



NORTH AMERICAN ENERGY STANDARDS BOARD

801 Travis, Suite 1675 • 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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NAESB BOARD OF DIRECTORS MAKES GAS AND ELECTRIC MARKET COORDINATION A PRIORITY IN 2022

On December 9, 2021, the NAESB Board of Directors unanimously supported the addition of a new standards development project to its 2022 work plans to support improved coordination between the natural gas and electric markets. The NAESB Gas Electric Harmonization Committee has been meeting since June to discuss potential activities that the organization could undertake to complement the joint inquiry of the Federal Energy Regulatory Commission (“FERC”), North American Electric Reliability Corporation (“NERC”), and the Regional Entities into 2021 Cold Weather Grid Operations following Winter Storm Uri. As a unique industry forum that convenes wholesale and retail natural gas and electric market participants, regulators, and other interested parties to develop business practice standards that underpin the commercial transactions of the markets, NAESB has a long history of working with its members and non-members in this area. NAESB’s first set of coordination standards, currently incorporated into federal regulation, were developed by the organization through its American National Standards Institute accredited process in 2005 and were adopted by the FERC in 2007. These standards define communication protocols between interstate pipelines and gas-fired power plants concerning fuel requirements and operational issues that may impact gas delivery and have served as the basis for several subsequent standards development efforts initiated by the FERC and reports published by the National Petroleum Council.

As presented by Southwest Power Pool (“SPP”), the new standards development project is intended to build upon NAESB’s existing body of standards and focus on commercial information sharing between critical parties during impending extreme weather-related operating conditions. Michael Desselle, SPP, Vice President and Chief Compliance and Administrative Officer, and current Chairman of the NAESB Board of Directors said, “I am pleased that the NAESB Board of Directors endorsed this standards project and determined to place the item on all three quadrant annual plans with a goal of initiating the development of new and enhanced gas and electric coordination business practices early next year. The Board of Directors recognized our role as a forum well suited to facilitate communication between market entities, and with 30 years of standards development experience and 20 years of market coordination experience, I am confident that the organization will be able to adopt standards for consideration by the FERC in 2022.”

NAESB is currently in the process of making assignments to initiate this standards development within its subcommittees supporting the wholesale and retail gas and electric markets and will be working with FERC, NERC and the National Association of Regulatory Utility Commissioners to align its efforts with the recommendations included in the finalized staff report on The February 2021 Cold Weather Outages in Texas and the South Central United States published in November.

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

The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of about three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to www.naesb.org or call 713-356-0060.