December 17, 2015

**TO:** NAESB Board of Directors, Executive Committee (EC) Members, EC Alternates, and Invited Guests

**FROM:** Jonathan Booe, NAESB Executive Vice President & CAO

**RE:** Draft Minutes from the NAESB Board of Directors Meeting – December 10, 2015

**NAESB BOARD OF DIRECTORS MEETING & MEETING OF THE MEMBERS**

**Four Seasons Hotel, Houston, Texas**

**Thursday, December 10, 2015 – 9:00 a.m. to 1:00 p.m. Central**

**DRAFT Minutes**

1. **Administration and Welcome**

Mr. Burks welcomed the board members and guests in the room and on the phone. Mr. Booe provided the antitrust and meeting policy guidance and called the roll of the NAESB board members. Quorum was established in all quadrants. Mr. Burks noted the incoming and outgoing members and thanked the invited guests for their attendance.

1. **Adoption of the Consent Agenda**

Mr. Burks reviewed the consent agenda, which included the [agenda](https://www.naesb.org/pdf4/bd121015a.docx), the draft minutes from the [September 3, 2015](https://www.naesb.org/pdf4/bd090315dm.docx) and [November 5, 2015](https://www.naesb.org/pdf4/bd110515dm.docx) Board of Directors meetings and the 2015 [Wholesale Gas](https://www.naesb.org/misc/bd121015_2015_wgq_aplan_redline.docx), [Wholesale Electric](https://www.naesb.org/misc/bd121015_2015_weq_aplan_redline.docx) and [Retail](https://www.naesb.org/misc/bd121015_2015_retail_aplan_redline.docx) annual plans. The consent agenda was adopted without opposition.

1. **Membership and Financial Reports**

Ms. McQuade reviewed the [membership](https://www.naesb.org/misc/membership_changes_2015_113015.docx) and [financial](https://www.naesb.org/misc/membership_financial_report_oct_2015.docx) reports for with the participants. She stated that NAESB accepted three new memberships and one resignation in November, which are not included in the report. Based on these changes, the organization may close out the year with the same number of members as it started with in 2015, unless additional changes are realized in December. She also reviewed the waivers issued and product sales for 2015, and noted that the NAESB office will continue to distribute letters to the general counsels of jurisdictional entities that do not have valid access to standards they are required to have access to in order to follow. Ms. McQuade stated that NAESB it is probable that we will sign on to an amicus brief drafted by ANSI in support of a law suit brought by a number of standards developers against an organization that has posted several of their copyright protected standards without their permission.

Next, Ms. McQuade reviewed the financial reports for 2015 and stated that, barring any emergencies, there will be a positive net income on an accrual basis that will be applied to the organization’s negative retained earnings. She stated that organization managed to realize a surplus even though the revenue projections included in the 2015 budget were not met, because the expenses expected to support a gas-electric coordination activity were not realized. She noted that those expenses will likely be incurred in 2016 and have been included in the proposed budget.

Ms. McQuade reviewed the 2016 budget with the members and noted that it is very similar to the 2015 budget. Mr. Desselle moved to adopt the budget and Mr. Cargas seconded the motion. The motion passed without opposition.

1. **Reports from Board Committees**

Managing Committee:Mr. Burks stated that the Managing Committee has not met since the last board meeting and that all activities, including the review of the 2016 budget and the request for the November 5, 2015 board meeting, were addressed via email.

Parliamentary Committee: Ms. Burks reviewed the activities of the Parliamentary Committee and noted the November 9, 2015 meeting, during which the committee continued discussions regarding the majority voting requirements contained in the governing documents. A conference call to continue the activity will be scheduled after the first of the year.

Revenue Committee: Mr. Desselle provided a report of the Revenue Committee activities since the last board meeting. He stated that the committee met on November 9, 2015 and continued discussions concerning the publication cycles, communication efforts and the organization’s revenue generation. He also noted that in a previous meeting the Revenue Committee approved a proposed resolution offering a new membership policy. The purpose of the policy is to stabilize the NAESB membership revenue in light of the current market trend of mergers, acquisitions and consolidation of member companies. Mr. Desselle moved to adopt the resolution of the Revenue Committee and Mr. Lauby seconded the motion. Mr. Kruse asked if all subsidiaries and affiliates of member companies, including individual power plants, will have to buy the standards. Mr. Anthony asked if all of Duke’s subsidiary and affiliate companies file one tariff, would Duke need to only hold one membership. Ms. McQuade responded that the second sentence of the policy prohibits related companies from sharing memberships and those companies requiring access to the standards as they appear in their individual tariff filings should purchase the standards if they do not hold memberships, or those companies that require access as they use the standards and do not hold memberships. The motion passed without opposition. The policy will go into effect in 2017.

Board Strategic Plan Ad Hoc Task Force: Mr. Desselle reviewed the activities of the task force since the last board meeting. He noted that the task force met on November 9, 2015 to review the proposed 2016 annual plans and ensure their consistency with the 2015-2017 Strategic Plan.

Board Certification Program Committee: Mr. Spangler reviewed the activities of the Board Certification Program Committee and noted that the committee approved a proposed resolution offering a modification to the current NAESB Board Certification Committee Authorized Certification Authority Process. He stated that the modification expands the applicability of the NAESB PKI standards and ACA process outside of the wholesale electric market, and was initiated after the National Institute of Standards and Technology endorsed the NAESB standards and process as part of their Identity and Access Management Reference Architecture. Mr. Spangler made a motion to adopt the resolution offered by the committee and Mr. Lander seconded the motion. The motion passed without opposition.

**5. Project Discussions and Leadership Session Reviews**

Ms. Davis reviewed the discussions during the WGQ leadership meeting and noted that significant discussion surrounded the organization’s next steps related to the gas-electric harmonization related annual plan items that will be discussed as part of agenda item 6. Ms. York provided a brief update of the activities of the WEQ Executive Committee and subcommittees that have been completed in 2015. She also thanked NERC for their efforts to ensure that their standards development and reorganization activities are staying consistent with the NAESB standards, and noted that there will be an effort in 2016 to take action on the NAESB Time Error and Inadvertent Interchange Payback standards consistent with NERC direction. Mr. Precht provided a review of the projects underway in the retail quadrant and highlighted that the task force addressing the Open Field Message Bus (Open FMB) project requested by Duke Energy is scheduled to vote out a recommendation during their next meeting. Mr. Precht also thanked Ms. McKeever for her efforts to lead the standards development undertaken to support the Texas market in 2015.

Mr. Booe provided a high level review of the leadership meeting discussions related to the Legal Entity Identifiers Notice of Proposed Rulemaking, the OpenFMB project, and the eForms Refresh project undertaken by the Commission. Mr. Booe also reviewed the board activities to date to address the request of the Commission in paragraph 107 of FERC Order No. 809 related to faster, computerized scheduling of the nominations and confirmations process. Mr. Burks asked if there were any questions or comments regarding any of the project updates. None were offered.

**6. Discuss and Approve the 2016 Annual Plans**

Mr. Burks stated that proposed annual plans have been posted to the NAESB website and were vetted by the Annual Plan Subcommittees, the Executive Committees and the Board Strategic Plan Ad Hoc Task Force. Mr. Burks asked for a motion to adopt the proposed 2016 RMQ Retail Annual Plan. Mr. Precht moved its adoption and Ms. McKeever seconded the motion. The motion passed without opposition. Next, Ms. McQuade reviewed 2016 WGQ Annual Plan Item 3.a with the participants and noted that, based on the previous day’s discussions, a charge for the GEH Forum had been developed to add clarity to its activity. She stated that the expectation is that the forum would provide a report to the board during the April meeting concerning their education and information gathering activities. The charge to the GEH Forum shall be to:

1. Provide a forum for industry education from both the natural gas and electric industries regarding gas-electric coordination specific to computerized scheduling, and confirmations including a streamlined confirmation process, if necessary (<https://www.naesb.org/pdf4/ferc041615_order809_geh_final_rule.pdf>)
2. Identify potential issues specific to computerized scheduling, and confirmations including a streamlined confirmation process, if necessary which could be based on the education provided in step 1
3. Identify potential solutions to the issues identified in step 2
4. Identify potential schedules for standards development including status and progress reports to the board

Ms. Munson moved to adopt the proposed 2016 WGQ Annual Plan with the clarification provided for item 3.a. Mr. Kruse seconded the motion. Mr. Desselle asked if a friendly amendment could be made to include the proposed 2016 WEQ Annual Plan in the motion. Ms. Munson and Mr. Kruse accepted the amendment. Mr. Stultz asked if including the activities of the GEH Forum before initiating standards development within the WGQ would slow down the process. Ms. McQuade responded that the GEH Forum activity, as included in the initial annual plan item adopted in June, September, and November and communicated to the Commission in August, was put into place to ensure the participation of both the wholesale electric and gas industries and to duplicate the success of the previous gas-electric coordination activity that had been commended by the federal and state regulators and numerous energy trade associations. Mr. Stultz asked if the charge/clarification could be added as a footnote in the annual plans. Ms. Munson and Mr. Kruse accepted the recommendation as a friendly amendment. Mr. Field and Mr. Lander both endorsed the clarification and thanked the leadership of the two quadrants for finding a compromise as a path forward. Mr. Novak asked if the April deadline for the report was a hard deadline. Ms. McQuade responded that the forum would need to either provide a report or status update at the April board meeting, and although it is assumed that the forum’s work could be completed by then, should it become apparent that a delay is expected, the board will be notified. The motion passed without opposition.

**7. Old and New Business**

Mr. Burks opened the floor for old and new business. Ms. York made a motion to modify the 2015 WEQ Annual Plan items 1.c, 2.a.i.2 and 4.c by marking them complete and to modify the 2016 WEQ Annual Plan to remove items 1.c. and 2.a.i.2. Mr. Desselle seconded the motion and the motion passed without opposition.

Mr. Booe provided an update of the regulatory activities of the organization and continued communication with the Department of Energy, the FERC, the National Association of Regulatory Utility Commissioners, and NERC among others. Mr. Booe noted the new coordination arrangement and shared board sits with Green Button Association and also the NAESB webinar provided to interested state commissioners and state commission staff through NARUC. Mr. Burks thanked the invited guests and asked for any closing remarks. Commissioner Simon and Commissioner Gardner thanked NAESB for their efforts and for allowing them to participate on the Advisory Council. Ms. McQuade reminded the board members that the Advisory Council meeting will take place in Washington D.C. on February 13, 2016 in conjunction with the winter NARUC meetings.

**8. Adjourn**

The meeting adjourned at 11:35 am Central.

| **9. Board Attendance**  | **Attendance** |
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| **Wholesale Gas Quadrant Producers Segment** |
| Mark Stultz | Senior Vice President – Regulatory Policy and Communications, North America Gas and Power, BP Energy | In Person |
| Y.J. Bourgeois | Manager Regulatory Affairs - Marketing, Anadarko Energy Services Company | In Person |
| Steven M. Salato | Manager Gas Scheduling & Operations, ConocoPhillips Company | In Person |
| Kathryn Skelton | Regulatory & Compliance Manager, Noble Energy, Inc. | In Person |
| Randy E. Parker | Global Regulatory Advisor, ExxonMobil Gas and Power Marketing Company (a division of ExxonMobil Corporation) | In Person |
| **Wholesale Gas Quadrant Pipeline Segment** |
| Randy Young | Vice President – Regulatory Compliance and Corporate Services, Boardwalk Pipeline Partners, LP | Phone |
| Richard Kruse | Vice President – Rates and Regulatory Affairs, Spectra Energy Corp | In Person |
| Douglas Field | Manager – Compliance, Southern Star Central Gas Pipeline | In Person |
| Michael Langston | Vice President and Chief Regulatory Officer, Energy Transfer Equity, L.P. | In Person |
| Gene Nowak | Vice President – Transportation & Storage Services, Kinder Morgan Inc | In Person |
| **Wholesale Gas Quadrant Local Distribution Company (LDC) Segment**  |
| Karl Stanley | Vice President of Commercial Operations NIPSCO, representing NiSource Inc. | In Person |
| Perry Pergola  | Director – Gas Supply, Vectren Corporation |  |
| Craig Colombo | Energy Trader III, Dominion Resources | Phone |
| Tim Sherwood | Managing Director of Gas Ops and Capacity Planning, AGL Resources, Inc. |  |
| **Wholesale Gas Quadrant End Users Segment** |
| Willis E. McCluskey | Project Manager and Principal, Salt River Project Agricultural Improvement & Power District | Phone |
| Leslie Capilla | Senior Business Analyst, Fuel Procurement, Arizona Public Service Company |  |
| Valerie Crockett | Senior Program Manager – Regulatory & Policy, Tennessee Valley Authority | In Person |
| Paul Zhang | Financial Trading Desk Head, Florida Power & Light Company | Phone |
| N. Jonathan Peress | Air Policy Director – Natural Gas, Environmental Defense Fund, Inc. | In Person |
| **Wholesale Gas Quadrant Services Segment** |
| Keith Sappenfield | Project Manager and Principal, Natural Resource Group, LLC | In Person |
| J. Bartley | Principal, Accenture, LLP |  |
| Greg Lander | President, Skipping Stone, LLC | Phone |
| Rakesh Agrawal | Executive Vice President, Blackstone Technology Group, Inc. |  |
| Sylvia Munson | Industry Specialist, SunGard Energy | In Person |
| **Retail Energy Quadrant Retail Electric Service Providers/Suppliers Segment** |
| Wendell Miyaji | Vice President - Energy Sciences, Comverge, Inc. | In Person |
| Troy Vingom | Director of Operations & IT Support, PPL Solutions, LLC |  |
| Joe Zhou | Executive Director, Advisory - Performance Improvement, Ernst & Young LLP |  |
| J. Cade Burks | President, Big Data Energy Services | In Person |
| **Retail Energy Quadrant Retail Electric Utilities Segment** |
| Brandon Stites | Director – Energy Conservation & Advanced Metering, Dominion Virginia Power | In Person |
| Dennis Derricks | Director Regulatory Policy and Analysis, Wisconsin Public Service Corporation | Phone |
| Phil Precht | Principal Business Analyst, Pricing & Regulatory Services, Baltimore Gas & Electric Company | In Person |
| Debbie McKeever | Market Advocate, Oncor Electric Delivery Company LLC | In Person |
| **Retail Energy Quadrant Retail Electric End Users/Public Agencies Segment** |
| Tobin Richardson | President and CEO, ZigBee Alliance |  |
| Robert G. Gray | Executive Consultant, Arizona Corporation Commission | Phone |
| Chris Villarreal | Director of Policy, Minnesota Public Utilities Commission |  |
| James P. Cargas | Senior Assistant City Attorney, City of Houston | In Person |
| Susan Anthony | Retail Market Liaison, Electric Reliability Council of Texas, Inc. (ERCOT) | Phone |
| **Retail Energy Quadrant Retail Gas Market Interests Segment** |
| Alonzo Weaver | Vice President of Engineering and Operations, Memphis Light, Gas & Water Division (APGA) |  |
| Dave Darnell | President & CEO, Systrends USA | Phone |
| Michael E. Novak | Asst. General Manager, National Fuel Gas Distribution Corporation | Phone |
| Leigh Spangler | President, Latitude Technologies Inc. | In Person |
| Scott Mosley | Managing Director – Physical Operations, SouthStar Energy Services LLC | Phone |
| **Wholesale Electric Quadrant Transmission Segment** |
| Alex DeBoissiere | Senior Vice President – Government Relations, The United Illuminating Company | Phone |
| Narinder Saini | Policy Consultant, Entergy Services, Inc. | Phone |
| Armando Rodriguez | Senior Manager, Reliability Authority & Regional Operations, Tennessee Valley Authority | Phone |
| Mike Anthony | Manager – Tariff Administration and Business Services, Duke Energy Corporation | Phone |
| **Wholesale Electric Quadrant Generation Segment** |  |
| Brad Cox | Vice President – Markets & Compliance, Tenaska, Inc. |  |
| Chris O’Hara | General Counsel – Gulf Coast Region, NRG Energy, Inc. |  |
| Wayne Moore | Vice President - Operations Compliance Officer, Southern Company Services, Inc. | In Person |
| William J. Gallagher | Special Projects Chief, Vermont Public Power Supply Authority | Phone |
| Joseph Hartsoe | Managing Director – Federal Policy, American Electric Power Service Corp. | Phone |
| Kathy York | Senior Program Manager – Bulk Power Regulatory, Tennessee Valley Authority | In Person |
| Lou Oberski | Managing Director NERC Compliance Policy, Dominion Resources Services, Inc. |  |
| **Wholesale Electric Quadrant Marketers/Brokers Segment** |
| Andrea Sanders Brackett | Senior Manager of Cyber Governance, Policy and Standards, Tennessee Valley Authority | Phone |
| Steve Johnson | EMMO Manager – Colorado River Storage Project (CRSP), Western Area Power Administration | In Person |
| R. Scott Brown | Market Initiatives and Analysis – Exelon Corporation, Exelon Generation Company, LLC | Phone |
| Roy True | Director of Regulatory and Market Affairs, Alliance for Cooperative Energy Services Power Marketing LLC (ACES) | In Person |
| Timothy Gerrish | Director of Origination – Energy Marketing & Trading, Florida Power & Light Company | In Person |
| Michael P. Ward II | Director of System Operations, Seminole Electric Cooperative Inc. |  |
| **Wholesale Electric Quadrant Distribution/Load Serving Entities (LSE) Segment** |
| Bruce Ellsworth | New York State Reliability Council | In Person |
| Mark G. Lauby | Vice President and Director – Standards, North American Electric Reliability Corporation | In Person |
| Nelson Peeler | Vice President System Operations, Duke Energy Corporation |  |
| Paul McCurley | Manager – Power Supply, National Rural Electric Cooperative Association |  |
| **Wholesale Electric Quadrant End Users Segment** |
| Lila Kee | Chief Product Officer and Vice President of U.S. Business Development, GMO GlobalSign, Inc. |  |
| Jerry Dempsey | Sr. Vice President; Business Development, Sales and Marketing, Open Access Technology International, Inc. | In Person |
| **Wholesale Electric Quadrant Independent Grid Operators/Planners** |
| Ed Skiba | Consulting Advisor Standards Compliance, MISO | In Person |
| Mark Wilson | Director of Corporate Planning, Independent Electricity System Operator (IESO) |  |
| Stu Bresler | Vice President of Market Operations, PJM Interconnection, LLC | Phone |
| Wesley Yeomans | Vice President of Operations, New York Independent System Operator, Inc. (NYISO) | Phone |
| Joel Mickey | Director of Market Design and Development, Electric Reliability Council of Texas, Inc. (ERCOT) |  |
| Michael Desselle | Vice President Process Integrity, Southwest Power Pool | In Person |
| Robert Ethier | Vice President Market Operations, ISO New England, Inc. | In Person |
| **Wholesale Electric Quadrant Technology and Services** |
| David Nilsson | Vice President – Solutions, Power Costs, Inc. | In Person |
| E. Russell Braziel | President, RBN Energy, LLC | Phone |
| David A. Wollman | Deputy Director, Smart Grid and Cyber-Physical Systems Program Office (NIST Engineering Laboratory), National Institute of Standards and Technology (NIST) | Phone |
| Jim Buccigross | Vice President Energy Industry Practice, 8760 Inc. | Phone |

| **10. Other Attendance** |
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| Name | Organization | Attendance |
| Jonathan Booe | NAESB Office | In Person |
| Bill Boswell | NAESB General Counsel | In Person |
| Joe Casey | Spectra Energy | In Person |
| Pete Connor | Representing AGA | Phone |
| Chuck Cook | Chevron Natural Gas | In Person |
| Dale Davis | Williams | In Person |
| Rhonda Denton | BP | Phone |
| Wayne Gardner | WE Gardner Company | In Person |
| Michael Goldenberg | FERC | Phone |
| Tom Gwilliam | Iroquois Gas Transmission System | Phone |
| Barry Haaser | Green Button Alliance | Phone |
| Rachel Hogge | Dominion | In Person |
| Elizabeth Mallett | NAESB Office | In Person |
| Steve McCord | Columbia Gas Transmission Corporation | Phone |
| Rae McQuade | NAESB Office | In Person |
| Emil Pena | Global Energy Safety Institute | In Person |
| Josh Phillips | SPP | In Person |
| Alan Pritchard | Duke Energy | Phone |
| Denise Rager | NAESB Office | In Person |
| Timothy Simon | TAS Strategies | In Person |
| Lisa Simpkins | Exelon | Phone |
| Tony Suarez | TVA | Phone |
| Veronica Thomason | NAESB Office | In Person |
| Michael Tita | FERC | Phone |
| Caroline Trum | NAESB Office | In Person |
| Kim Van Pelt | Boardwalk Pipeline Partners | In Person |
| Jill Vaughan | Court Reporting | In Person |
| JT Wood | Southern Company | Phone |
| Charles Yeung | SPP | In Person |