contracts
a. Revise the Trading Partner Agreement TPA by removing the Exhibits from the agreement and relegate such information as contained in the Exhibits to operational worksheet(s), ( <a href="#">R08015</a> ).  Status: Not Started	1 <sup>st</sup> Q, 2009	Joint Retail/WGQ Contracts
<b>Gas-Electric Interdependency</b>		
4 Respond to directives of <a href="#">FERC Order No. 698 issued 6-25-07</a> , Docket Nos. <a href="#">RM05-5-001</a> and <a href="#">RM96-1-027</a> as related to the NAESB reports submitted in Docket No. <a href="#">RM05-28-000</a> :		
a. ¶ 56 of Order No. 698: "... Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. <u>This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently.</u> " (emphasis added)		
i.) Develop business practice standards to address the threshold questions of ¶ 56 of Order No. 698:  Status: Completed	2 <sup>nd</sup> Q, 2008	BPS
ii.) Prepare fully staffed recommendation  Status: In Progress.	4th Q, 2008	BPS, IR/Tech
b. ¶ 63 of Order No. 698: "The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, <u>NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility.</u> "(emphasis added)		



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008**

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
i.) Develop business practice standards to address the threshold questions of ¶ 63 of Order No. 698:  Status: Completed	2 <sup>nd</sup> Q, 2008	BPS
ii.) Prepare fully staffed recommendation  Status: Completed	2 <sup>nd</sup> Q, 2008	BPS, IR/Tech
c. ¶ 69 of Order No. 698: “As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. <u>However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling.</u> In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere...”(emphasis added)		
i.) Develop business practice standards to address the threshold questions of ¶ 69 of Order No. 698:  Status: Completed	2 <sup>nd</sup> Q, 2008	BPS
ii.) Prepare fully staffed recommendation  Status: Completed	2 <sup>nd</sup> Q, 2008	BPS

### Capacity Release

5 Review capacity release transactions upload and related responses to determine suitability for EDI.		
a. Develop business practice standards  Status: Not Started	1 <sup>st</sup> Q, 2009	BPS
b. Prepare fully staffed recommendation  Status: Not Started	TBD	BPS, IR/Tech

### Review and develop business practices standards to support e-Tariff program

6 Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. ( <a href="#">Docket No RM05-1-000</a> )  Status: Complete	1st Q, 2008	Joint WEQ/WGQ e-Tariff
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### Customer Security Administration

7 Review and develop standards as appropriate to support Customer Security Administration Standards ( <a href="#">Comment Submittal, 10-29-07</a> )  Status: Not started, action pending submittal of request and process for request assignment.	2009	BPS
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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008**

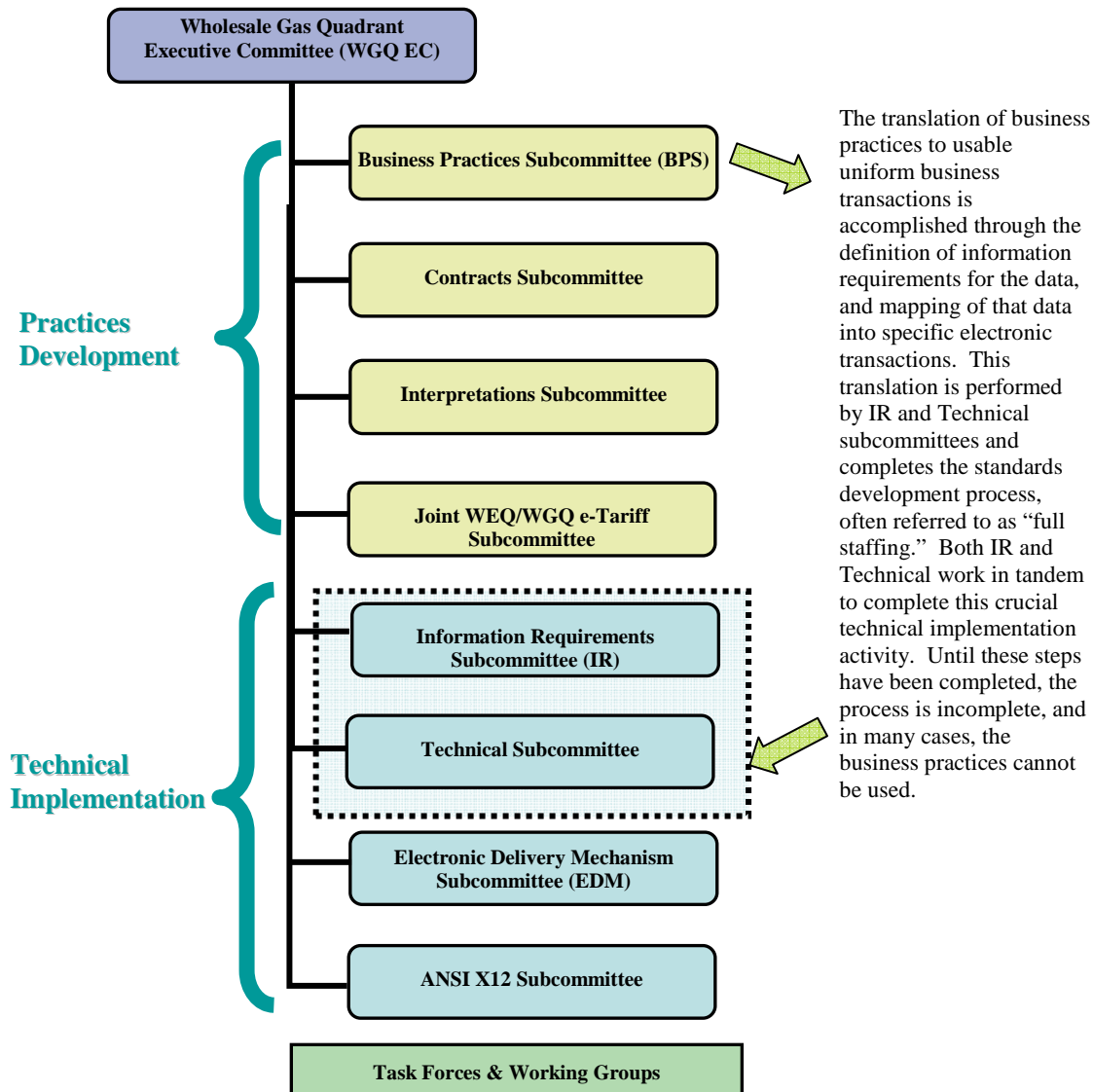
Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<b>Gas Quality Reporting</b>		
8 Respond to directives of FERC Docket No. RP07-504-000:  ¶ 10 "... develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required by their tariffs to do so." ( <a href="#">Docket No. RP07-504-000</a> )  Status: Underway	4 <sup>th</sup> Q, 2008	BPS
<b>Promotion of a More Efficient Capacity Release Market</b>		
9 Review FERC Order No. 712 and modify NAESB standards ( <a href="#">Docket No. RM08-1-000</a> )  Status: Underway.	1 <sup>st</sup> Q, 2009	BPS
<b>Program of Standards Maintenance &amp; Fully Staffed Standards Work</b>		
Business Practice Requests	Ongoing	Assigned by the EC <sup>3</sup>
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI X12 Subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC <sup>4</sup>
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC <sup>4</sup>
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC <sup>4</sup>
<b>Provisional Activities</b>		
Respond to requests as received that are related to Docket No. <a href="#">AD06-11-000</a> (Market Transparency Reporting).		

- Notes: (a) Priority is given to action items that are carry-overs from the 2007 Annual Plan.  
 (b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.



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1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)



## NAESB 2008 WGQ EC and Subcommittee Leadership:

Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair  
Business Practices Subcommittee: Kim Van Pelt, Valerie Crockett, Dolores Chezar and Richard Smith  
Information Requirements Subcommittee: Dale Davis  
Technical Subcommittee: Kim Van Pelt  
Contracts Subcommittee: Keith Sappenfield  
Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden  
Interpretations Subcommittee: Paul Love  
Joint WEQ/WGQ e-Tariff Subcommittee: Keith Sappenfield, Jane Daly



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### End Notes WGQ 2008 Annual Plan:

<sup>1</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>2</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

<sup>3</sup> The EC assigns maintenance of existing standards on a request-by-request basis.



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1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

## NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<b>1 Develop business practices standards as needed to complement reliability standards</b>		
Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs) using the NERC/NAESB Coordination Joint Standards Development Process as appropriate. Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		
a) Make version 2 changes to business practices as requested.		
i) Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts.	As requested	BPS
Status: No requests		
ii) Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in version 2 development. <sup>3</sup>	Ongoing	BPS <sup>4</sup>
Status: Ongoing as NERC makes changes		
The “Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III” recommendation was approved by the BPS to post for the formal comment period.		
b) Develop business practices to support Coordinate Interchange – <a href="#">R05020</a> “Include a guideline for rounding schedules with partial mWh's in the coordinate interchange business practice WEQ BPS-002-000”	2008	JISWG
Status: Underway		
c) Operate Within Limits (R03017) as coordinated with the NERC schedule on the same development for reliability standards		
i) Review the need to develop business practice standards to support Operate Within Limits (R03017)	1 <sup>st</sup> Q, 2008	SRS
Status: Completed		
ii) Develop business practice standards to support Operate Within Limits (R03017)	2nd Q, 2008	BPS
Status: Completed		
No standards are needed at this time		
d) Prepare recommendations for future path for TLR in concert with NERC, which may include alternative congestion management procedures <sup>5</sup>	4 <sup>th</sup> Q, 2008	BPS <sup>6</sup>
Status: Underway		



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008**

Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
e) Conduct analysis as to whether standards can be developed which outline a standardized process for the coordination and execution of emergency energy schedules. These would be complementary standards to EOP-002-2 Requirements R4 and R6 ( <a href="#">SRS Analysis of EOP-002-2 R4 &amp; R6</a> )  Status: Not Started	TBD	JISWG
f) Review Market System Back-Up existing language and review of existing back-up language  Status: Completed  Per the guidance from the WEQ Executive Committee after presenting the <a href="#">Request for Executive Committee Guidance on WEQ 2008 Provisional Item 5</a> the SRS developed and approved a “no action” recommendation to close out this annual plan item	4 <sup>th</sup> Q, 2008	SRS
g) Provide complementary business practice standards to support Coordinate Operations Standards Authorization Request assigned to NERC ( <a href="#">R03014</a> )  Status: Completed  Based on the SRS review of related documents and EC updates to the WEQ Annual Plan in May 2004 where R03014 was noted as completed the SRS approved a “no action” recommendation to close out this standards request.	3 <sup>rd</sup> Q, 2008	SRS
<b>2 Develop business practice standards in support of the FERC RM05-25-000 and RM05-17-000 (OATT Reform)</b>		
a) Develop version 2 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols as determined by the final order.  Status: Underway  Development is using joint standards development process with NERC. Request R050004 was expanded to include the Order No. 890 ( <a href="#">Docket Nos. RM05-25-000 and RM05-17-000</a> ) and Order No. 890-A ( <a href="#">Docket Nos. RM05-17-001, 002 and RM05-25-001, 002</a> ), “Preventing Undue Discrimination and Preference in Transmission Services”, issued April 11, 2007).		
i) Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority		
1. Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority S&CP Requirements  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	4 <sup>th</sup> Q, 2007	ESS/ITS



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1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)

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	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
2.	<p>Conditional Firm Business Practice Standards associated with S&amp;CP Requirements completed in 2(a)(i)(1)</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	3 <sup>rd</sup> Q, 2008	ESS/ITS
3.	<p>Annotations For ATC Business Practice Standards associated with S&amp;CP Requirements completed in 2(a)(i)(1)</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	BPS, ESS/ITS
4.	<p>Load Forecast And Actual Load Business Practice Standards associated with S&amp;CP Requirements completed in 2(a)(i)(1)</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	BPS, ESS/ITS
5.	<p>Re-Bid Of Partial Service Business Practice Standards on a Single Transmission Provider's System associated with S&amp;CP Requirements completed in 2(a)(i)(1)</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	ESS/ITS
6.	<p>Preconfirmation Priority Business Practice Standards associated with S&amp;CP Requirements completed in 2(a)(i)(1)</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	ESS/ITS
7.	<p>OASIS Exemptions Appendix</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	4 <sup>th</sup> Q, 2007	ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
ii) Group 2: Metrics; Redispatch Cost Posting		
1. Metrics Related to Provision of Transmission Service (Paragraph 413 of Order 890)  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1 <sup>st</sup> Q, 2008	ESS/ITS
2. Metrics Related to Performance of Transmission Studies (Paragraphs 1308 through 1317 of Order 890)  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1 <sup>st</sup> Q, 2008	ESS/ITS
3. Redispatch Cost Posting  <ul style="list-style-type: none"> <li>• Monthly average cost of redispatch</li> <li>• A high and low redispatch for the month</li> </ul> Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1 <sup>st</sup> Q, 2008	ESS/ITS
iii) Group 3: Network Service On OASIS		
1. Use of OASIS to Make Electronic Requests to Designate and Terminate Network Resource  Status: Underway	1 <sup>st</sup> Q, 2009	ESS/ITS
2. Ability to Query Requests to Designate and Terminate Network Resources and Allow for Queries of All Information Provided with Designation Requests  Status: Underway	1 <sup>st</sup> Q, 2009	ESS/ITS
3. Masking of Designated Network Resource Operating Restrictions and Generating Cost Information  Status: Underway	1 <sup>st</sup> Q, 2009	ESS/ITS
4. Procedural Requirements for Submitting Designations over new OASIS Functionality  Status: Underway	1 <sup>st</sup> Q, 2009	ESS/ITS
5. Specify How Designated Network Service Informational Postings are Posted on OASIS  Status: Underway	1 <sup>st</sup> Q, 2009	ESS/ITS



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1301 Fannin, Suite 2350, Houston, Texas 77002  
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Home Page: [www.naesb.org](http://www.naesb.org)

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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
6. Set Forth the Treatment of OASIS Requests when the Customer Fails to Provide the Necessary Attestation Status: Underway	1 <sup>St</sup> Q, 2009	ESS/ITS
7. Procedural Requirements for Submitting Both Temporary and Indefinite Terminations of Network Resources Status: Underway	1 <sup>St</sup> Q, 2009	ESS/ITS
8. Procedures for Submitting and Processing Requests for Concomitant Evaluations of Transmission Requests and Temporary Terminations Status: Underway	1 <sup>St</sup> Q, 2009	ESS/ITS
iv) Group 4: Pre-Emption; Request No. R05019; and Revisions to Standard 9.7		
1. Pre-Emption Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
2. Request No. R05019 Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
3. Revisions to Standard 9.7 Status: Completed This item also addresses work in 2006 WEQ AP 3a(x).	3 <sup>rd</sup> Q, 2008	ESS/ITS
4. Posting of Existing Transmission Commitments (ETC) (moved from Group 1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2 <sup>nd</sup> Q, 2008	BPS, ESS/ITS
v) Group 5: Paragraph 1377		
1. Paragraph 1377 Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
2. Re-Bid Of Partial Service across Multiple Transmission Providers' Systems Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
vi) Group 6: Miscellaneous (Paragraphs 1390 and 1627 of Order 890)		
1. Paragraph 1390 of Order 890 Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
2. Paragraphs 1627 of Order 890 Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
3. Redispatch Cost Posting to allow for posting of third party offers of planning redispatch services. Status: Not Started	2 <sup>nd</sup> Q, 2009	ESS/ITS
4. Posting of <b>Existing Transmission Commitments (ETC)</b> (moved from Group 1) Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2 <sup>nd</sup> Q, 2008	ESS/ITS
vii) Group 7: Tagging for Conditional Firm Service		
1. Tagging for Conditional Firm Service Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2 <sup>nd</sup> Q, 2008	ESS/ITS
b) Develop the needed business practices as companion to the NERC standards for ATC related efforts. <sup>7</sup>		
i) Develop standards to support existing Request No. <a href="#">R05004</a> .		
1. The processing of transmission service requests, which use TTC/ATC/AFC, in coordination with NERC changes to MOD 001 where the allocation of flowgate capability based on historical Network Native Load impacts the evaluation of transmission service requests, requiring the posting of those allocation values in conjunction with queries of service offerings on OASIS Status: Underway	4 <sup>th</sup> Q, 2008	ESS/ITS
2. Remaining requirements documented in R05004 and R05004A. Status: Completed	3 <sup>rd</sup> Q, 2008	BPS, ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
ii) <b>Develop Business Practice Standards for Existing Transmission Commitments (ETC)</b>		
1. Develop the Business Practice Standards complementary to NERC Reliability Standards for <b>Existing Transmission Commitments (ETC)</b> to create a “consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses”, including the elements of ETC for full implementation of the NERC MOD-001 reliability standard.  The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2 <sup>nd</sup> Q, 2008	BPS, ESS/ITS
2. Business practice standards for accounting for counterflows. These standards will be included in the ATC business practice standards.  The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	June 1, 2008	BPS ESS/ITS
iii) <b>Capacity Benefit Margin (CBM) Business Practices</b>		
1. Determine if business practice standards are needed, and if so, develop them to set forth “how the CBM value shall be determined, allocated across transmission paths, and used” and how transmission providers will “reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service.”  The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.  Status: Completed  The NAESB subcommittees have determined the CBM requirements have been documented in the NERC MOD-004 to address this item, so no further action is required by NAESB. Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.	3 <sup>rd</sup> Q 2008	BPS, ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<p>2. Business practice standards that include an OASIS mechanism to “allow for auditing of CBM usage.”</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.</p>	3 <sup>rd</sup> Q 2008	BPS, ESS/ITS
<p>3. Any additional business practice standards needed to complement the NERC CBM reliability standards (MOD004) created as a result of this effort.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>The NAESB subcommittees have determined no further action is required by NAESB. Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.</p>	3 <sup>rd</sup> Q 2008	BPS, ESS/ITS
<p>iv) <b>Transmission Reliability Margin Business Practices:</b></p>		
<p>1. Transmission Reliability Margin (TRM): Business Practice Standards to complement the NERC reliability standards for TRM.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB. .</p>	April 8, 2008	BPS, ESS/ITS
<p>2. The business practice standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Completed</p> <p>The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB.</p>	April 8, 2008	BPS, ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<p>3. Any additional business practice standards needed to complement the NERC TRM reliability standards (MOD008) created as a result of this effort.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB.</p>	April 8, 2008	BPS, ESS/ITS
<p>v) Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC reliability standards created for ATC and AFC Methodologies (NERC MOD001 (Available Transfer Capability); NERC MOD028 (Network Response Available Transfer Capability); NERC MOD029 (Rated System Path Available Transfer Capability); and NERC MOD030 (Flowgate Network Response Available Transfer Capability)):</p>		
<p>1. Business practice standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>The subcommittee determined no additional standards are required from what is already documented in the "<a href="#">ATC Information Link (2008 Annual Plan 2.b.vii)</a>" recommendation and what is required for ATC postings under the previously ratified recommendation "<a href="#">Modifications to WEQ-001 to comply with modifications to 18 C.F.R. 37.6 and 37.7 within Order 890 with Minor Corrections applied on February 27, 2008.</a>"</p>	April 23, 2008	BPS/ESS/ITS
<p>2. Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>The NAESB subcommittees have determined the data exchange requirements have already been documented in the NERC standards, so no further action is required by NAESB.</p>	1 <sup>st</sup> Q, 2008	BPS/ESS/ITS



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Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<p>3. Business practice standards that will set forth how transmission providers will post “explanations of the reason for a change in monthly and yearly ATC values on a constrained path.” The standards will include a requirement that the transmission provider posts the reason for the change in a narrative form. The posted information will include “the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network).”</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 Q, 2008	BPS/ESS/ITS
<p>4. Business practice standards for posting on OASIS of the “underlying load forecast assumptions for all ATC calculations”.</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	BPS/ESS/ITS
<p>5. Business practice standards for posting on OASIS of the “actual daily peak load for the prior day.”</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Completed</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	BPS/ESS/ITS
<p>vi) Business practice standards to complement NERC reliability standards for Transfer Capability in response to new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13</p> <p>This item was added as a result of the Supplemental SAR NERC created in case additional business practices are needed as a result of the work on this SAR by NERC. It does not have a cite in Order 890. This item will require coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p>	May 1, 2008	BPS, ESS/ITS



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	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
vii)	<p>Business practice standards to set forth the procedure for input on TTC and ATC methodologies and values. (During the Order 890 NERC and NAESB joint standards development effort, it was determined that the standards contained in MOD003 should be business practice standards instead of reliability standards. NERC has requested that NAESB adopt the standards as business practices via correspondence to Ms. McQuade, NAESB President.)</p> <p>This item will require coordination with the NERC Order 890 reliability standards development because the language to address this item is contained within a draft standards that addresses items that are dependent on NERC deliverables, i.e., the requirements to create an "ATC Information Link" on OASIS. There is no Order 890 cite for this item.</p> <p>Status: Completed</p> <p>Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if modifications to these standards are needed.</p> <p>To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.</p>	1 <sup>st</sup> Q, 2008	BPS, ESS/ITS
c)	<p>Develop version 1 business practice standards to support transparency reporting and related functions that may be required as a result of the final order.</p> <p>Status: Completed</p>	3 <sup>rd</sup> Q 2008	EC Task Force
<b>3</b>	<p><b>Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling</b></p>		
a)	<p>Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to address include:</p>		
i)	<p>Develop OASIS S&amp;CP changes to support OASIS business practices.</p> <p>Status: Completed</p> <p>Dependent on development of OASIS business practices</p>	Ongoing	ESS/ITS
ii)	<p>Network Services: Determine and develop needed business practice standards or other support is needed to support use of OASIS for Network Service transactions (<a href="#">R04006E</a>). (Related to AP 2(a)(iii))</p> <p>Status: Underway</p>	1 <sup>st</sup> Q, 2009	ESS/ITS
iii)	<p>Registry (TSIN): Determine and develop needed business practice standards to support the registry functions currently supported by NERC (<a href="#">R04037</a>, <a href="#">R06027</a>).</p> <p>Status: Underway</p>		
1)	<p>Work with the NAESB counsel to develop a confidentiality agreement, (<a href="#">R07013</a>)</p>	4 <sup>th</sup> Q 2008	JISWG
2)	<p>Transition the TSIN Registry from NERC to NAESB.</p>	4 <sup>th</sup> Q 2008	JISWG



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	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
3)	Review and correct the Coordinate interchange Business Practice Standard as noted during the development of the e-Tag 1.8 development process.	4th Q 2008	JISWG
v)	Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff ( <a href="#">R05019</a> ).  Status: Not Started	4 <sup>th</sup> Q, 2008	ESS/ITS
vi)	Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS ( <a href="#">R05026</a> ).  Scoping <a href="#">statement</a> completed by SRS and assignments made to BPS, ESS/ITS and JISWG.		
1)	Represent ALL pre-Order 888 (“grandfathered”) transmission and ancillary services in current use in OASIS  Status: Completed	3 <sup>rd</sup> Q, 2008	BPS, ESS/ITS
2)	Eliminate Masking of TSR tag source and sink when requested status is denied, withdrawn refused, displaced, invalid, declined, annulled or retracted  Status: Not Started	2008 as determined	ESS/ITS
3)	Initiate standard that requires ALL historical transmission service reservations to be available for review up to a number of years in the past.  Status: Completed	2008 as determined	ESS/ITS
4)	Initiate standard that eliminates the disparity of posting “sensitive” information. This standard should also include procedures of user certification that allows access to this class of information.  Status: Underway	2008 as determined	JISWG
5)	Enhance the TSR result postings to allow showing of (i) limiting transmission elements and (ii) available generation dispatch options that would allow acceptance of reservation request.  Status: Not Started	2008 as determined	ESS/ITS
6)	Standardize the availability of TSR study result postings, eliminating practice of some Transmission Owners that charge for viewing these documents.  Status: Completed  This item was completed with Recommendation (2008 AP Item 2.a.i.5, 2008 AP Item 2.a.i.6, and 2008 AP Items 2.a.ii.1-3) WEQ-001 Changes for Rebid of Partial Service, Preconfirmation Priority, and Group 2: Metrics; Redispatch Cost Posting.	1 <sup>st</sup> Q, 2008	ESS/ITS



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	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
vii)	Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).  Status: Completed  Item was assigned to group 4, reference 2007 WEQ AP item 2(a)(iv)(3).	2 <sup>nd</sup> Q, 2008	ESS/ITS
b)	Develop and/or maintain standard communication protocols and cyber-security business practices as needed.		
i)	Address the <a href="#">surety assessment findings</a> on NAESB PKI standards.  Status: Completed  Item will be provided as a response to the U.S. DoE upon completion by the WGQ for their response to the findings.	1 <sup>st</sup> Q, 2008	JISWG
ii)	Develop PKI standards for OASIS.  Status: Not Started	3 <sup>rd</sup> Q, 2008	ESS/ITS
iii)	Develop PKI Standards for e-tagging.  Status: Underway  eTagging items are linked to the transition of the Registry from NERC to NAESB.	2008	JISWG
iv)	Develop enhanced Electric Industry Registry (EIR), ( <a href="#">R06027</a> )  Status: Underway  The transition of the Registry from NERC to NAESB as part of this request should take place by yearend 2008.	2008	JISWG
c)	Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.  Status: Underway  Common code usage is linked to the transition of the Registry from NERC to NAESB.	2008	NAESB Staff with WEQ support
<b>4</b>	<b>Review and develop business practices standards to support e-Tariff program</b>		
	Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. ( <a href="#">Docket No RM05-1-000</a> )  Status: Completed  To be published on Version 002, September 2008.	1 <sup>st</sup> Q 2008	Joint WEQ/WGQ e-Tariff Subcommittee



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)

### NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008

	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
<b>5</b>	<b>Review and develop business practices standards to Demand Response, Demand Side Management and Energy Efficiency Programs</b>		
	Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program.		
	a) Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas. Status: Underway	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
	b) Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas. Status: Underway	TBD	Joint WEQ/Retail DSM-EE Subcommittee
	c) Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs. Status: Underway	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
	d) Develop glossary for business practice standards Status: Underway	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
	e) Support retail development of matrix and model business practice standards for measurement and verification for demand response programs Status: Underway	4 <sup>th</sup> Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
	f) Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
	g) Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations. Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
	h) Develop business practice standards for cap and trade programs for green house gas Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
<b>6</b>	<b>Maintain existing body of Version 1 standards</b>		



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Home Page: [www.naesb.org](http://www.naesb.org)

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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008**

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	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
a)	Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019)  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2 <sup>nd</sup> Q, 2008	BPS
b)	Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)  Status: Complete	3rd Q, 2008	BPS
c)	Make consistency changes to Version 1.0 standards as directed by the WEQ Leadership Committee on December 12, 2007 (R08001 – BPS, ESS/ITS, R08002 - ESS/ITS, R08003 - ESS/ITS - BPS, R08004, R08005 - ESS/ITS)		
	1) OASIS Consistency Changes (R08001, R08002, R08003, R08005)  Status: Not Started	2009	ESS/ITS
	2) Gas / Electric Communication Consistency Changes (R08004)  Status: Not Started	TBD	BPS
d)	Modify WEQ-001 to reflect in the definition of certain ancillary services that such ancillary services may be provided by non-generation resources such as demand resources. ( <a href="http://www.naesb.org/pdf3/weq_ec051308w2.doc">http://www.naesb.org/pdf3/weq_ec051308w2.doc</a> )  Status: Completed  To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	July 2008	BPS, ESS/ITS
e)	Modify NAESB definitions to address internal inconsistencies and inconsistencies with the NERC glossary, ( <a href="http://www.naesb.org/pdf3/weq_ec051308w3.doc">http://www.naesb.org/pdf3/weq_ec051308w3.doc</a> )		
	i) Modify NAESB definitions related to OASIS Business Practices (001, 002, 003, and 013)  Status: Underway	4 <sup>th</sup> Q, 2008	ESS/ITS
	ii) Modify NAESB definitions related to Coordinated Interchange (004) and PKI Standards (012)  Status: Underway	4 <sup>th</sup> Q, 2008	JISWG
	iii) Modify NAESB definitions related to the remaining business practices  Status: Underway	4 <sup>th</sup> Q, 2008	BPS



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1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
Home Page: [www.naesb.org](http://www.naesb.org)

### NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008

	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
f)	<p>Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply</p> <p>Status: Completed</p> <p>After review of FERC Order 676, the subcommittee determined this annual plan item was outside of NAESB's scope. Waivers for standards based on an entity's size should be addressed by FERC rather than through standards at NAESB.</p>	3 <sup>rd</sup> Q, 2008	SRS
g)	<p>Investigate and review possible modifications to the WGQ Intraday Nominations, Confirmation Scheduling, and Gas Day standards, including possible standards for coordination of wholesale electric and wholesale gas scheduling. (<a href="#">R03031</a>, <a href="#">R03031 revised</a>, <a href="#">Interim Report</a>, <a href="#">Final Report</a>)</p> <p>Status: Completed</p> <p>The subcommittee reviewed the standards request and documentation developed by the Gas Electric Coordination Task Force and determined no additional work was required. The subcommittee approved a "no action" recommendation to close out this standards request.</p>	3 <sup>rd</sup> Q 2008	SRS
h)	<p>Develop standards to allow for registered Market Operators to request changes to the Market Level profile of Implemented Interchange (<a href="#">R06006</a>)</p> <p>Status: Not Started</p> <p>This request may be more of a clean-up in nature as it was requested in May 2006 but has not been addressed or presented as completed with the requisite documentation.</p>	TBD	JISWG
i)	<p>Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds. (<a href="#">R06010</a>)</p> <p>Status: Completed</p> <p>The BPS developed a No Action recommendation for this request since the scope of the request had been addressed through a minor correction in 3<sup>rd</sup> Quarter 2006.</p>	3 <sup>rd</sup> Q, 2008	BPS
j)	<p>Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (<a href="#">R07001</a>)</p> <p>Status: Completed</p> <p>This request was originally assigned to the ESS/ITS in February 2007.</p>	3 <sup>rd</sup> Q, 2008	ESS/ITS
k)	<p>Clarify the S&amp;CP implementation of the DEFERRAL request. (<a href="#">R07003</a>)</p> <p>Status: Completed</p> <p>This request was originally assigned to the ESS/ITS in February 2007.</p>	3 <sup>rd</sup> Q, 2008	ESS/ITS



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2008 WEQ Annual Plan Approved by the Board of Directors on October 20, 2008**

	Item Description	Completion <sup>1</sup>	Assignment <sup>2</sup>
l)	Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. ( <a href="#">R07004</a> )  Status: Completed  This Standards Request was assigned to the ESS/ITS in February 2007.	3 <sup>rd</sup> Q, 2008	ESS/ITS
m)	Update the Timing Table to Reflect the Categories (On-time, Late, After-the-fact, and Pre-late) used in the latest E-Tag Specification with respect to receipt of an Arranged Interchange (RFI). ( <a href="#">R07007</a> )  Status: Not Started  An update should be provided to the WEQ EC at its November 2008 meeting.	TBD	JISWG
n)	Consistent with ¶51 of FERC Order No. 890-A, add AFC and TFC values to the "System_Attribute" data element of the NAESB Standard WEQ-003: OASIS S&CP Data Dictionaries. ( <a href="#">R08011</a> )  Status: Not Started  This Standards Request was assigned to the ESS/ITS in May 2008.	TBD	ESS/ITS
o)	Provide for Enhanced Granularity for Public Utilities in Identifying Critical Operational Flow Orders. ( <a href="#">R08020</a> )  Status: Not Started. This Standards Request was assigned to the BPS in August 2008.	TBD	BPS jointly with WGQ BPS



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Home Page: [www.naesb.org](http://www.naesb.org)

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### NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan with proposed revisions from Executive Committee as of May 13, 2008 and Subcommittee Leadership as of June 3, 2008

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#### PROVISIONAL ITEMS

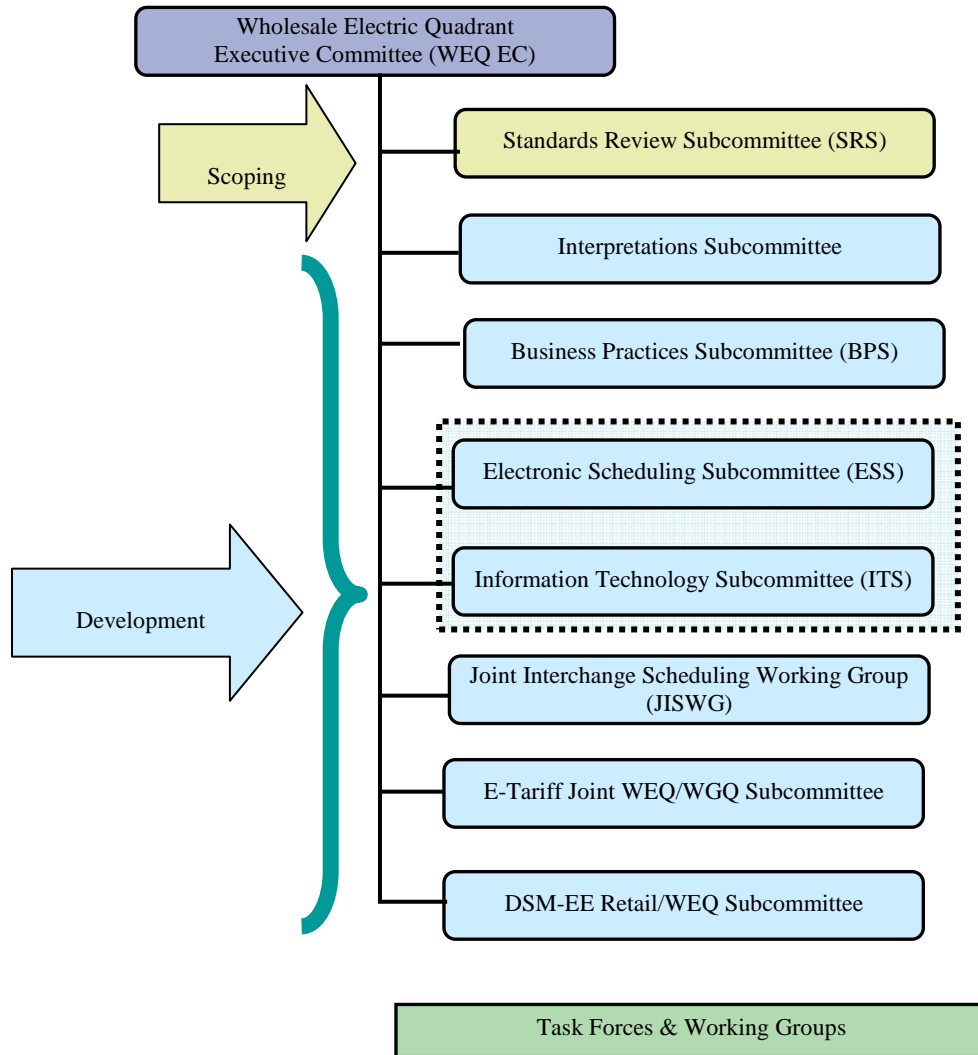
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- 1 Develop and or modify business practices related to support of NERC effort on the NERC Resources and Transmission Adequacy and Inadvertent Interchange Data Standards BAL-006 revisions.  
  
Status: In review of the NERC development effort, [Balancing Authority Controls \(Project 2007-05\)](#), with Mr. Akens (TVA, NERC Drafting Team Leader) and Mr. Rodriguez (NERC Manager, Business Practice Coordination), it was determined that no changes would be required to NAESB standards. As such, NAESB leadership is not at this time determining if any development would be undertaken, which would then initiate a joint development effort. A [letter](#) to this effect was sent to NERC management. This assessment may however change as the NERC drafting team proceeds further in its development, so the provisional item remains on the 2008 WEQ Annual Plan.
  - 2 Develop business practice standards as requested by the regional and state advisory groups.
  - 3 Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. [AD05-17-000](#), issued by the FERC on October 13, 2005.
  - 4 Develop and/or maintain business practice standards to support gas-electric interdependencies
    - Respond to requests as received that are related to Docket No. RM05-28-000.
    - Respond directives related to the conclusions of the NAESB reports submitted in FERC Order No. 698, Docket Nos. RM05-5-001 and RM96-1-027.
  - 5 Develop business practices for allocating capacity among requests received during a submittal window Order 890-A ([Docket Nos. RM05-17-001, 002 and RM05-25-001, 002](#) - Paragraph 805).
  - 6 Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards.
-



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1301 Fannin, Suite 2350, Houston, Texas 77002  
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### NAESB WEQ EC and Subcommittee Leadership:

Executive Committee: Kathy York (WEQ EC Chair) and Clay Norris (WEQ EC Vice Chair)

Standards Review Subcommittee: Narinder Saini, Ed Skiba

Interpretations Subcommittee: Robert Schwermann

Business Practices Subcommittee & Task Forces: Jim Busbin (TLR), Ed Skiba

Electronic Scheduling Subcommittee/Information Technology Subcommittee & Task Forces: Paul Sorenson, J.T. Wood, Marcie Otondo

Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger (NAESB), Jim Hansen (NERC)

e-Tariff Joint WEQ/WGQ Subcommittee (e-Tariff): Jane Daly (WEQ), Keith Sappenfield (WGQ)

DSM-EE Joint Retail/WEQ Subcommittee: Ruth Kiselewich and David Koogler (Retail), Roy True and Paul Wattles (WEQ)



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1301 Fannin, Suite 2350, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
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### End Notes WEQ 2008 Annual Plan:

<sup>1</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>2</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

<sup>3</sup> For additional information, please see: [http://www.naesb.org/pdf3/weq\\_bps100407w4.ppt](http://www.naesb.org/pdf3/weq_bps100407w4.ppt) for Phase II changes and [http://www.naesb.org/pdf2/weq\\_bps070907w4.doc](http://www.naesb.org/pdf2/weq_bps070907w4.doc) for Phase III changes.

<sup>4</sup> [Joint Development Procedure](#) is to be used by the NERC TLR Drafting Team and NAESB BPS.

<sup>5</sup> For additional information, please see comments submitted by PJM and MISO for this Annual Plan Item: [http://www.naesb.org/pdf3/weq\\_aplan102907w1.pdf](http://www.naesb.org/pdf3/weq_aplan102907w1.pdf).

<sup>6</sup> Joint Development Procedure is to be used by the NERC TLR Drafting Team and NAESB BPS.

<sup>7</sup> The June 1, 2008 dates included in this Annual Plan Item are assigned as a result of FERC extending deadlines to both NERC and NAESB on ATC related Order No. 890 items.



**NORTH AMERICAN ENERGY STANDARDS BOARD**

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067  
email: naesb@naesb.org • Web Site Address: www.naesb.org

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August 29, 2008  
Filed Electronically

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E., Room 1A  
Washington, D.C. 20585

RE: Standards for Business Practices of Public Utilities (Docket No. RM 05-5 et al)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding NAESB's activities from October 2007 to August 2008 with respect to the adoption of Version 002 of the NAESB Wholesale Electric Quadrant ("WEQ") standards. The NAESB WEQ Version 002 standards have been approved by the WEQ Executive Committee and will be published on September 30, 2008 and are provided herein. A supplemental report will be submitted to complete the ratification section on September 30, 2008. An executive summary of the changes which resulted in Version 002 is included in the attached report, along with a list of the standards that were created or modified as part of Version 002. Two minor corrections are applied to Version 002 and are also included in this filing. The remainder of the NAESB business practices under development or planned in response to FERC Order No. 890 will be filed separately, in subsequent versions once complete. Reference to these standards development activities is included in the Version Summary.

The standards in this submittal include modifications of existing standards or new standards to support FERC Order No. 890, FERC Order No. 890-A and FERC Order No. 890-B, including the standards to support conditional firm service which have a deadline of August 29, 2008<sup>1</sup>. The NAESB business practices related to Available Transfer Capability ("ATC"), with the exception of the standards to support the North American Electric Reliability Corporation ("NERC") Capacity Benefit Margin ("CBM") standards and the ATC Information List standard, have a November 27, 2008<sup>2</sup> deadline and are included in this filing. The NAESB business practices related to the CBM standards will be submitted to the Commission on or before February 19, 2009, as requested in a recent issuance from FERC<sup>3</sup>. In addition, several of the FERC Order No. 890 non-deadline related standards, a maintenance item related to the Manual Time Error Corrections standards (WEQ-006), and an interpretation of the Gas/Electric Coordination standards (WEQ-011) are included in this submission.

The development efforts in NAESB reflect the work of multiple market interests. In addition, the NAESB WEQ has worked in close coordination with the North American Electric Reliability Corporation ("NERC") on business practice standards that are complementary to NERC reliability standards so that the standards for both organizations

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<sup>1</sup> FERC Notice of Extension of Time to the North American Energy Standards Board (NAESB), Docket Nos. RM05-25-001, RM05-25-002, RM05-17-001 and RM05-17-002 (July 8, 2008).

<sup>2</sup> FERC Notice of Extension of Time to the North Electric Reliability Corporation (NERC), Docket Nos. RM05-25-000 and RM05-17-000 (April 29, 2008).

<sup>3</sup> *Id.*



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067

email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

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August 29, 2008

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remain in lock-step for consistency in the wholesale electric industry. The intra-organization collaborations are not only permitted in the NAESB process, but strongly encouraged – to provide an environment in which standards development has a more diverse vetting in the industry and a resulting broader application.

Some of the standards development activity undertaken that produced Version 002 had considerable industry debate before an agreement was reached on the level of standardization needed and the actual text of the standards themselves. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move towards consensus.

All requests for new standards or modifications of existing standards and requests for interpretation are posted on the NAESB home page. All work papers and recommendations from subcommittees and task forces regarding the requests are also posted on the NAESB home page ([www.naesb.org](http://www.naesb.org)). Participation in the task forces and subcommittees, where requests are addressed and recommended standards are formulated, is open to any interested party regardless of membership. Should a participant be unable to attend a meeting where a request of interest is discussed, the party may prepare written comments, which will be posted as work papers for the subcommittee or task force.

The Executive Committee meetings where these standards were discussed and adopted took place from November 2007 to August 2008. The minutes of these meetings are provided as links, which include the voting records of the Executive Committee. The ratification ballots and member ratification voting record results are also included as links. All comments that were filed on the standards as part of the NAESB formal comment period are also included as links.

The cover letter, report and enclosures are being filed electronically as a single document in Adobe Acrobat® Print Document Format (.pdf), and each enclosure is bookmarked separately. The cover letter, report and enclosures are also provided in Microsoft Word 2003 format. The filing is also available on the NAESB web site ([www.naesb.org](http://www.naesb.org)). Please feel free to call me at (713) 356-0060 or refer to the NAESB website ([www.naesb.org](http://www.naesb.org)) should you have any questions or need additional information regarding the NAESB WEQ Version 002 standards.

Respectfully submitted,

*Rae McQuade*

Ms. Rae McQuade  
President & COO, North American Energy Standards Board



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067

email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

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August 29, 2008

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cc without enclosures:

- Chairman Joseph Kelliher, Federal Energy Regulatory Commission
- Commissioner Suede Kelly, Federal Energy Regulatory Commission
- Commissioner Philip D. Moeller, Federal Energy Regulatory Commission
- Commissioner Marc Spitzer, Federal Energy Regulatory Commission
- Commissioner Jon Wellinohoff, Federal Energy Regulatory Commission
- Mr. Shelton Cannon, Director of Energy Market Regulations, Federal Energy Regulatory Commission
- Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
- Ms. Cynthia Marlette, General Counsel of the Commission, Federal Energy Regulatory Commission
- Mr. Ryan Irwin, Office of Energy Market Regulation, Federal Energy Regulatory Commission
- Mr. W. Mason Emmett, Office of General Counsel - Energy Markets, Federal Energy Regulatory Commission

Mr. Michael Desselle, Chairman and CEO, North American Energy Standards Board  
Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. David Cook, General Counsel, North American Electric Reliability Corporation  
Mr. Andrew Rodriguez, North American Electric Reliability Corporation

Enclosures (all documents and links available publicly on the NAESB web site – [www.naesb.org](http://www.naesb.org)):

- Appendix A Executive Committee Meeting Minutes, Comments and Voting Records Links
- Appendix B Ratification Ballots and Results Links
- Appendix C List of Available Meeting Transcripts
- Appendix D Cross Reference of Standards Adopted in Version 001 to FERC actions on those standards
- Appendix E NAESB Process for Standards Development
- Appendix F Order 890 Plan and Status of Items
- Appendix G WEQ Annual Plan

Report of the North American Energy Standards Board - Enclosures  
Version 002.0 of the NAESB Wholesale Electric Quadrant Standards  
August 29, 2008

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

**Standards for Business Practices and )  
Communication Protocols for Public Utilities )**

**Docket No. RM 05-17-000  
Docket No. RM 05-5-000**

**REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD**

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with the Commission's Order Nos. 890, No. 890-A and 890-B<sup>4</sup> in the above referenced docket, as well as Order 676<sup>5</sup>. The report includes a summary of the changes that resulted in Version 002 of the wholesale electric quadrant standards, along with a list of the standards that were created or modified as part of Version 002 -- cross-referenced both by request number and by version. The standards can be downloaded from the NAESB home page ([www.naesb.org](http://www.naesb.org)).

In January 2002, the Gas Industry Standards Board ("GISB") became the Wholesale Gas Quadrant (WGQ) of NAESB and three other quadrants were formed, the Wholesale Electric Quadrant (WEQ), the Retail Gas Quadrant, and Retail Electric Quadrant. NAESB WEQ Version 0 standards<sup>6</sup> were adopted by the WEQ and published on January 15, 2005. NAESB WEQ Version 1 standards<sup>7</sup> were adopted by the WEQ and published on October 31, 2007 and subsequently filed with the Commission on December 21, 2007.

There are seven enclosures supporting the report. Provided in appendix A is a list of the links to the minutes from the Executive Committee ("EC") meetings during which recommendations were considered that resulted in Version 002 of the NAESB WEQ standards. The EC minutes include discussion of recommendations from task forces and subcommittees, which ultimately resulted in the standards for Version 002. The EC voting records are attached as part of the minutes. Also included in appendix A is the list of links to all comments filed on the standards that were recommended for adoption to the EC. Provided in appendix B is the list of links to the NAESB membership ratification ballots, which include the EC adopted recommendations that are the basis for the Version 002 changes. Also provided in this appendix is the list of links to the ratification results. Provided in appendix C is the list of available transcripts. appendix D provides a cross reference of FERC actions on NAESB final actions that are now contained in Version 002. More information on any of these actions can be found on the NAESB home page, including all of the minutes and work papers for the subcommittees and task forces, all work papers submitted and all comments provided to subcommittees and task forces in informal comment periods. Provided in appendix E is an overview of the NAESB process by which the standards were adopted. Provided in appendix F is the Order No. 890 work plan and status. Lastly, appendix G contains the 2008 WEQ Annual Plan.

This report is intended solely as a status report from NAESB regarding Version 002 of its standards. NAESB does not advocate that the Commission take a particular position on any of the issues presented.

<sup>4</sup> [Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12,266 \(March 15 2007\), FERC Stats. & Regs. ¶31, 241 \(2007\) \(Order No. 890\), order on reh'g, Order 890-A, 73 FR 2984 \(Jan. 16, 2008\), FERC Stats. & Regs. ¶31,261 at P 592 \(2007\) \(Order 890-A\), order on reh'g, Order 890-B, --FR---, FERC Stats. & Regs. ¶--- \(2008\).](#)

<sup>5</sup> FERC Order No. 676, 18 C.F.R. §35, §37, §38 (2006).

<sup>6</sup> NAESB Version 0 standards to FERC Order No. 890(insert docket numbers), *available at* [http://www.naesb.org/member\\_login\\_form.asp?doc=ferc011805\\_report.pdf](http://www.naesb.org/member_login_form.asp?doc=ferc011805_report.pdf) (submitted January 18, 2005). This document is password protected.

<sup>7</sup> NAESB Version 001 Standards in Response to FERC Order No. 890, Docket Nos. RM05-17-000 and RM05-25-000, *available at* [http://www.naesb.org/member\\_login\\_form.asp?doc=ferc122107.pdf](http://www.naesb.org/member_login_form.asp?doc=ferc122107.pdf) (submitted December 21, 2007). This document is password protected.

Report of the North American Energy Standards Board - Enclosures  
Version 002.0 of the NAESB Wholesale Electric Quadrant Standards  
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**VERSION 002 SUMMARY**

Presented here is a summary of the activities that led to the compilation of the NAESB Wholesale Electric Quadrant (WEQ) Standards Version 002. All references in this summary pertain only to the WEQ. Supporting documents can be found in appendices A, B, C, D, E, F and G as enclosures to this report. All Version 002 standards that were added or modified are contained in a table following this summary. The table cross references the standards to the related requests for development and the actions that were taken.

In response to FERC Order No. 890, NAESB leadership requested that the NAESB Electronic Scheduling Subcommittee/Information Technology (“ESS/ITS”) and Business Practice Subcommittees (“BPS”) coordinate efforts to address the ATC related issues from FERC Order No. 890. Since that time, the two subcommittees have met over 60 times to draft and modify the requested standards. The ESS/ITS and BPS worked in close coordination with the North American Electric Reliability Corporation (“NERC”) on business practice standards that are complementary to NERC reliability standards so that the standards for both organizations are consistent. This work includes not only joint meetings of NERC drafting teams with NAESB subcommittees, but also joint NERC/NAESB subcommittees. Since April 5, 2006 the NERC ATC drafting team and the ESS/ITS and BPS have met 25 times to ensure the reliability standards and business practice standards remained coordinated and consistent through the development process. The NERC/NAESB Joint Interchange Scheduling Working Group (“JISWG”) is a standing joint subcommittee made of both NERC and NAESB participants that worked on modifications to the coordinate interchange business practice standards and reliability standards in addition to work on the NERC Registry and other NERC reliability standards. The JISWG has met 53 times since it was organized in 2005 (7 times in 2005, 13 times in 2006, 28 times in 2007, and 5 times in 2008 to date). NERC staff also participates on the NAESB WEQ Executive Committee as a member of the Executive Committee with voting rights and privileges. This participation ensures that the work of both organizations remains closely coordinated. These intra-organization collaborations are not only permitted in the NAESB process, but also encouraged – to provide an environment in which standards development has a broader vetting in the industry and a resulting broader application. In addition to the joint work with the BPS, the ESS/ITS was assigned the task of addressing the FERC Order No. 890 issues not related to ATC, and to that end, have met 30 times.

Both NERC and NAESB are aware that the standards to complement the NERC reliability standards pertaining to ATC are being filed out of the sequence originally intended by the organizations. After much discussion with NERC, it was determined that this course of action was in the best interest of the wholesale electric industry. The ESS/ITS and BPS determined that certain items contained in the FERC Order No. 890 work plan<sup>8</sup> did not require coordination with the NERC ATC drafting team. Specifically, these items are the standards to support the posting of the available transfer capability and total transfer capability (“ATC/TTC”) narratives and load forecast and actual load. The subcommittees took action to complete these items. All other ATC related items in the FERC Order No. 890 work plan were designated as items which required NERC/NAESB coordination. Although several of the ATC related standards include references to NERC reliability standards that have not yet been finalized through the NERC process, they are based on their current work product. The standards include placeholders for the NERC references, which will be updated to reflect the final work product once they are approved by NERC. Neither NERC nor NAESB expect that these NAESB standards will require significant rework once NERC adopts its related reliability standards. NAESB leadership will review the final NERC standards once adopted and will identify if any changes are needed to the standards that were included in Version 002. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used. If any modifications are necessary as a result of the finalized NERC standards, NAESB will submit a supplemental filing.

In response to the Commission’s request, the NAESB WEQ leadership developed the FERC Order No. 890 work plan, which includes citations to the FERC Order Nos. 890, 890-A and 890-B and corresponds with the 2008 WEQ Annual Plan<sup>9</sup>. Included in the work plan are the scheduled completion dates of the two time sensitive ATC related items that have not yet been completed, the ATC information list standard, due November 27, 2008 and the capacity benefit margin (“CBM”) standards, due February 19, 2009. These items will be included in subsequent

<sup>8</sup> NAESB Order 890 work plan, available at [http://naesb.org/pdf3/order890\\_081908\\_naesb\\_workplan\\_clean.doc](http://naesb.org/pdf3/order890_081908_naesb_workplan_clean.doc) (August 26, 2008).

<sup>9</sup> NAESB 2008 WEQ Annual Plan, available at [http://www.naesb.org/pdf3/weq\\_2008\\_annual\\_plan.doc](http://www.naesb.org/pdf3/weq_2008_annual_plan.doc) (August 26, 2008).

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Version 002 filings within the set deadlines. Other standards to be included in a subsequent filing that do not have a FERC Order No. 890 deadline, but are FERC Order no. 890 related include: network service on OASIS; pre-emption; procedures to implement displacement/interruption terms of the pro forma tariff; rollover rights for redirected transmission service; coordination of transmission requests across multiple transmission systems; rebid of partial service to allow a transmission customer to rebid a counteroffer of partial service; posting of curtailment information on OASIS; redispatch cost posting to allow third party offers of planning redispatch services and submittal windows. Also outstanding that may contribute new or modified standards is a review of WEQ standards as they relate to paragraph 1390 of FERC Order No. 890 to determine if modifications are required.

Some of the standards development activity undertaken that produced Version 002 had considerable industry debate before an agreement was reached on the level of standardization needed and the actual text of the standards themselves. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move towards consensus. Through this process, NAESB was able to produce new standards and modify existing standards for conditional firm service to meet the August 29, 2008 deadline<sup>10</sup>. NAESB worked independently of NERC to develop the following three ATC related standards due on November 27, 2008: the ATC/TTC narratives standard; the load forecast and actual load standard<sup>11</sup>; and modifications to the current business practice standards (WEQ-001) to allow for transparency reporting and related functions. NAESB worked jointly with NERC to develop the ATC information link standards; the postbacks and counterflows standards and the existing transmission commitment (ETC) standards which are also due on November 27, 2008,<sup>12</sup> but are provided early in the this submittal. Non-deadline FERC Order 890 related standards developed by NAESB include: the Group 1 modifications to the OASIS standards and communication protocol (“S&CP”), the data dictionary and implementation guide to include annotations for ATC, load forecast and actual load, rebid of partial service, preconfirmation priority and conditional firm service; the Group 2 standards for metrics, redispatch cost posting and WEQ-001 changes for rebid of partial service and preconfirmation priority; and the modifications to the OASIS exemptions in appendix C of WEQ-001. Lastly, as non-FERC Order No. 890 related items, NAESB incorporated demand resources into certain ancillary services definitions as requested by the Commission Wellinghoff’s concurring opinion<sup>13</sup> in FERC Order No. 890-A and as a maintenance item, NAESB revised the interconnection time monitor standards to allow for some slight variances for the interconnection time monitor.

The summary organized into six sections: completed FERC Order No. 890 ATC related standards with the August 29 deadline, completed FERC Order No. 890 ATC related standards with the November 2008 deadline, completed FERC Order No. 890 related OASIS standards without deadlines, completed standards not related to FERC Order No. 890, standards under development or planned related to FERC Order No. 890 that will be the subject of either versions 002.1 or 002.2, and FERC Order No. 890 items originally identified for NAESB standards development for which NAESB has decided needed no standards development as they were addressed in other NAESB or NERC efforts. Descriptions of each grouping are shown below:

#### **FERC Order No. 890 ATC Related Standards with the August 29 Deadline**

On August 8, 2008, the NAESB Executive Committee (“EC”) adopted the business practice standards to support conditional firm service<sup>14</sup>. In paragraph 1078 of FERC Order No. 890<sup>15</sup>, the Commission requested that transmission providers “assign short-term firm service to conditional firm customers as the service becomes available” and work with NAESB to “develop the appropriate communication protocols to implement this attribute of conditional firm service.” The Commission also requested in paragraph 592 of FERC Order No. 890-A that transmission providers work through NAESB to “develop tracking capabilities and business practices for tagging for implementation of conditional firm service.” These requests were addressed through two separate actions. First, the ESS/ITS made modifications to the OASIS S&CP (WEQ-002), the data dictionary (WEQ-003) and implementation guide (WEQ-013) to allow for the capabilities requested in paragraph 1078 of FERC Order No. 890. This work was

<sup>10</sup> FERC Notice of Extension of Time to NAESB, *supra* note 1.

<sup>11</sup> FERC Notice of Extension of Time to NERC, *supra* note 2.

<sup>12</sup> *Id.*

<sup>13</sup> FERC Commissioner Jon Wellinghoff, concurring opinion in response to Federal Power Act, 16 U.S.C. §791 (a) (2008), *available at* . [http://www.naesb.org/pdf3/weq\\_atc\\_afc070808w24.pdf](http://www.naesb.org/pdf3/weq_atc_afc070808w24.pdf) (issued April 21, 2008).

<sup>14</sup> NAESB 2008 WEQ Annual Plan Items 2(a)(i)(2), 2(a)(vii)(1), *available at* [http://www.naesb.org/pdf3/weq\\_2008\\_annual\\_plan.doc](http://www.naesb.org/pdf3/weq_2008_annual_plan.doc) (August 26, 2008).

<sup>15</sup> FERC Order No. 890, *supra* note 4, ¶1078.

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completed as part of the Group 1 assignments contained in the FERC Order 890 work plan. The ESS/ITS met 10 times to address the assignment. The recommendation developed by the subcommittee passed a subcommittee vote on September 25, 2007 and was sent out for a thirty-day industry comment period on October 3, 2007. The WEQ EC adopted the recommendation via notational ballot on January 16, 2008 and the recommendation was ratified February 29, 2008 with minor corrections applied to the OASIS S&CP, data dictionary and implementation guide on February 27, 2008.

Subsequently, to address the tracking capabilities and business practices for tagging of conditional firm, the ESS/ITS completed Group 7 of the FERC Order 890 work plan<sup>16</sup>. In the process of addressing Group 7, modifications were made to the work previously completed in Group 1. The ESS/ITS met eight times and voted the standard out of subcommittee on June 24, 2008. The conditional firm standard created and modified standards in WEQ-001, WEQ-001 Appendix C, WEQ-002, WEQ-003, WEQ-008 and WEQ-013. Ratification by the membership is expected on September 25, 2008. This item is referenced separately from conditional firm service related items in Group 1 as they do not address the business practices for conditional firm service but address the technical aspects (OASIS S&CP, data dictionary, and implementation guides) of implementing the business practices.

### **FERC Order No. 890 ATC related standards with the November 2008 deadline**

There are seven efforts due in November of 2008 related to FERC Order No. 890 that are provided in this report. They are described below.

First, business practices standards were drafted and modified to support the transparency reporting and related functions that are required by FERC Order No. 890<sup>17</sup>. These standards were added as modifications to WEQ-001. This annual plan item was completed without the coordination of NERC. The item was discussed at two separate ESS/ITS and BPS two day meetings and posted for an informal comment period. It was voted out of the subcommittee on August 17, 2007. The Executive Committee reviewed the recommendation and approved it on November 6, 2007. The modifications to WEQ-001 were ratified December 19, 2007 with minor corrections applied February 27, 2008.

Second, the business practice standards for the posting of ATC/TTC narratives were drafted to set forth how transmission providers will post “explanations of the reason for a change in monthly and yearly ATC values on a constrained path.” The standards include a requirement that the transmission provider post the reason for the change in a narrative form. This item was referenced in paragraph 369 of FERC Order No. 890<sup>18</sup> and did not require coordination with the NERC reliability standards development. These standards affect WEQ-001, WEQ-002, WEQ-003 and WEQ-013, as well as Appendix A and B of WEQ-013. The ESS/ITS and BPS met 17 times to address the item and the standards were voted out on February 13, 2008. The EC approved the standards by notational ballot on April 14, 2008. The business practices standards were ratified May 16, 2008.

Third, the business practice standards that were drafted to set forth posting requirements on OASIS for the “underlying load forecast assumption for all ATC calculations” and “actual daily peak load for the prior day” did not require coordination with NERC. This standard was completed as annual plan item 2(b)(v)(4). The standards affect WEQ-001, WEQ-003 and WEQ-013 and were voted out of subcommittee on March 10, 2008, after the ESS/ITS and BPS met 6 times to address the item. The EC approved the standards via notational ballot on April 23, 2008 and the business practice standards were ratified July 23, 2008.

Next, the business practice standards that were drafted to set forth the procedure for input of TTC and ATC methodologies and values<sup>19</sup> were completed with the close coordination of the NERC ATC drafting team. During the NERC and NAESB joint standards development effort, it was determined that the standards contained in NERC MOD003 should be business practice standards instead of reliability standards. The result of the NERC MOD003 transition to a business practice is the ATC information link on OASIS, as it was developed by the ESS/ITS and BPS. These standards are intended to be included in WEQ-001. The ESS/ITS and BPS met 12 times to address this item, including 4 meetings with the NERC ATC drafting team. The standards were voted out of the subcommittee

<sup>16</sup> FERC Order No. 890, 18 C.F.R. § 35, §37, ¶592 (2007).

<sup>17</sup> NAESB 2008 WEQ Annual Plan Item 2(c), *supra* note 10.

<sup>18</sup> FERC Order No. 890, *supra* note 4, ¶369.

<sup>19</sup> NAESB 2008 WEQ Annual Plan Item 2(b)(vii), *supra* at note 10.

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on March 13, 2008, and the EC approved the standards via notational ballot on May 2, 2008. The business practice standards were ratified June 27, 2008.

Following, the business practice standards drafted to address postbacks and counterflows<sup>20</sup> were approved by the EC on August 19, 2008. These standards were developed in close coordination with NERC in response to paragraph 213 of FERC Order No. 890<sup>21</sup>. In communications with the NERC leadership, it was determined that a business practice standard addressing counterflows was unnecessary as they have been addressed in the reliability standards. Therefore, the ESS/ITS and BPS limited the scope of their standards development to postbacks. In development of the postback standard, the NAESB ESS/ITS and BPS met 6 times independently and several times with the NERC ATC drafting team to ensure that the standards issues were properly addressed. The postback standards were voted out of subcommittee on May 15, 2008 and are currently out for membership ratification. Ratification of these standards should complete on September 22.

Lastly, the business practice standards to complement NERC reliability standards for existing transmission commitment (ETC) and to create a “consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses”,<sup>22</sup> were developed. The standards created affected WEQ-001, WEQ-003 and WEQ-013 as well as the ATC information link standard. The NAESB ESS/ITS and BPS met on 4 occasions to complete the standards which were voted out of subcommittee on Jun 17, 2008. The NAESB EC approved the business practice standard on August 19, 2008. Ratification of these standards should complete on September 22.

#### **FERC Order No. 890 related OASIS standards without deadlines**

NAESB is submitting three FERC Order No. 890 related standards that do not have deadlines and are specified in the Order 890 work plan in groups 1 and 2. For group 1, standards supporting annotations for ATC; load forecast and actual peak load; rebid of partial service; preconfirmation priority and conditional firm are complete. For group 2, metrics redispatch cost posting and WEQ-001 changes for rebid of partial service and preconfirmation priority are complete. Thirdly, the standards supporting the OASIS exemptions in Appendix C of WEQ-001 are complete. The standards development efforts are described below.

NAESB modified the S&CP, data dictionary and implementation guide (WEQ-002, WEQ-003, WEQ-013) to include standards supportive of annotations for ATC; load forecast and actual load; re-bid of partial service; preconfirmation priority; and conditional firm service<sup>23</sup> as part of group 1 of the FERC Order No. 890 work plan. The standards were discussed at 10 meetings of the ESS/ITS subcommittee, after which the proposed recommended standards were approved by the subcommittee in a vote taken on September 25, 2007. The proposed standards were sent out for a thirty-day industry comment period on October 3, 2007. The WEQ EC adopted the recommendation via notational ballot on January 16, 2008 and the recommendation was ratified February 29, 2008 with minor corrections applied to the OASIS S&CP, data dictionary and implementation guide on February 27, 2008.

Next, the ESS/ITS drafted the OASIS Exemptions in Appendix C of WEQ-001 to provide a central location to identify those broad based exemptions provided to groups of WEQ members per FERC Orders and regulations<sup>24</sup>. The appendix is not intended to document individual organization tariff waivers or exemptions. In the event of conflicts between the NAESB OASIS business practices and an individual approved tariff, the standards indicate that the tariff shall prevail as documented in the introduction section of WEQ-013. The subcommittee met 5 times to draft the appendix, which passed a vote on December 17, 2007 and was sent out for a thirty-day industry comment period on December 19, 2007. The WEQ EC approved the recommendation on February 4, 2008 and it was ratified on March 3, 2008.

Finally, in paragraph 413 of FERC Order No. 890<sup>25</sup> the Commission requested NAESB to develop business practice standards to “post on OASIS metrics related to the provision of transmission service under the OATT” including the posting of “the number of affiliate versus non-affiliate requests for transmission service that have been

<sup>20</sup> *Id.* at 2(b)(ii)(2).

<sup>21</sup> FERC Order No. 890, *supra* note 4, ¶213.

<sup>22</sup> 2008 WEQ Annual Plan Items 2(a)(iv)(4), 2(a)(vi)(4), 2(b)(ii)(1) *supra* at note 10.

<sup>23</sup> 2008 WEQ Annual Plan Items 2(a)(i)(1-6), *supra* at note 10.

<sup>24</sup> *Id.* at 2(a)(i)(7).

<sup>25</sup> FERC Order No. 890, *supra* note 4, ¶413.

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rejected” and “the number for affiliate versus non-affiliate requests for transmission service that have been made<sup>26</sup>.” The standards also set forth the length of the service request and the type of the service requested. In paragraph 1318 of FERC Order No. 890<sup>27</sup> the Commission requested NAESB to develop OASIS business practice standards to implement the standard performance (planning study) metrics. In Paragraph 1162 of FERC Order No. 890<sup>28</sup> the Commission requested NAESB to develop business practices for redispatch posting. The posting of redispatch information includes the posting of each transmission provider’s “monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability dispatch under the pro forma OATT.” The business practice standards for redispatch cost posting also include functionality for transmission providers to post “a high and low redispatch for the month” each internal congested transmission facility or interface over which it provides dispatch service. In paragraph 1378 of FERC Order No. 890<sup>29</sup> the Commission requested NAESB to develop OASIS business practice standards to complement the OASIS S&CPs developed for rebid of partial service across a single Transmission Provider’s system. In paragraphs 1392 and 1401 of FERC Order No. 890<sup>30</sup> the Commission requested NAESB to develop OASIS business practice standards to complement the OASIS S&CPs developed to prohibit “transmission customers from changing a request into a pre-confirmed request and requiring OASIS platforms to be accessible on non-Window/Explorer computers. NAESB also developed OASIS business practice standards and OASIS S&CPs so that “pre-confirmed non-firm point-to-point transmission service requests and short-term firm point-to-point transmission service requests” have priority though “longer duration requests for transmission service will continue to have priority over shorter duration requests for transmission service.” Preconfirmation will serve as a tie-breaker when the requests are of equal duration. After 6 meetings, the recommendation passed the subcommittee on February 12, 2008 and went out for industry comment on February 20, 2008. The WEQ EC adopted the recommendation on May 13, 2008 and it was ratified on June 23, 2008.

#### Standards not related to FERC Order No. 890

There are four items included in this filing that are not related to FERC Order No. 890. The eTariff standards have previously been filed with the Commission and are mentioned here because NAESB is publishing them in Version 002, and Version 002 in total is the subject matter of this report. An interpretation for FERC Order No. 698, modifications to the interconnection time monitor standards and the incorporation of demand resources into certain ancillary services definitions are also included in this section.

First, NAESB developed business practices to support the eTariff program including submittal of tariffs and metadata<sup>31</sup>. The recommendation passed a subcommittee vote on January 25, 2008 and was sent out for a thirty-day industry comment period on January 29, 2008. The WEQ Executive Committee and the WGQ Executive Committee jointly approved the recommendation on March 4, 2008 via notational ballot and it was ratified on April 4, 2008<sup>32</sup>. It was filed with the FERC on [April 15, 2008](#). The FERC issued its Notice of Proposed Rulemaking on [April 17, 2008](#). These standards (WEQ-014) have a limited copyright waiver on record with the Commission<sup>33</sup>.

Following, on June 25, 2007, in the proceedings for Docket Nos. RM96-1-027 and RM05-5-001<sup>34</sup> and Order No. 698, FERC adopted NAESB WEQ Standard 011-1.2. In its final rule, FERC included a requirement that pipelines and public utilities subject to the standards file a statement with FERC demonstrating compliance therewith on or before November 1, 2007. A question arose whether the WEQ Standard 011-1.2 applied to a generation facility that uses natural gas only as a start-up fuel, but not otherwise for operation (i.e. the units are not “natural gas-fired electric generating facilities”, at least as the term normally is used). The WEQ Interpretation

<sup>26</sup> *Id.* at 2(a)(ii)(1-3) and 2(a)(i)(5-6).

<sup>27</sup> FERC Order No. 890, *supra* note 4, ¶1318.

<sup>28</sup> *Id.* at ¶1162.

<sup>29</sup> FERC Order No. 890, *supra* note 4, ¶1378.

<sup>30</sup> *Id.* at ¶¶1392, 1401.

<sup>31</sup> NAESB 2008 WEQ Annual Plan Item 4, *supra* note 10.

<sup>32</sup> NAESB WGQ/WEQ eTariff Definitions and Business Practice Standards, *available* at [http://naesb.org/member\\_login\\_form.asp?doc=fa\\_2007\\_weq\\_api5\\_2007\\_wgq\\_api8.doc](http://naesb.org/member_login_form.asp?doc=fa_2007_weq_api5_2007_wgq_api8.doc) (revised and adopted February 29, 2008). This document is password protected.

<sup>33</sup> NAESB Implementation Guide for Electronic Filing, in regards to Docket Nos. RM01-5-000, *available* at [http://naesb.org/member\\_login\\_form.asp?doc=fa\\_2007\\_weq\\_api5\\_2007\\_wgq\\_api8\\_attach.doc](http://naesb.org/member_login_form.asp?doc=fa_2007_weq_api5_2007_wgq_api8_attach.doc) (April 4, 2008). This document is password protected.

<sup>34</sup> [http://www.naesb.org/member\\_login\\_form.asp?doc=ferc101906\\_M3.pdf](http://www.naesb.org/member_login_form.asp?doc=ferc101906_M3.pdf)

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Subcommittee passed the interpretation on October 5, 2007. The interpretation was voted on by the Executive Committee on November 6, 2007 and ratified on December 19, 2007.

Next, in revisions to the NERC BAL-004 standard to remove inappropriate requirements on reliability coordinators who voluntarily agree to serve as Interconnection Time Monitors<sup>35</sup>, the NAESB Standards Review Subcommittee requested that the NAESB Business Practice WEQ 006 (Manual Time Error Correction) be reviewed so that the NAESB standard remained complementary to the NERC standard. NAESB modified language in section WEQ-006-4 and 006-5 to allow for variances for the Interconnection Time Monitor to remain consistent with changes made by NERC to BAL-004. This maintenance item was voted of the subcommittee on June 4, 2008. It passed an EC vote on August 19, 2008 and the ratification process will complete on September 22, 2008.

Lastly, on April 21, 2008 in Federal Energy Regulatory Commission Docket No. RM05-5-005 [Commissioner Wellinghoff](#) submitted a concurrence to the Commission's issuance of a Notice of Proposed Rulemaking<sup>36</sup>. In his concurrence, Commissioner Wellinghoff encouraged NAESB and its stakeholders to amend WEQ-001 to avoid any confusion between the FERC Order No. 890 *pro forma* OATT definitions of ancillary service and the WEQ-001 definitions of those same ancillary services<sup>37</sup>. FERC Order No. 890 revised the referenced ancillary service definitions in the *pro forma* OATT to specifically reflect the possible role of demand resources in the provision of the cited ancillary services. The NAESB ESS/ITS and BPS amended the ancillary services as cited in the concurrence which include: reactive supply and voltage control, regulation and frequency response, energy imbalances, spinning reserves, supplemental reserves, and generator imbalances. The amended ancillary services definitions contained in WEQ-001 reflect the definitions contained in the *Pro Forma* OATT as revised by FERC Order No. 890. These modifications included revisions to WEQ-001-2.5.2 through WEQ-001-2.5.7. The recommendation was approved by the WEQ EC on August 19, 2008 and the ratification process will complete on September 22, 2008.

**Standards under development or planned related to FERC Order No. 890 that are not yet complete and will be the subject of either Version 002.1 or 002.2**

There are seven items that are currently under development or planned related to FERC Order No. 890 that are not yet complete and will be the subject of either version 002.1 or 002.2. Of those, two have deadlines. Those items are the ATC information list which is due November 27, 2008 and CBM, which is due February 19, 2009. The other five items, network service on OASIS (included in group 3 of the Order 890 work plan), pre-emption, request R05019 and revisions to standard 9.7 (included in group 4 of the Order 890 work plan), paragraph 1377 of the 2008 WEQ Annual Plan Item 2(a)(v)(1) (included in group 5 of the Order 890 work plan), 2008 WEQ Annual Plan Item 2(a)(vi)(1) (included in group 6 of the Order 890 work plan) and submittal windows (included in group 7 of the Order 890 work plan) do not have deadlines – but are all in standards development or planned for standards development.

For the first deadline item, while working to develop additional business practice standards to support transparency reporting and related functions, the Joint ESS/ITS and BPS developed a list of the ATC information that would be made available as a result of the ATC standards<sup>38</sup>. The NERC ATC drafting team reviewed this list and provided feedback. After review of the work products, the WEQ EC created a task force to address the standards needed to support the ATC information list. The proposed standards were voted out of the WEQ EC task force on August 14, 2008 and were sent out for industry comment on August 18 with comments due September 17, 2008. Once the comment period concludes, the WEQ EC will consider the comments and act on the recommendation.

The second deadline applies to business practice standards which set forth “how the CBM value shall be determined, allocated across transmission paths, and used” and how transmission providers will “reflect the set-aside

<sup>35</sup> *Id.* at 6(a).

<sup>36</sup> FERC Commissioner Jon Wellinghoff, concurring opinion in response to Federal Power Act, 16 U.S.C. §791 (a) (2008), *available at* . [http://www.naesb.org/pdf3/weq\\_atc\\_afc070808w24.pdf](http://www.naesb.org/pdf3/weq_atc_afc070808w24.pdf) (issued April 21, 2008).

<sup>37</sup> NAESB 2008 WEQ Annual Plan Item 6(d), *supra* note 10.

<sup>38</sup> *Id.* at 2(c).

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of transfer capability as CBM in the development of the rate for point-to-point<sup>39</sup>. The proposed CBM business practice standards were voted out of the NAESB Joint ESS/ITS and BPS on July 30, 2008, and is currently out for a formal comment period that ends September 5, 2008. Once the comment period concludes, the WEQ EC will consider the comments and act on the recommendation.

For the first non-deadline item, NAESB is developing OASIS business practice standards and the OASIS technical aspects for “transmission providers and network customers to use OASIS to request designation of new network resources and to terminate designation of network resources<sup>40</sup>.” The standards under development will include the ability to electronically query requests to designate and terminate network resources. The OASIS templates under development will allow for queries of all information provided with designation requests; and the ability to mask information about “operating restrictions and generating costs on OASIS<sup>41</sup>.” The proposed business practice standards are currently under development. For future status updates, please reference the 2008 WEQ Annual Plan<sup>42</sup> and Order 890 work plan<sup>43</sup>. These items relate to group 3 of the Order 890 work plan.

Not started yet, NAESB plans revisions to the OASIS business practice standards and OASIS S&CPs so that “a new confirmed request for transmission service would preempt a request of equal duration that has been accepted by the transmission provider but not yet confirmed by the transmission customer<sup>44</sup>.” The business practice standards to be developed will be coordinated with work efforts related to NAESB Request No. R05019 to modify OASIS standards and OASIS S&CPs to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff. As part of the development, the NAESB ESS/ITS expects to modify OASIS standards and OASIS S&CPs to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff. However, NAESB has begun the revisions for NAESB WEQ business practice standard WEQ 001-9.7 (which addresses rollover rights for Redirected transmission service) to be consistent with the Commission policies. For future status updates, please reference the 2008 WEQ Annual Plan<sup>45</sup> and Order No. 890 Work Plan<sup>46</sup>. These items relate to group 4 of the Order 890 work plan.

Following, NAESB will develop business practice standards to facilitate the coordination of requests across multiple transmission system using the principles set forth in Paragraph 1377 of FERC Order No. 890<sup>47</sup>. NAESB will also develop S&CPs related to coordination of request across multiple transmission systems. The target completion date as listed in the Order 890 work plan is 2<sup>nd</sup> quarter 2009. NAESB will develop business practice standards “to allow transmission customer to rebid a counteroffer of partial service so the transmission customer is allowed to take the same quantity of service across all linked transmission service requests.” The effort to develop these business practices standards has not yet started. For future status updates, please reference the 2008 WEQ Annual Plan<sup>48</sup> and Order No. 890 Work Plan<sup>49</sup>. These items relate to group 5 of the Order 890 work plan.

Additionally, NAESB will review the existing business functions set forth in the NAESB WEQ standards to determine if standards should be created or modified as related to Paragraph 1390 of FERC Order No. 890<sup>50</sup>. NAESB expects to develop OASIS business practice standards and OASIS S&CPs for the “posting of additional curtailment information on OASIS” via a “detailed template for the posting of additional information on OASIS regarding firm transmission curtailments.” NAESB will develop business practice standards for redispatch cost

<sup>39</sup> FERC Order No. 890, *supra* note 4, ¶¶257, 262.

<sup>40</sup> NAESB 2008 WEQ Annual Plan Item 2(a)(iii) *supra* note 10, FERC Order No. 890, *supra* note 4, ¶¶385, 1477, 1504, 1541, FERC Order No. 890-A, *supra* note 4, ¶919, FERC Order No. 890-B, *supra* note 4, ¶¶182-83, 188-89, 209.

<sup>41</sup> FERC Order No. 890, *supra* note 4, ¶¶1477

<sup>42</sup> NAESB 2008 WEQ Annual Plan Item, *supra* note 10,

<sup>43</sup> NAESB Order 890 work plan., *supra* note 9.

<sup>44</sup> NAESB 2008 WEQ Annual Plan Item 2(a)(iv)(1), *supra* note 10, FERC Order No. 890, *supra* note 4, ¶1407, FERC Order No. 890-A, *supra* note 4, ¶¶697-99, 700-08, 814-819.

<sup>45</sup> NAESB 2008 WEQ Annual Plan Item, *supra* note 10,

<sup>46</sup> NAESB Order 890 work plan., *supra* note 9.

<sup>47</sup> NAESB 2008 WEQ Annual Plan Item 2(a)(v)(1), *supra* note 10, FERC Order No. 890, *supra* note 4, ¶¶1377-78, FERC Order No. 890-A, *supra* note 4, ¶¶762, 766.

<sup>48</sup> NAESB 2008 WEQ Annual Plan, *supra* note 10.

<sup>49</sup> NAESB Order 890 work plan., *supra* note 9

<sup>50</sup> NAESB 2008 WEQ Annual Plan Item 2(a)(vi)(1), *supra* note 10, FERC Order No. 890 *supra* note 4 at ¶243-44, 1005, 1390, 1627, FERC Order No. 890-A, *supra* note 4 at ¶¶568, 973, FERC Order No. 890-B, *supra* note 4 at ¶131.

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posting which will include OASIS S&CPs to allow for posting of third party offers of planning redispatch services. The business practice standards developed for redispatch cost posting may affect the existing NAESB business practice standards for Transmission Loading Relief (TLR). The proposed business practice standards highlighted here have not yet started. For future status updates, please reference the 2008 WEQ Annual Plan<sup>51</sup> and Order No. 890 Work Plan<sup>52</sup>. These items related to group 6 of the Order 890 work plan.

Lastly, NAESB will develop standardized practices for allocating capacity among requests received during the submittal window<sup>53</sup>. The proposed business practice standards highlighted here have not yet started. For future status updates, please reference the 2008 WEQ Annual Plan<sup>54</sup> and Order No. 890 Work Plan<sup>55</sup>. These items relate to group 7 of the Order 890 work plan.

**FERC Order No. 890 Items That the Organization Decided Needed No Action As They Were Included in Other NAESB or NERC Efforts**

Several of the FERC Order No. 890 items were deemed to require no standards development action by NAESB as they were included in other NAESB or NERC efforts. When a subcommittee determines that no action is to be taken on a particular item, that item is posted for a 30 day industry comment period. The EC reviews any comments submitted and the item must pass a simple majority vote. Items for which no action is required do not require membership ratification, as that process is reserved for creations of, modifications to or deletion of existing standards. There are six standards development items that required no action by NAESB: data exchange for ATC modeling, transmission reserve margin (TRM), ATC and AFC calculation methodologies, CPS to complement a NERC supplemental SAR and the remaining requirements documented in R05004 and R05004A.

First, possible business practice standards were discussed to address issues regarding data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange<sup>56</sup>. It was determined that NERC will define the data to be exchanged while NAESB will identify any new OASIS posting requirements or template query requirements which are needed in order to facilitate data exchange for ATC modeling. The NAESB ESS/ITS and BPS recommended no action for this proposed business practice standard as it is to be addressed in NERC standards. The EC approved the no action recommendation on May 13, 2008.

Second, possible business practice standards were discussed to complement the NERC reliability standards for TRM<sup>57</sup>. After review of the NERC reliability standards and the requirements of paragraphs 272 and 273 of FERC Order No. 890<sup>58</sup> the joint subcommittees recommended that no action was necessary because these items were addressed in the ATC Information Link & ESS/ITS's Group 1 (conditional firm service, annotations for ATC, load forecast and actual load, rebid of partial service, and preconfirmation priority). The WEQ approved the no action recommendation on August 19, 2009.

Third, possible business practice standards were discussed to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards<sup>59</sup>. After review of the NERC reliability standards and the requirements of paragraph 301 of FERC Order No. 890<sup>60</sup> the joint subcommittees recommended that no action was necessary because this item was addressed in the ATC information link and FERC Order No. 890 modifications to WEQ-008 (with minor corrections applied February 27, 2008). The NAESB Executive Committee (EC) accepted the recommendation for no action on August 19, 2008.

Next, possible business practice standards were discussed to complement NERC reliability standards for transfer capability in response to a NERC supplemental standards authorization request (SAR), revisions to existing

<sup>51</sup> NAESB 2008 WEQ Annual Plan, *supra* note 10.

<sup>52</sup> NAESB Order 890 work plan., *supra* note 9.

<sup>53</sup> NAESB 2008 WEQ Annual Plan Item 2(a)(vii)(1) and Provisional Item 7, *supra* note 10, FERC Order No. 890-A, ¶¶592, 805.

<sup>54</sup> NAESB 2008 WEQ Annual Plan, *supra* note 10.

<sup>55</sup> NAESB Order 890 work plan., *supra* note 9

<sup>56</sup> NAESB 2008 WEQ Annual Plan Item 2(b)(v)(2), *supra* note 10.

<sup>57</sup> NAESB 2008 WEQ Annual Plan Items 2(b)(iv)(1-3), *supra* note 10.

<sup>58</sup> FERC Order No. 890, *supra* note 4 at ¶¶272-73.

<sup>59</sup> NAESB 2008 WEQ Annual Plan Item 2(b)(v)(1), *supra* note 10.

<sup>60</sup> FERC Order No. 890 *supra* note 4, ¶301.

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standards MOD001-MOD009, FAC12-13<sup>61</sup>. The NAESB ESS/ITS and BPS coordinated efforts with the NERC ATC drafting team and on May 1, 2008, and determined no additional standards were required from NAESB. After review of the ATC information link and discussing the issue with NERC, the NAESB subcommittees recommended no action for the proposed business practice standard. The NAESB EC accepted the recommendation for no action on August 19, 2008.

Following, standard request R05004 was originally submitted by the NERC ATC drafting team on December 12, 2005, and was subsequently revised on August 8, 2006, to reflect potential requirements which have since been superseded by FERC Order Nos. 890, 890-A and 890-B. The ESS/ITS and BPS recommended no action for the request as the actions expected from this request are addressed in the Order 890 work plan. The NAESB Executive Committee (EC) accepted the recommendation for no action on August 19, 2008.

Lastly, a no action determination was made for WEQ annual plan item no. 3(a)(vi)(1) – for representation of pre-Order No. 888 (“grandfathered”) transmission and ancillary services in OASIS. The no action determination was taken as this annual plan item is addressed separately as part of the standards development efforts for ETC as part of the Order 890 work plan. The issue was discussed during three ESS/ITS and BPS meetings, before the no action recommendation was voted out of the subcommittees. The NAESB EC accepted the recommendation for no action on August 19, 2008.

**LIST OF NEW STANDARDS, STANDARDS MODIFICATIONS AND INTERPRETATIONS FOR  
VERSION 002**

**Request Cross Reference:**

The request cross reference lists each standard either modified or created in Version 002, its description, the request that instigated the change, and a brief description of the change itself. If the change was originated through a minor correction, the date of the minor correction is given. The table is sorted by standard numbering shown below. If a standards manual is noted, it is for the set of standards that directly follow and is indicated by the series of standards within the manual.

The standards follow a numbering convention which is x-y.z(n):

x	standard number and topic
y	subordinate category or section
z(.n)	optional further subordinate sections for granularity
A-G, P or M	optional: <ul style="list-style-type: none"> <li>A - (Appendix A or examples)</li> <li>B - (Appendix B)</li> <li>C - (Appendix C)</li> <li>D - (Appendix D)</li> <li>E - (Appendix E)</li> <li>F - (Appendix F)</li> <li>G - (Appendix G)</li> <li>P - Principle</li> <li>M - Model</li> </ul>

x	Business Topic – Standard Number
	001 OASIS
	002 OASIS Standards and Communication Protocols (S&CP)

<sup>61</sup> NAESB 2008 WEQ Annual Plan Item 2(b)(vi), *supra* note 12

125 FERC ¶ 61,064  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 358

[Docket No. RM07-1-000; Order No. 717]

Standards of Conduct for Transmission Providers

(Issued October 16, 2008)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: The Federal Energy Regulatory Commission is amending its regulations adopted on an interim basis in Order No. 690, in order to make them clearer and to refocus the rules on the areas where there is the greatest potential for abuse. The Final Rule is designed to (1) foster compliance, (2) facilitate Commission enforcement, and (3) conform the Standards of Conduct to the decision of the U.S. Court of Appeals for the D.C. Circuit in National Fuel Gas Supply Corporation v. FERC, 468 F. 3d 831 (D.C. Cir. 2006). Specifically, the Final Rule eliminates the concept of energy affiliates and eliminates the corporate separation approach in favor of the employee functional approach used in Order Nos. 497 and 889.

EFFECTIVE DATE: This rule will become effective **[Insert\_Date 30 days after publication in the FEDERAL REGISTER]**

FOR FURTHER INFORMATION CONTACT:

Docket No. RM07-1-000

- 2 -

Kathryn Kuhlen  
Office of Enforcement  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426  
Kathryn.Kuhlen@FERC.gov  
(202) 502-6855

Jamie A. Jordan  
Office of Enforcement  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426  
Jamie.Jordan@FERC.gov  
(202) 502-6628

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Standards of Conduct for Transmission Providers     Docket No. RM07-1-000

ORDER NO. 717

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Regulatory Text

Appendix A

125 FERC ¶ 61,064  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Standards of Conduct for Transmission Providers                      Docket No. RM07-1-000

ORDER NO. 717

FINAL RULE

(Issued October 16, 2008)

**I. Introduction**

1. This Final Rule amends the Standards of Conduct for Transmission Providers (the Standards of Conduct or the Standards) to make them clearer and to refocus the rules on the areas where there is the greatest potential for abuse. The Standards have substantially evolved over the twenty years since they were first adopted for the gas industry in 1988. During that time, the Commission added numerous exceptions and additions to the original regulations (and to the regulations adopted for the electric industry in 1996), including revisions made in Order No. 2004,<sup>1</sup> in which the Commission combined the

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<sup>1</sup> Standards of Conduct for Transmission Providers, Order No. 2004, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,155 (2003), order on reh'g, Order No. 2004-A, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,161 (2004), order on reh'g, Order No. 2004-B, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,166 (2004), order on reh'g, Order No. 2004-C, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,172 (2004), order on reh'g, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), vacated and remanded as it applies to natural gas pipelines sub nom. Nat'l Fuel Gas Supply Corporation v. FERC, 468 F.3d 831 (D.C. Cir. 2006) (National Fuel).

separate Standards for the gas and electric industry, expanded the scope of the Standards to include the new concept of energy affiliates, and adopted a corporate separation approach to the relationship of transmission providers and their marketing arms. The cumulative effect of many of these changes rendered the Standards as a whole difficult for regulated entities to apply and for the Commission to enforce. Furthermore, on appeal of Order No. 2004, the U.S. Court of Appeals for the D.C. Circuit disapproved of the expansion of the Standards to include energy affiliates, and vacated Order No. 2004 as it applied to the gas industry.<sup>2</sup>

2. The reforms adopted in this Final Rule are designed to eliminate the elements that have rendered the Standards difficult to enforce and apply. They combine the best elements of Order No. 2004 (especially the integration of gas and electric Standards, an element not contested in National Fuel,) with those of the Standards originally adopted for the gas industry in Order No. 497<sup>3</sup> and for the electric industry in Order No. 889.<sup>4</sup>

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<sup>2</sup> National Fuel, 468 F. 3d at 845.

<sup>3</sup> Inquiry Into Alleged Anticompetitive Practices Related to Marketing Affiliates of Interstate Pipelines, Order No. 497, 53 FR 22139 (1988), FERC Stats. & Regs., Regulations Preambles 1986-1990 ¶ 30,820 (1988); Order No. 497-A, order on reh'g, 54 FR 52781 (1989), FERC Stats & Regs., Regulations Preambles 1986-1990 ¶ 30,868 (1989); Order No. 497-B, order extending sunset date, 55 FR 53291 (1990), FERC Stats. & Regs., Regulations Preambles 1986-1990 ¶ 30,908 (1990); Order No. 497-C, order extending sunset date, 57 FR 9 (1992), FERC Stats. & Regs., Regulations Preambles 1991-1996 ¶ 30,934 (1991), reh'g denied, 57 FR 5815 (1992), 58 FERC ¶ 61,139 (1992); aff'd in part and remanded in part sub nom. Tenneco Gas v. FERC, 969 F.2d 1187 (D.C. Cir. 1992) (collectively, Order No. 497) (Tenneco).

<sup>4</sup> Open Access Same-Time Information System (Formerly Real-Time Information Network) and Standards of Conduct, Order No. 889, 61 FR 21737 (May 10, 1996), FERC

Specifically, the Final Rule (i) eliminates the concept of energy affiliates and (ii) eliminates the corporate separation approach in favor of the employee functional approach used in Order Nos. 497 and 889. In addition, the reforms adopted here conform the Standards to the National Fuel opinion. At bottom, these reforms, by making the Standards clearer and by refocusing them on the areas where there is the greatest potential for affiliate abuse, will make compliance less elusive and subjective for regulated entities, and will facilitate enforcement of the Standards by the Commission.

## **II. Background**

3. The Commission first adopted Standards of Conduct in 1988, in Order No. 497. These initial Standards prohibited interstate natural gas pipelines from giving their marketing affiliates or wholesale merchant functions undue preferences over non-affiliated customers. Citing demonstrated record abuses, the U.S. Court of Appeals for the D.C. Circuit upheld these Standards in 1992.<sup>5</sup> The Commission adopted similar Standards for the electric industry in 1996, in Order No. 889, prohibiting public utilities from giving undue preferences to their marketing affiliates or wholesale merchant functions. Both the electric and gas Standards sought to deter undue preferences by: (i) separating a transmission provider's employees engaged in transmission services from

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Stats. & Regs., Regulations Preambles January 1991- June 1996 ¶ 31,035 (1996); Order No. 889-A, order on reh'g, 62 FR 12484 (Mar. 14, 1997), FERC Stats. & Regs., Regulations Preambles July 1996 - December 2000 ¶ 31,049 (1997); Order No. 889-B, reh'g denied, 62 FR 64715 (Dec. 9, 1997), 81 FERC ¶ 61,253 (1997) (collectively, Order No. 889).

<sup>5</sup> Tenneco, 969 F. 2d at 1214.

those engaged in its marketing services, and (ii) requiring that all transmission customers, affiliated and non-affiliated, be treated on a non-discriminatory basis.

4. Changes in both the electric and gas industries, in particular the unbundling of sales from transportation in the gas industry and the increase in the number of power marketers in the electric industry, led the Commission in 2003 to issue Order No. 2004, which broadened the Standards to include a new category of affiliate, the energy affiliate.<sup>6</sup> The new Standards were made applicable to both the electric and gas industries, and provided that the transmission employees of a transmission provider<sup>7</sup> must function independently not only from the company's marketing affiliates but from its energy affiliates as well, and that transmission providers may not treat either their energy affiliates or their marketing affiliates on a preferential basis. Order No. 2004 also imposed requirements to publicly post information concerning a transmission provider's energy affiliates.

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<sup>6</sup> The new Standards defined an Energy Affiliate as an affiliate of a transmission provider that (1) engages in or is involved in transmission transactions in U.S. energy or transmission markets; (2) manages or controls transmission capacity of a transmission provider in U.S. energy or transmission markets; (3) buys, sells, trades or administers natural gas or electric energy in U.S. energy or transmission markets; or (4) engages in financial transactions relating to the sale or transmission of natural gas or electric energy in U.S. energy or transmission markets. 18 CFR 358.3(d). Certain categories of entities were excluded from this definition in following subsections of the regulations.

<sup>7</sup> A transmission provider was defined as (1) any public utility that owns, operates or controls facilities used for transmission of electric energy in interstate commerce; or (2) any interstate natural gas pipeline that transports gas for others pursuant to subpart A or part 157 or subparts B or G of part 284 of the same chapter of the regulations. 18 CFR 358.3(a).

5. On appeal by members of the natural gas industry, the U.S. Court of Appeals for the D.C. Circuit overturned the Standards as applicable to gas transmission providers, on the grounds that the evidence of energy affiliate abuse cited by the Commission was not in the record.<sup>8</sup> The court noted that the dissenting Commissioners in Order No. 2004 had expressed concern that the Order would diminish industry efficiencies without advancing the FERC policy of preventing unduly discriminatory behavior.<sup>9</sup>

6. The Commission issued an Interim Rule on January 9, 2007,<sup>10</sup> which repromulgated the portions of the Standards not challenged in National Fuel. The Commission then set about determining how to respond to the D.C. Circuit's order on a permanent basis. On January 18, 2007, the Commission issued its initial NOPR,<sup>11</sup> requesting comment on whether the concept of energy affiliates should be retained for the electric industry, proposing the creation of two new categories of employees denominated as Competitive Solicitation Employees and Planning Employees, carrying over the Interim Rule's new definition of marketing to cover asset managers, and making

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<sup>8</sup> National Fuel, 468 F. 3d at 841.

<sup>9</sup> Id. at 838.

<sup>10</sup> Standards of Conduct for Transmission Providers, Order No. 690, 72 FR 2427 (Jan. 19, 2007); FERC Stats. & Regs. ¶ 31,237 (2007) (Interim Rule); clarified by, Standards of Conduct for transmission providers, Order No. 690-A, 72 FR 14235 (Mar. 27, 2007); FERC Stats. & Regs. ¶ 31,243 (2007) (Order on Clarification and Rehearing).

<sup>11</sup> Standards of Conduct for Transmission Providers, 72 FR 3958 (Jan. 29, 2007), FERC Stats. & Regs. ¶ 32,611 (2007) (initial NOPR).

numerous other proposals. The Commission received thousands of pages of both initial and reply comments from some 95 individuals, companies, and organizations.

7. Consideration of these comments, coupled with the Commission's own experience in administering the Standards, persuaded the Commission to modify the approach advanced in the initial NOPR. For that reason, the Commission issued a new NOPR on March 27, 2008,<sup>12</sup> and invited comment both on its general approach and on its specific provisions. In the NOPR, the Commission proposed to return to the approach of separating by function transmission personnel from marketing personnel, an approach that had been adopted in Order Nos. 497 and 889. The Commission also proposed to clarify and streamline the Standards in order to enhance compliance and enforcement, and to increase transparency in the area of transmission/affiliate interactions that would aid in the detection of any undue discrimination. Comments were received from 62 companies and organizations, which are listed in Appendix A.<sup>13</sup> The vast majority of the comments were laudatory both of the Commission's efforts to simplify and clarify the Standards, and of the general approaches taken by the Commission to achieve that goal.

8. Notwithstanding general agreement with the Commission's overall approach, many commenters submitted requests for clarification and modifications. In most instances, the modifications proposed were advanced with the stated goal either to make

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<sup>12</sup> Standards of Conduct for Transmission Providers, 73 Fed. Reg. 16,228 (March 27, 2008), FERC Stats. & Regs. ¶ 32,630 (2008) (NOPR).

<sup>13</sup> The acronyms used throughout are defined in Appendix A.

the Standards even clearer, or to address matters which some entities believed had fallen between the cracks in the transition from the existing Standards to a more streamlined approach. The Commission has carefully considered these comments and agrees that in several areas, modifications to the regulatory text are needed. This Final Rule adopts the overall approach set forth in the NOPR, but modifies the regulatory text to better achieve the goals of clarity and enforceability. It also provides clarifications in several areas in order to aid regulated entities in applying the Standards.

### **III. Discussion**

#### **A. Overall Approach**

##### **1. Commission Proposal**

9. The NOPR proposed to simplify and clarify the Standards, and in particular to: (i) eliminate the concept of energy affiliates, and (ii) eliminate the corporate separation approach to separating a transmission provider's transmission function employees from its marketing function employees, instead returning to the employee functional approach utilized in Order Nos. 497 and 889. The NOPR pointed out that the corporate separation approach had proven difficult to implement, as evidenced by the scores of waiver requests submitted to the Commission, and impeded legitimate integrated resource planning and competitive solicitations, as reflected in the concerns raised by the electric industry in particular and also by state commissions. The Commission also found that the existing Standards are too complex to facilitate compliance or support enforcement efforts, and have had the unintended effect of making it more difficult for transmission providers to reasonably manage their businesses.

## 2. Comments

10. The vast majority of commenters agreed with the Commission's goals of simplifying the Standards in order to achieve greater clarity, efficiencies of operation, and ease of compliance. They also applauded the proposed return to the employee functional approach, stating that it would better promote regulatory certainty than had the corporate separation approach.<sup>14</sup>

11. No commenters proposed that the corporate separation approach be continued, and no commenters requested continuation of the energy affiliate concept. The FTC, however, contended that behavioral rules, including the employee functional approach, cannot fully achieve independent functioning because such an approach remains vulnerable to subtle events of discrimination and preference that may be difficult to detect and document.<sup>15</sup> The FTC and ITC recommend instead that the Commission require vertically integrated firms to structurally unbundle transmission and place

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<sup>14</sup> Most commenters expressly support the change in approach to the independent functioning rule from "corporate separation" to "employee functional," including ALCOA; Ameren; AGA; APPA; ATC; Arizona PSC; Bonneville; CenterPoint; Chandeaur; California PUC (particularly supporting the Commission's efforts to remove impediments to integrated resource planning); Destin; Dominion Resources; Duke; E.ON; EEI; El Paso; EPSA; Idaho Power; FirstEnergy; INGAA; Iroquois; Kinder Morgan; LPPC; MidAmerican; NARUC; National Grid; NGSA; New York PSC; Nisource; NCPA; PG&E; PSEG; Puget Sound; SMUD; Salt River; SCE; Southern Co. Services; Spectra; TAPS; TANC; TDU Systems; Vectren; WA UTC; Western Utilities Compliance Group; Wisconsin Electric; and Xcel.

<sup>15</sup> FTC at 6-7.

operation of the transmission function in the hands of the relevant Regional Transmission Organization (RTO) or Independent System Operator (ISO).<sup>16</sup>

### **3. Commission Determination**

12. The overwhelming support from commenters on the NOPR's overall approach confirms the Commission's conviction that simplifying and clarifying the Standards in the manner proposed will best achieve the twin goals of compliance and enforcement. The Commission therefore adopts the employee functional approach, as set forth in the regulatory text, and eliminates the concept of energy affiliates. Specifics and definitions regarding the employee functional approach, as well as other matters, are discussed below. With respect to the comments of the FTC and ITC, there has been no demonstration that the proposed rules are inadequate to address the potential for undue preferences. Nor do we believe this proceeding is the proper forum to address issues as complex and far-reaching as those raised by the FTC and ITC.

### **B. Jurisdiction and Applicability of the Standards**

#### **1. Applicability to Pipelines Operating Under Part 157**

##### **a. Commission Proposal**

13. In the NOPR, the Commission carried forward from the existing Standards the essence of the language in section 358.1 governing the applicability of the Standards to interstate natural gas pipelines. The proposed text reads in pertinent part: "This part applies to any interstate natural gas pipeline that transports gas for others pursuant to

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<sup>16</sup> FTC at 9-10; ITC Reply at 4-5.

subpart A of part 157 or subparts B or G of part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.”

Likewise, the definition of transmission provider in proposed section 358.3(k), insofar as it pertains to the gas industry, reads as follows: “Any interstate natural gas pipeline that transports gas for others pursuant to subpart A of part 157 or subparts B or G of part 284 of this chapter.”

**b. Comments**

14. Hampshire Gas and Northwest Natural object that the texts of proposed sections 358.1(a) and 358.3(k) bring within the ambit of the Standards certain gas pipelines that did not fall within the Standards as issued under Order No. 497.<sup>17</sup> They contend that the NOPR’s use of the word “or” instead of “and” in proposed section 358.1(a) expands the ambit of the regulations to any pipeline that transports gas either under subpart A of part 157 or under subpart B or G of part 284. Both commenters note that a pipeline operating only under part 157 does not have the authority to provide open access transportation, as it may only transport for specific authorized shippers, and thus it is not possible for a part 157 pipeline to engage in discrimination in favor of an affiliate. Hampshire and Northwest Natural urge the Commission to change the Standards’ applicability to cover only those pipelines that operate under both parts 157 and 284.<sup>18</sup>

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<sup>17</sup> Hampshire Gas at 6-9; Northwest Natural at 3-7.

<sup>18</sup> Id.

c. **Commission Determination**

15. The current Standards, as well as the proposed Standards, contain the word “or” instead of “and” in sections 358.1(a) and 358.3(k)(2). The fact that the Commission is returning to the employee functional approach used in Order No. 497 does not automatically mean, however, that it must resurrect all other aspects of Order No. 497. Each provision must be considered on a case-by-case basis. The Commission has evaluated the comments contending that part 157 pipelines should not be included in the ambit of section 358.1(a), and determines that their position is well-taken. Pipelines operating only under part 157 cannot discriminate in favor of an affiliate, because such pipelines can only transport for specific shippers authorized by their certificates. Put another way, in this Final Rule, we are concerned about the relationship between pipelines and their shippers where the pipelines are providing transportation service pursuant to part 284 blanket certificate authorization and open access rules, which give the pipelines the flexibility to discriminate in favor of their affiliates because they may commence and terminate service without ex ante review by market participants or the Commission. By contrast, the very few pipelines that are not part 284 open-access transporters must receive shipper-specific certificate authorization from the Commission, which must find the service is required by the public convenience and necessity under Section 7 of the Natural Gas Act. Accordingly, part 157 transporters do not have the flexibility that could lead to discriminating unduly in favor of their affiliates. The Commission will therefore eliminate the reference to part 157, leaving only interstate pipelines that transport gas for others pursuant to subparts B or G of part 284 subject to

the Standards and within the scope of the definition of transmission provider.

Accordingly, the Standards now apply to those pipelines subject to the Commission's open access rules under part 284.

**2. Applicability to Pipelines with No Marketing Affiliate Transactions**

**a. Commission Proposal**

16. The NOPR requested comment as to whether the statement of the Standards' applicability to interstate pipelines in section 358.1(a) should parallel the statement of the Standards' applicability to the electric industry set forth in section 358.1(b).<sup>19</sup> The language in question reads: "and conducts transmission transactions with an affiliate that engages in marketing functions."

**b. Comments**

17. INGAA asserts that the cited language is essential, because it exempts those pipelines with affiliates that have marketing function employees, but with which the pipeline conducts only non-transmission transactions. INGAA argues that these non-transmission transactions do not pose the potential for the types of abuse the rules seek to prevent. According to INGAA, the cited language also ensures that the proposed Standards operate within the boundaries set forth in National Fuel, by not extending coverage to relationships and transactions for which the Commission has no record evidence of undue discrimination or preference.<sup>20</sup>

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<sup>19</sup> NOPR at P 58.

<sup>20</sup> INGAA at 9-12.

18. NGSA argues that the limitation in the current language implies an exemption from the Standards for sales of gas in which the gas is not shipped using capacity held or controlled by the seller's affiliated transmission provider. NGSA urges the Commission to either: (i) clarify that the No Conduit Rule (and the Standards generally) would nonetheless apply to such gas sellers when they share the same facilities or trading floor with marketing function employees who are not exempt from the Standards, or (ii) require entities that house exempt marketing function employees in the same facility as non-exempt marketing function employees to provide some physical separation between the two groups, to prevent uncontrolled flow of restricted information.<sup>21</sup>

19. While agreeing with INGAA, other commenters would apply the conditional language in section 358.1(a) to public utilities as well as pipelines, thereby limiting the Standards' application to both public utilities and interstate natural gas pipelines that conduct transportation transactions with marketing affiliates.<sup>22</sup>

**c. Commission Determination**

20. The Commission agrees with INGAA that there is no evidence in the record to suggest that pipelines that do not conduct transmission transactions with an affiliate engaged in marketing functions are in a position to engage in the type of affiliate abuse to which the Standards are directed. Therefore, the Commission will retain the language in section 358.1(a) that sets forth this limitation.

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<sup>21</sup> NGSA Reply Comments at 12-14.

<sup>22</sup> Nisource at 25-28; DCP Midstream at 2; Southwest Gas at 18-20.

21. The Commission disagrees with NGSA's contention that certain sales of gas have, by implication, been made exempt. The Commission is not exempting any sales of gas; the Standards apply to conduct, not to products. Section 358.1 addresses which pipelines and which electric utilities fall within the ambit of the Standards. A pipeline may have some marketing affiliates with which it conducts transmission transactions, and some with which it does not. A pipeline that conducts transmission transactions with a marketing affiliate must comply with the Standards, including the No Conduit Rule.

22. If a pipeline has affiliates of both types (some with which it conducts transmission transactions and some with which it does not), the pipeline must ensure that there is no prohibited communication with marketing function employees, in accordance with the requirements of the No Conduit Rule. The pipeline can determine how best to ensure compliance with the regulation, and we decline to order physical separation of employees on a generic basis. We might consider it on a case-specific basis, however, in the event the Commission found a violation.<sup>23</sup>

23. The Commission agrees with those commenters that suggest parallelism between the electric and gas industries could be achieved by also applying to public utilities the limitation applicable to pipelines. Because the core abuse to which the Standards are directed is that of undue preference in favor of an affiliate (defined to include divisions of the transmission provider as well as separate corporate entities), a public utility that does not engage in any transmission transactions with a marketing affiliate should be excluded

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<sup>23</sup> C.f., e.g., Southern Co. Serv. Inc., 117 FERC ¶ 61,021 (2006).

from the Standards' coverage, just as should a pipeline. Therefore, the Commission modifies the language of section 358.1(b) accordingly.

**3. Commencement Date**

**a. Commission Proposal**

24. The Commission proposed in section 358.8(a) that a transmission provider must comply with the Standards as of the earlier of the date it has a rate on file with the Commission or the date it commences transmission transactions.

**b. Comments**

25. INGAA and APGA disagree with the commencement date proposed in section 358.8(a). INGAA asserts that the Standards should not apply to a pipeline unless and until the pipeline engages in transportation transactions with a marketing or brokering affiliate. INGAA believes that proposed section 358.8(a) is inconsistent with the Standards' purpose of preventing preferential treatment and with proposed section 358.1(a), which applies the Standards only to pipelines conducting transmission transactions with an affiliate engaging in marketing functions.<sup>24</sup> Conversely, APGA would have the Standards apply to a newly-certificated pipeline as soon as the pipeline begins soliciting customers or negotiating contracts, rather than deferring compliance until such time as the pipeline commences transportation.<sup>25</sup>

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<sup>24</sup> INGAA at 58-61.

<sup>25</sup> APGA at 8-10.

**c. Commission Determination**

26. The Commission believes that INGAA's comments on this point are well-taken. Under section 358.1, a pipeline that does not conduct transmission transactions with an affiliate that engages in marketing functions need not comply with the Standards. In this Final Rule, we expand that same provision to apply to public utilities as well, as discussed above. Therefore, we will modify the effective date upon which a transmission provider must be in full compliance with the Standards to provide that a transmission provider must comply with the Standards on the date it commences transmission transactions with an affiliate that engages in marketing functions. See section 358.8(a).

**4. Waivers from Coverage of the Standards**

**a. Commission Proposal**

27. In the NOPR, the Commission did not address the issue of whether existing waivers from the Standards should apply to the new Standards.

**b. Comments**

28. Numerous commenters request that the Commission clarify that existing waivers from the application of the current Standards remain in effect upon finalization of this rulemaking, to the extent they remain relevant.<sup>26</sup> Questar further requests that

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<sup>26</sup> AGA at 26; INGAA at 61-62; New York PSC at 5-6; National Grid at 28-29; Northwest Natural at 6-7; Questar at 2; TDU Systems at 18; Unitil at 4-5. New York PSC adds that without such confirmation, existing sales activities authorized under the standing waivers may be disrupted at the expense of the public interest. New York PSC at 5. New York PSC offers the example of National Fuel Gas Distribution Corporation (NFGD), which it states received a waiver to make off-system sales from contract storage located on an affiliated pipeline system to marketers who resell that gas to NFGD's retail

(continued)

exemptions and waivers granted under Order No. 2004 be functionally adapted to the rules as proposed in the NOPR.<sup>27</sup>

29. Northwest Natural requests that the Commission broaden existing waivers from “partial” to “full” for pipelines that provide transportation for a single affiliated shipper.<sup>28</sup> Similarly, USG believes that pipelines transporting gas only for affiliated shippers should be exempted from the rules. It recommends that the Commission either amend proposed section 358.1(a) to exclude pipelines that do not serve unaffiliated customers, amend the exceptions to the proposed definition of “marketing functions,” or grant USG and B-R Pipeline a waiver.<sup>29</sup>

30. With regards to the Commission’s continued willingness to consider requests for waivers, Unitil seeks clarification that the Commission will continue to consider requests for waivers by entities that would have qualified for waivers under the requirements of Order Nos. 889, 497, or 2004.<sup>30</sup> TDU Systems supports the Commission’s proposal to allow transmission owners who are members of RTOs and ISOs, do not operate or

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customer under a New York PSC-approved retail choice program. New York PSC states that uncertainty regarding status of the waiver may compel NFGD to terminate those sales. *Id.* at 5-6.

<sup>27</sup> Questar at 2.

<sup>28</sup> Northwest Natural at 7.

<sup>29</sup> USG at 10-12.

<sup>30</sup> Unitil at 4-5.

control their transmission facilities, and have no access to transmission function information, to request waivers from the Standards.<sup>31</sup>

**c. Commission Determination**

31. The Commission agrees that it would be both burdensome and unfair to require entities that have already received waivers from the Standards on a case-by-case basis to file their requests again. Therefore, existing waivers relating to the Standards shall continue in full force and effect.

32. The determination as to whether a waiver is appropriate for an entity that serves only a single, affiliated customer is best made on an individual basis. Any entity that believes it is entitled to a waiver may apply for one, and any entity that has already received a full or partial waiver may continue to rely upon it. This Final Rule is not the appropriate vehicle to grant or modify individual waivers for specific entities, as requested by Questar and USG. We note, however, that many of the waivers previously granted transmission providers may be rendered moot by the revisions made here to the Standards.

33. The Commission clarifies that nothing in this Final Rule precludes an entity from seeking a waiver. Indeed, section 358.1(d) specifically so provides. If an entity believes it is entitled to a waiver but has not yet applied for one, it is thus free to do so. The appropriateness of granting such a waiver will be based on the facts and circumstances of

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<sup>31</sup> TDU Systems at 17.

the individual case, examined in light of the specific provisions and stated principles of the Standards adopted in this Final Rule.

**C. Independent Functioning Rule**

34. In the NOPR, the Commission proposed to continue the policy, established in Order Nos. 497 and 889 and referred to as the Independent Functioning Rule, of requiring the transmission function employees of a transmission provider to function independently of the marketing employees of the transmission provider. However, the NOPR proposed eliminating the corporate separation approach to the Independent Functioning Rule, which was adopted in Order No. 2004, and replacing it with the employee functional approach previously utilized in Order Nos. 497 and 889. Under the NOPR proposal, the relevant consideration for purposes of applying the Independent Functioning Rule is the function performed by the employee himself (or herself). Thus, while under the current Standards any employee of a marketing or energy affiliate is prohibited from interacting with transmission function employees, the proposed Standards restricted the category of employees who must function independently from transmission function employees to those who actively and personally engage in marketing functions.

35. To implement this approach, the NOPR proposed definitions of certain key terms, the principal two being “transmission functions” and “marketing functions.” The definitions of “transmission function employee,” “marketing function employee,” “transmission function information” and “marketing function information” all keyed off these two core definitions.



**NORTH AMERICAN ENERGY STANDARDS BOARD**

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067  
email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

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September 3, 2008  
Filed Electronically

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E., Room 1A  
Washington, D.C. 20585

RE: Standards for Business Practices for Interstate Natural Gas Pipelines (Docket No. RM96-1-027)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding the FERC Order No. 698 standards. The standards will be included in version 1.9 of the Wholesale Gas Quadrant ("WGQ") standards when published; and in the meantime, the individual standards can be accessed through the final actions as noted in this report. This NAESB report is submitted in response to Docket No. RM96-1-027. The report addresses two sets of standards adopted by NAESB to respond to issues raised in FERC Order No. 698 and also highlights action taken by the NAESB WGQ Executive Committee ("EC") in one area of development that concluded in no action. The NAESB standard to provide increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and the NAESB standards providing for index-based pricing for capacity release transactions were ratified by NAESB membership on August 25, 2008 and are now accessible as final actions. Also included in this report is a description of the industry effort that led to a no action determination concerning modifications to the intra-day nomination timeline.

We very much appreciate the time, knowledge and industry leadership provided by all participants, both members and non-members. The report is being filed electronically in Adobe Acrobat® Print Document Format (.pdf). All of the documents are also available on the NAESB web site ([www.naesb.org](http://www.naesb.org)). Please feel free to call me at (713) 356-0060 or refer to the NAESB website ([www.naesb.org](http://www.naesb.org)) should you have any questions or need additional information regarding the NAESB FERC Order No. 698 standards or any other NAESB work products.

Respectfully submitted,

*Rae McQuade*

Ms. Rae McQuade  
President & COO, North American Energy Standards Board



**NORTH AMERICAN ENERGY STANDARDS BOARD**

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067  
email: [naesb@naesb.org](mailto:naesb@naesb.org) • Web Site Address: [www.naesb.org](http://www.naesb.org)

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September 3, 2008  
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cc without enclosures:   The Honorable Joseph Kelliher, Chairman, Federal Energy Regulatory Commission  
                                  The Honorable Suedeen Kelly, Commissioner, Federal Energy Regulatory Commission  
                                  The Honorable Philip D. Moeller, Commissioner, Federal Energy Regulatory  
                                  Commission  
                                  The Honorable Marc Spitzer, Commissioner, Federal Energy Regulatory Commission  
                                  The Honorable Jon Wellinghoff, Commissioner, Federal Energy Regulatory Commission  
                                  Mr. Shelton Cannon, Director of Energy Market Regulations, Federal Energy Regulatory  
                                  Commission  
                                  Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy  
                                  Regulatory Commission  
                                  Ms. Cynthia Marlette, General Counsel of the Commission, Federal Energy Regulatory  
                                  Commission

                                  Mr. William P. Boswell, General Counsel of the North American Energy Standards  
                                  Board  
                                  Mr. Michael Desselle, Chairman of the North American Energy Standards Board  
                                  Ms. Valerie Crockett, Vice Chairman Wholesale Gas Quadrant, North American Energy  
                                  Standards Board

Enclosures (all documents noted in the appendices are available publicly on the NAESB web site – [www.naesb.org](http://www.naesb.org)):

Appendix A   List of Participants  
Appendix B   Summary of Meetings and Related Events  
Appendix C   Links to Executive Committee Meeting Minutes, Comments and Voting Records  
Appendix D   Links to Ratification Ballots and Ratification Results  
Appendix E   List of Available Transcripts  
Appendix F   NAESB Process Summary  
Appendix G   WGQ Annual Plan

September 3, 2008

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

**Standards for Business Practices and** )

**Docket No. RM96-1-027**

**Communication Protocols for Public Utilities** )

**REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD**

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with FERC Order No. 698<sup>1</sup> in the above referenced dockets.

In January 2002, the Gas Industry Standards Board ("GISB") became the Wholesale Gas Quadrant (WGQ) of NAESB and three other quadrants were formed, the Wholesale Electric Quadrant (WEQ), the Retail Gas Quadrant, and the Retail Electric Quadrant. 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.

Contained in this report are the business practice standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and index-based pricing for capacity releases. The technical implementation standards for index-based pricing for capacity releases will be filed subsequent to this submittal as they are still in the development process. The WGQ Executive Committee ("EC") approved the recommendation of the WGQ Business Practices Subcommittee ("BPS") to take no action concerning modifications to the intra-day nomination timeline; therefore, no standards are being submitted on this issue.

There are seven enclosures supporting this report. Provided in Appendix A is a list of the participants from all the meetings related to FERC Order No. 698. Appendix B provides a summary of the relevant meetings and related events. Provided in Appendix C are the links to the EC meeting minutes, comments and the voting records. Appendix D provides the links to ratification ballots and the ratification results. Provided in Appendix E is the list of available transcripts. Appendix F contains the American National Standards Institute accredited process by which NAESB develops standards. Lastly, Appendix G contains the current 2008 WGQ Annual Plan<sup>2</sup>.

The NAESB WGQ BPS Order 698 meetings and EC meetings where these standards were drafted, discussed and adopted took place from June 2007 to July 2008. There were thirteen subcommittee meetings, many of them multi-day in duration, focused solely on FERC Order No. 698 issues. There were three EC meetings where the FERC Order No. 698 standards development effort was discussed as a key agenda topic. All meetings were open to all interested parties and were publicly noticed, and were available by phone and web cast for those unable to travel. The meetings were held in various locations, diverse geographically. Any interested party was encouraged to submit comments if their schedules would not permit them to participate either in person or over the phone/web cast. The minutes of these meetings are provided as links in appendices B and C, which include the voting records of the EC, and include all comments filed as part of the formal comment period for the FERC Order No. 698 standards. The ratification ballots and member ratification voting record results are also included as links in appendix D. An abbreviated review of the NAESB process by which the standards were drafted, considered and adopted is provided in appendix F. Provided in appendix G is the WGQ Annual Plan. More detailed process descriptions can be accessed from the NAESB web site.

<sup>1</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, 18 C.F.R. §38, 284, FERC Stats. & Regs., ¶ 31,251 (June 25, 2007), [order on clarification and reh'g](#), Order No. 698-A, 121 FERC ¶ 61,264 (2007).

<sup>2</sup> NAESB 2008 WGQ Annual Plan, *available at* [http://www.naesb.org/pdf3/wgq\\_2008\\_annual\\_plan.doc](http://www.naesb.org/pdf3/wgq_2008_annual_plan.doc).

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The development of the FERC Order No. 698 standards reflected multiple market interests and is the work product of the WGQ. While this was a WGQ standards effort since only WGQ standards were considered for change, all interested parties including the Wholesale Electric Quadrant (“WEQ”) membership were asked to participate and make their perspectives known. All interested parties regardless of membership in NAESB were encouraged to participate, as they are in all NAESB meetings, to provide the broadest possible input from the industry, as work products are prepared. Appendix A provides a list of all who participated in the meetings related to FERC Order No. 698.

The standards development activity undertaken that produced the FERC Order No. 698 standards had considerable industry debate before an agreement was reached. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move toward consensus. As such, NAESB was able to produce and/or modify standards for business practices for index-based pricing for capacity release transactions and business practices to allow for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. After much consideration, no action was recommended to modify the existing intra-day nomination timeline.

#### **NAESB Standards for Indexed Based Pricing for Released Capacity (2008 WGQ Annual Plan Item 4a)**

In FERC Order No. 698, the Commission requested NAESB to develop standards directing the releasing shipper to set out clearly the terms and conditions of indexed releases that would include the means for implementing the formula rate<sup>3</sup>. Over the course of ten meetings in seven months, the NAESB WGQ BPS modified three existing WGQ business practice standards, developed ten new WGQ business practice standards and two new WGQ definitions for index-based pricing for capacity release transactions. The recommendation was supported by the subcommittee on March 13, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and one comment was received. The WGQ EC revised and approved all of the above on June 25, 2008 with a needed super-majority threshold of 67% overall, and a minimum of 40% affirmative vote from each segment. No negative votes were received. The standards were ratified on August 25, 2008.

During the development process, a concern was raised that the terms and conditions of licensing agreements offered by indices publishing companies could be an obstacle to the facilitation of index-based transactions between multiple parties. Specifically, issues regarding the expense of licensing and the ability to share indices data within a company and with third parties were noted. In response to those concerns, representatives from Platts attended the November 15, 2007 WGQ BPS meeting to respond to questions and provide a presentation. On June 25, 2008 at a WGQ EC meeting, presentations were given by SNL Energy (“SNL”), ICE Data (“ICE”), and Natural Gas Intelligence (“NGI”). Information can be found through the meeting minutes and presentations posted on the NAESB web site.

The translation of business practice standards to technical implementations of those standards is accomplished through the identification of the data required to support the transactions, definition of information requirements for the data, and mapping of that data into specific electronic transactions. This translation is performed by the Information Requirements (“IR”) and Technical subcommittees and completes the standards development process, often referred to as full staffing. Both the IR and Technical subcommittees work in tandem to complete this crucial technical implementation activity. Although the business practice standards addressing index-based pricing for capacity release transactions have been ratified by the NAESB membership and are included in this filing, the standards have not completed the full staffing process. It is in progress now. NAESB considers a review of the implemental aspects of business practice standards an essential step in the standards development process, and therefore directed the IR and Technical subcommittees to designate the full staffing of the index-based capacity release standards as high priority. These standards are currently being addressed by the subcommittees and are expected to be fully staffed as early as fourth quarter 2008 but more probably during the first quarter 2009. This effort is being completed in conjunction with the subcommittees’ response to FERC Order No. 712<sup>4</sup>. Upon completion of the technical implementation standards for index-based capacity release transactions, NAESB will submit a supplemental filing containing the complementary technical standards. The concept of full staffing is important to any industry standards organization, to ensure that implementers of the business practices are not required to design and build technical solutions for the business practices - once when the standards for technical

<sup>3</sup> FERC Order No. 698, *supra* note 1, ¶56.

<sup>4</sup> *Promotion of a More Efficient Capacity Release Market*, Order No. 712, 18 C.F.R. §284, 123 FERC ¶61,286 (June 19, 2008).

September 3, 2008

implementation do not exist, and again after they do. This duplication of effort can be time consuming and expensive, not to mention disruptive to the parties to the transactions.

#### **NAESB Standards for Increased Receipt and Delivery Point Flexibility (2008 WGQ Annual Plan Item 4b)**

In FERC Order No. 698<sup>5</sup>, the Commission requested NAESB to consider developing standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. Over the course of seven meetings in five months, the NAESB WGQ BPS developed one WGQ standard to address increased receipt and delivery point flexibility. The recommendation passed a subcommittee vote on January 9, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and three comments were received. The WGQ EC approved the standard on May 15, 2008 with a needed super-majority threshold of 67% in total, with a minimum of 40% affirmative vote from each segment. No negative votes were received. The standard was ratified on August 25, 2008. After review, it was determined by the subcommittee that no technical implementation standards were needed to support redirects. As such, it is considered fully staffed.

#### **NAESB Consideration of Changes to the Intra-day Nomination Schedules (2008 WGQ Annual Plan Item 4c)**

In paragraph 69 of FERC Order No. 698,<sup>6</sup> the Commission requested NAESB staff to consider whether changes to existing intra-day nomination schedules would benefit all shippers, and provide for better coordination of gas and electric markets. Over the course of twelve meetings in the span of nine months, the WGQ BPS met to discuss the possibility of modifying the intra-day nomination timeline (NAESB WGQ Standard No. 1.3.2). A scoping issues document was prepared on August 30-31, 2007 by the subcommittee. After discussions began on several models to modify the intra-day nomination timeline, the subcommittee prepared a timeline design considerations work paper on March 12-13, 2008. It was modified on April 22-23, 2008 and applied to the models offered by participants for comparison purposes. A straw vote was taken by the subcommittee on April 23 to identify the models with the most support. The models with the most support were submitted by a pipeline collaborative, FPL Energy ("FPL") and Tennessee Valley Authority/Arizona Public Service ("TVA/APS"). These models were reconsidered at a May 19-20 meeting, and on May 20, 2008, the subcommittee was not able to reach a balanced simple majority vote to support any of the three models going forward as a recommendation.

The pipeline collaborative model received ten supporting votes and fifty votes in opposition, resulting in a balanced vote of 1.68 in favor to 8.32 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast one supporting vote and eighteen opposing votes. The local distribution companies ("LDCs") cast three supporting votes and nine opposing votes. The pipelines cast four supporting votes and twelve opposing votes. The producers did not cast any votes in favor and cast six votes in opposition. The services segment cast two votes in favor and five votes in opposition.

The FPL model received seven votes in favor and fifty-three votes in opposition resulting in a balanced vote of 1.25 in favor to 8.75 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast four votes in favor and fifteen votes in opposition. The LDCs cast one supporting vote and eleven opposing votes. The pipelines cast no votes in support and seventeen votes in opposition. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast two votes in support and four votes in opposition.

The TVA/APS model received twenty votes in support and thirty-seven votes in opposition resulting in a balanced vote of 3.45 in favor to 6.52 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast eleven supporting votes and seven opposing votes. The LDCs cast five votes in support and four votes in opposition. The pipeline segment did not cast any votes in support and seventeen opposing votes. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast four supporting votes and three opposing votes.

Each segment given the opportunity to voice their concerns on the issues that was important to them in making a final determination on whether or not to support a proposed model. The minutes of May 20 BPS meeting during which the voting took place can be reviewed along with comments and work papers to understand the breadth of interests expressed during the consideration of these models.

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<sup>5</sup> FERC Order No. 698, *supra* note 1, ¶63.

<sup>6</sup> FERC Order No. 698, *supra* note 1, ¶69.

September 3, 2008

Participants from the end user segment, the LDC segment and the services segment all prepared written comments for consideration by the EC as it determined the disposition of the recommendation to take no action to develop standards for WGQ 2008 annual plan item 4c. Although the pipeline segment actively participated and provided leadership in the intra-day nomination timeline discussions, there were no formal comments submitted by pipeline representatives. Similarly, the producers segment also actively participated and provided leadership in discussions regarding the intra-day nomination timeline although no formal comments were submitted on their behalf. Details of the issues expressed by the participants can be found in the formal comments, discussion in the meeting minutes of both the BPS and the EC, and the EC transcripts related to 2008 WGQ Annual Plan Item 4(c)<sup>7</sup>.

The recommendation to take no action was sent out for a thirty-day industry comment period on June 3, 2008 and seventeen comments were received. When a subcommittee determines that no action is to be taken on a particular request for standards development or for an annual plan standards development item, that item is posted for a 30-day industry comment period. The EC reviews the comments submitted and the item must pass a simple majority vote of the EC. Development items that are determined to need no action do not need to be sent out for membership ratification. On July 14, 2008, the WGQ EC voted to support the subcommittee's decision to not modify the current timeline. The vote to support no action to be taken passed with 15 in favor and 8 opposed.

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<sup>7</sup> NAESB 2008 WGQ Annual Plan Item 4(c), 2007 WGQ Annual Plan Item 7(c), *supra* note 4.