



North American Energy Standards Board

Standards Development Process

North American Energy Standards Board

Process For Standards Development

- ❖ Focused on Common Business Practices and Technical Guidelines
- ❖ Broadly Endorsed by the Industry
- ❖ That Provide Conformity
- ❖ Which Yield More Efficient and Effective Transactional Processes

North American Energy Standards Board

Process For Standards Development

❖ Standards Development Process

- ❖ The process begins with a request - which can come from a member, an interested industry participant, a government agency or commission, an ISO or RTO, or a NAESB subcommittee or it can be an annual plan item approved by the Board of Directors.
- ❖ The process followed is ANSI accredited -- ANSI accredits organizations as Standards Development Organizations ("SDO") based on their adherence to ANSI's cardinal principles of standards-setting.
- ❖ The process is open and any interested party can participate and contribute to the standards development regardless of membership in NAESB.

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❖ ANSI Principles of Standards Development

- ❖ Open. Any materially affected and interested party has the ability to participate.
- ❖ Balance and Lack of Dominance. The consensus body shall be balanced and shall not be dominated by any single interest category or organization.
- ❖ Due Process. All objections shall have an attempt made towards their resolution. Interests who believe they have been treated unfairly shall have a right to appeal.
- ❖ Consensus. More than a majority but not necessarily unanimity.
- ❖ Voluntary. Standards are not binding unless adopted by a governmental entity as part of a code or set of regulations.

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❖ Voluntary Standards

- ❖ From the organization's perspective, all standards are voluntary and may be provided to regulatory agencies as status reports as they are published.
- ❖ Regulatory agencies may choose to adopt standards or model business practices, but NAESB will not advocate such action.
- ❖ The organization will not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- ❖ The organization will not advocate before any regulatory body.

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❖ Relationship of NAESB Standards and Model Business Practices to Policy

- ❖ NAESB does not set policy.
- ❖ We defer to state and federal agencies in determining policy.
- ❖ Our work products are intended to focus on the implementation of policy decisions by providing a road map for the interactions between the various parties.
- ❖ Our standards and model business practices recommend practices for alternative regulatory models but leave the decision as to the appropriate policy or model to the regulators.

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❖ Scope of work that we can undertake to develop standards and model business practices

❖ NAESB's scope is cited in the NAESB Certificate (Article 2, section 1):

❖ "The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange ("EDI") record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries."

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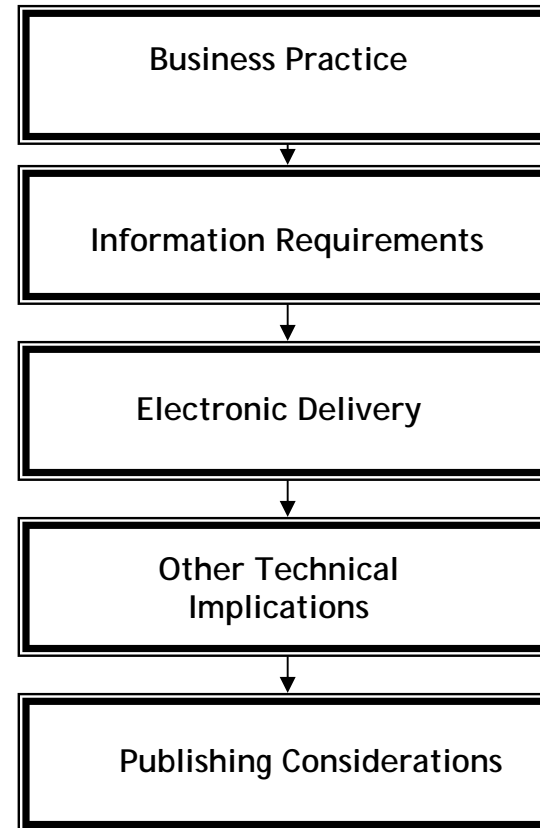
How do the members create the standards?

- ❖ We average 30-35 meetings or calls per month
- ❖ We average more than 450 participants by phone per month
- ❖ We offer web casting to assist in the conference calls
- ❖ All participants, regardless of NAESB membership status, are welcomed to the meetings and subcommittee efforts

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**Full
Staffing**



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Process For Standards Development

- ❖ Standards development based on an Annual Plan
- ❖ Balanced voting structure at EC and subcommittees
- ❖ Multiple opportunities for involvement and comment
- ❖ Defined process for standards development with several tiers of voting to ensure broad based support

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Voting Rules

- ❖ Business subcommittees utilize a "balanced" segment voting process to forward recommendations on standards development
- ❖ Voters are not required to be members in subcommittees
- ❖ Executive Committee approval requires a "super-majority"
- ❖ Membership ultimately ratifies all standards development

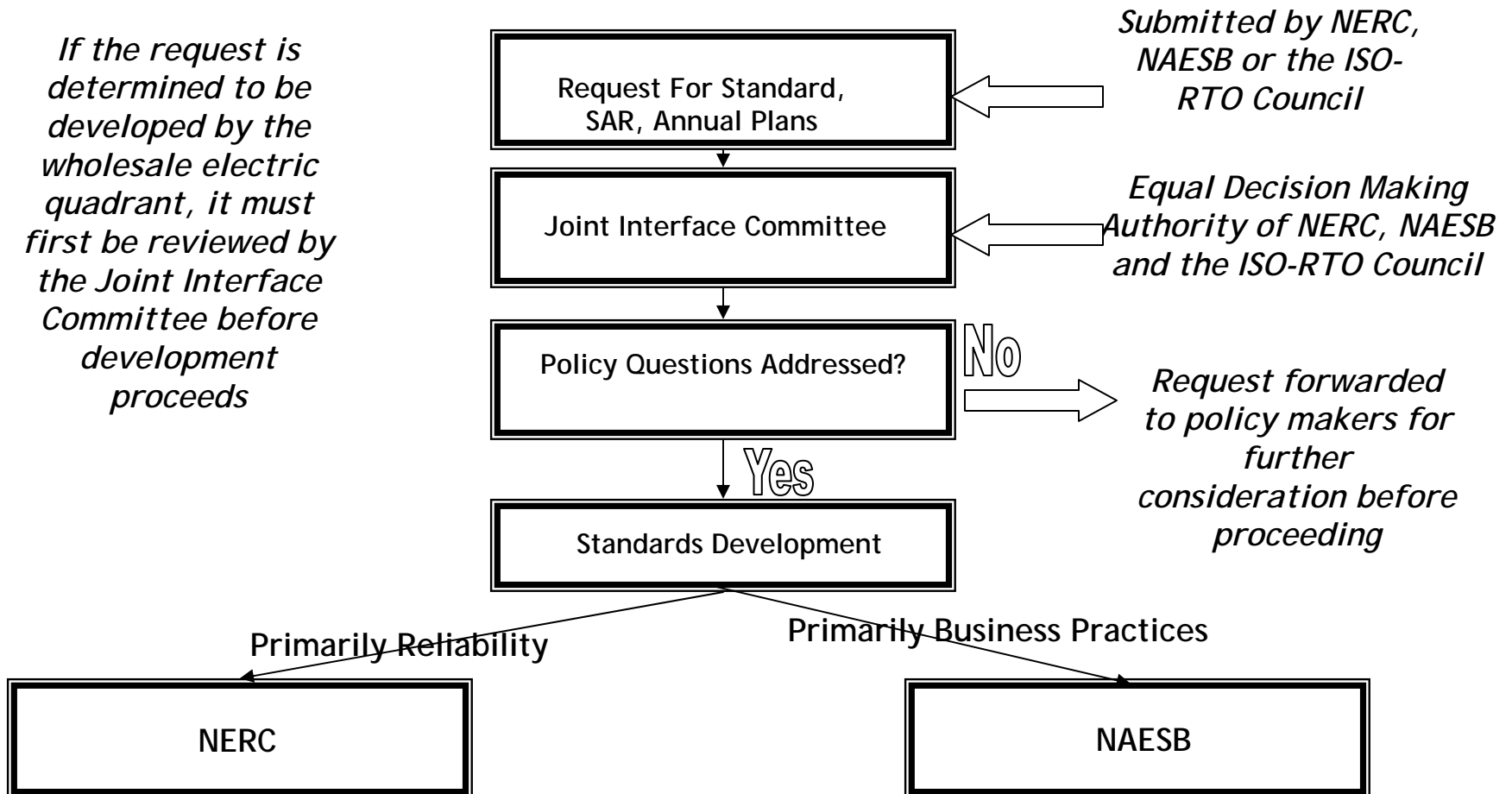
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Board of Directors -- (governance)	75% of each quadrant 40% of each segment
Executive Committee -- (standards)	67% of each quadrant 40% of each segment
Subcommittees -- (proposed standards)	50% Balanced Across Segments of each quadrant balanced voting in the segments**

** Each segment has up to two votes apportioned equally over those segment attendees present; one company - one vote

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❖ Other Actions

- ❖ Minor Corrections
- ❖ Models
- ❖ Interpretations
- ❖ Standards Manual Text - Illustrations, Business Process descriptions



North American Energy Standards Board NAESB Efforts - Interactions with FERC

Interactions with FERC

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NAESB Efforts - Interactions with FERC

NAESB Filing of standards with FERC

- ❖ All wholesale electric and wholesale gas standards that are federally jurisdictional are filed with the FERC
- ❖ The standards themselves and any standards that failed to pass due to a segment vote failure are forwarded
- ❖ The NAESB record of minutes, work papers, voting, comments related to the standards are forwarded, including all minority positions noted in comments
- ❖ Related transcripts are made available to FERC and can be purchased by any other interested party
- ❖ Any regulatory agency can request access to or copies of NAESB standards



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How to Contact NAESB

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How to Participate

- ❖ Join the distribution lists on the NAESB Web Site : www.naesb.org
- ❖ All meetings are open and accessible via telephone
- ❖ All materials are posted on the NAESB web site
- ❖ Your comments are welcome and will be posted on any NAESB standards issues
- ❖ If you are not a member, but are interested in membership, please call the NAESB Office: 713-356-0060

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Web Site Information and Contacts

- ❖ Web Site : www.naesb.org
 - ❖ Quadrant Procedures, Bylaws, Certificate for NAESB
 - ❖ Calendar of Meetings, Agendas, Work Papers, Comments
 - ❖ Board minutes, EC Minutes, How to order Transcripts
 - ❖ Standards and Related Work Products
 - ❖ Membership Information
- ❖ Contact Information
 - ❖ Phone - 713-356-0060
 - ❖ Fax - 713-356-0067
 - ❖ Email - naesb@naesb.org
 - ❖ For further information on the organization, please contact Veronica Thomason (713-356-0060, naesb@naesb.org)

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How To Monitor Activities

- ✓ **Monthly Update Calls:**
http://www.naesb.org/monthly_update.asp

- ✓ **Review updated annual plans quarterly:**
<http://www.naesb.org/materials/gov.asp>

- ✓ **Review Board minutes quarterly:**
http://www.naesb.org/weq/weq_bod.asp

- ✓ **Sign up for email distribution notices on subcommittees of interest:**
http://www.naesb.org/listserv/mail/mail_register.cfm

- ✓ **Call NAESB office (713-356-0060, naesb@naesb.org)**