

North American Energy Standards Board

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2nd Annual Meeting of the Members

September 2003

Overview of the Organization's Accomplishments

- ❖ **First Year of all 4 quadrants active**
- ❖ **Membership Stabilizing**
- ❖ **All 4 quadrants are addressing specific standards development areas**
- ❖ **Liaisons, Liaisons, Liaisons**

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First Full Year of Four Quadrants:

Wholesale Gas – 5 Segments

1. End Users
2. Local Distribution
3. Pipelines
4. Producers
5. Services

Wholesale Electric – 5 Segments

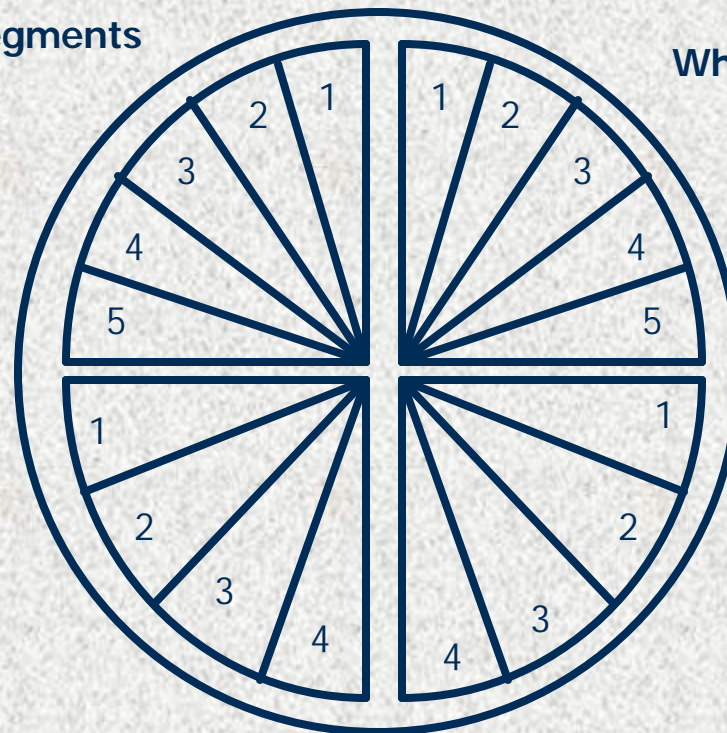
1. End Users
2. Distribution/LSE
3. Transmission
4. Generation
5. Marketers/Brokers

Retail Gas – 4 Segments

1. End Users
2. Distributors
3. Service Providers
4. Suppliers

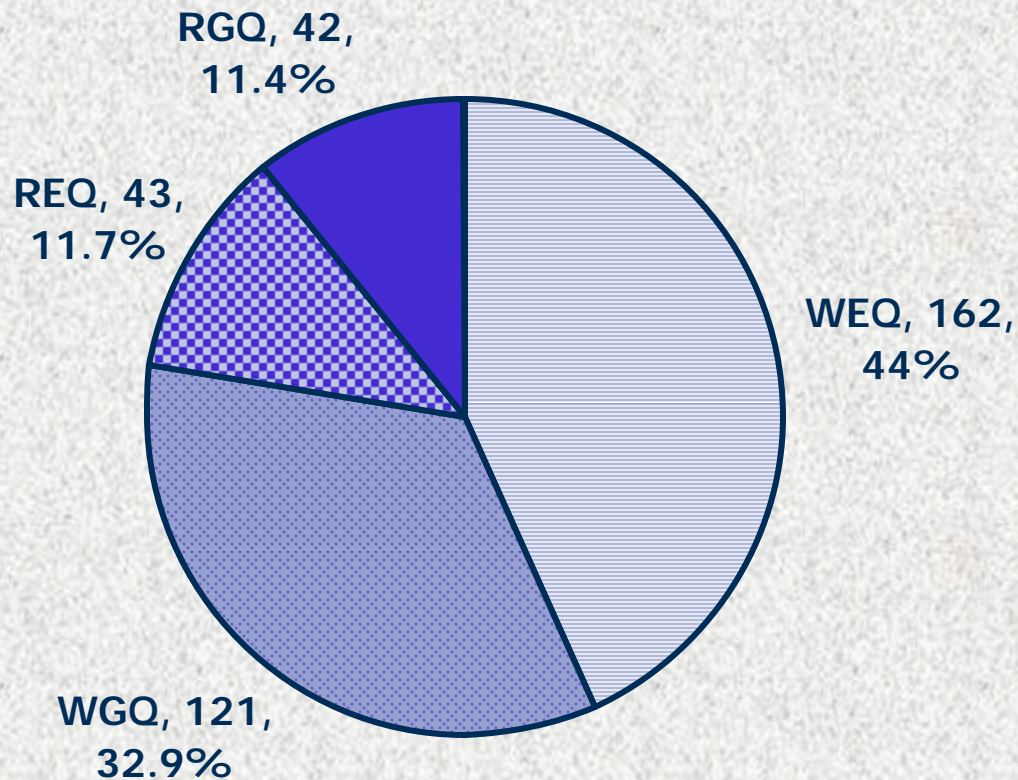
Retail Electric – 4 Segments

1. End Users
2. Distributors
3. Service Providers
4. Suppliers



NAESB

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**Membership
Profile 2003**

**Total
Membership
368**

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Activities Underway

Action on the 2003 Annual Plans

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Activities Underway – 2003 WEQ Annual Plan Items

- ❖ **Develop business practices standards as needed to complement reliability standards**
 - ❖ **Coordinate Interchange**
 - ❖ **Coordinate Operations**
 - ❖ **Operate within Limits**
 - ❖ **Public Key Infrastructure**
 - ❖ **Balance Resources and Demand**
 - ❖ **Determine Facility Ratings and Operating Limits**

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Activities Underway – 2003 WEQ Annual Plan

- ❖ **Develop business practices standards for OASIS and Electronic Scheduling**
 - ❖ Working with OSC on transition to NAESB
 - ❖ Provided Structure for Electronic Scheduling transition, however, they have not determined whether to transition
 - ❖ For the OSC – reviewing Oasis 1A enhancements to prepare work plan, will consider Oasis 2

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Activities Underway – 2003 WEQ Annual Plan

- ❖ **Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market**
 - ❖ **Seams Catalog Development Underway**
 - ❖ **Inadvertent Interchange Payback**

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Activities Underway – 2003 WEQ Annual Plan

- ❖ **Complete, Dormant or Inactive**
 - ❖ **Develop business practices standards in Support of a Standard Market**
 - ❖ **No FERC Orders at this time that would require NAESB actions**
 - ❖ **Develop standardized contracts**
 - ❖ **Funds Transfer Agent Agreement Completed**
 - ❖ **Other contracts standards activities deferred**
 - ❖ **Outstanding request to develop Purchase/Sales agreement based on EEI**

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Activities Underway – 2003 RGQ and REQ Annual Plans

- ❖ Plans are being carried out jointly as much as possible
- ❖ Similar subcommittee structures
- ❖ Subcommittees meeting jointly
- ❖ Foundation for efforts -- Coalition for Uniform Business Rules Report
- ❖ Concentration on Supplier-Utility Information, Customer Processes, and Technical Electronic Interfaces efforts

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Activities Underway – 2003 RGQ and REQ Annual Plans

- ❖ **Creditworthiness Standards are drafted and out for industry comment**
- ❖ **Billing and Payment Standards to follow before the end of the year**
- ❖ **Existing technology standards developed for Wholesale Gas are being analyzed for applicability to the retail quadrants**
- ❖ **The Retail Gas Quadrant is also building a inventory of information on gas business practices that can be applied as standards are being developed.**

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Activities Underway – 2003 WGQ Annual Plans

- ❖ **Completion of Standards for FERC Order 587-N – capacity recall standards**
- ❖ **Completion of Creditworthiness Standards**
- ❖ **Credit Annex for the Gas contract underway**
- ❖ **General maintenance of implementation standards and technical standards continuing**
- ❖ **Completion of self-training program for the Funds Transfer Agent Agreement available on CD-rom**

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Activities Underway

Development of the 2004 Annual Plans

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Activities Underway – 2004 Annual Plans

- ❖ **Wholesale Electric Quadrant**
 - ❖ **Continued work with NERC on complementary standards**
 - ❖ **Development of standards to support OASIS type activities**
 - ❖ **Possible seams standards development activities**
 - ❖ **Cyber-security standards**
 - ❖ **Possible contracts standards as requested**

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Activities Underway – 2004 Annual Plans

- ❖ **Wholesale Gas Quadrant**
 - ❖ **Contracts activities such as ISDA review**
 - ❖ **Maintenance of existing standards**
 - ❖ **Work with the Department of Energy**
 - ❖ **Review and Update of Technology Standards**

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Activities Underway – 2004 Annual Plans

- ❖ **Retail Quadrants**
 - ❖ **Customer Enrollment and Switching**
 - ❖ **Supplier Licensing**
 - ❖ **Retail Meter Data Validation**
 - ❖ **Customer Information**
 - ❖ **Technical Implementation Standards to support above activities**

Liaisons, Liaisons, Liaisons

Coordination Efforts With Other Groups

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Coordination Efforts with Other Groups

- ❖ **NERC :**
 - ❖ *Transition Development Team, Standards Drafting Teams, Market Committee*

- ❖ **Oasis Standards Collaborative:**
 - ❖ *Has merged with WEQ Information Technology Subcommittee*

- ❖ **Electronic Scheduling Collaborative:**
 - ❖ *NAESB has created similar subcommittee structure*
 - ❖ *ESC has not decided on whether to work within NAESB*

- ❖ **Outreach to RTOs, Control Areas**

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Coordination Efforts with Other Groups

- ❖ **Work with the Department of Energy on training programs and audit of technical standards**
- ❖ **Work with ANSI on key committees such as the Patents Committee, Homeland Security Committee and Standards Organization Council**
- ❖ **Work with state regulators on monthly update calls**

Last 12 months in Summary

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The Last 12 months in Summary

- ❖ **We have gone through quite a few growing pains organizationally this year, and while doing so, we also:**
 - ❖ **Undertook some very controversial work – creditworthiness, capacity recall standards for the wholesale gas quadrant along with enhancements to the contracts**
 - ❖ **Became effective within the retail quadrants at working together to produce model business practices for credit worthiness, billing and payments, and technical implementation standards**
 - ❖ **Began developing business practice standards complementary to NERC's reliability standards and laying groundwork for possible seams standards development**

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The Last 12 months in Summary

- ❖ **At the same time, we also worked with other groups, recognizing the need for industry-wide coordination to avoid inefficiencies and duplication:**
 - ❖ **By working with NERC and the ISO-RTO Council to develop a MOU, which has been very successful providing formal communication and interaction among the three groups**
 - ❖ **By working with NERC to provide additional interaction at the various levels of standards development both the NERC and NAESB organizations**
 - ❖ **By providing monthly open dialogs with state commission staff on our activities to gain their perspectives and provide them with progress reports on our activities.**

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The Last 12 months in Summary

❖ As you can see:

- ❖ **NAESB, a new organization with barely a year of operation under its belt, has been active in some very controversial areas and is on the road to accomplishing a number of major standards initiatives**
- ❖ **We could not have done that without the commitments of volunteers such as yourselves and the support of state and federal agencies and industry associations**
- ❖ **Next year shows no indications of slowing down!**