



NORTH AMERICAN ENERGY STANDARDS BOARD

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NAESB TO BEGIN DEVELOPING STANDARDS TO SUPPORT ENHANCED NATURAL GAS NOMINATIONS TIMELINE

In a NAESB Board of Directors meeting last week, the board members approved modifications to the annual plan¹ which detail changes to the NAESB standards in support of an enhanced natural gas nominations timeline. The modifications direct the wholesale gas members to modify standards to support a nomination timeline with an additional intraday nomination cycle and modifications to the timely and evening nominations cycles. References in the standards to a specific start time for the gas day would be removed.

This direction comes at the conclusion of the NAESB Gas-Electric Harmonization Forum, in which the enhanced timeline itself was defined. While the nominations timeline did not receive the requisite votes needed for a super-majority affirmative vote from the forum, the Board of Directors determined that forwarding the timeline while being silent on the start of the gas day would continue the process, and allow the subcommittees and Executive Committee to develop the standards and the voting record. The development work is now underway by the Wholesale Gas Quadrant Business Practices Subcommittee. Participation by any interested party is encouraged by NAESB, regardless of membership in the organization.

All of the work underway is in response to the Federal Energy Regulatory Commission (FERC or Commission) Notice² of Proposed Rulemaking, Docket No. RM14-2-000, "Coordination of the scheduling processes of the interstate natural gas pipelines and public utilities." NAESB is on schedule³ to either complete the standards and provide them to the Commission in late September, or inform the Commission that a consensus could not be met.

"The actions taken by the NAESB Board of Directors demonstrate the organization's commitment to support the Commission's objectives," Mr. Michael Desselle, Chairman of the NAESB Board of Directors, stated. He added that "the process now moves to the subcommittees to develop the standards and ascertain whether the industry can support the changes through our balanced voting process."

Ms. Valerie Crockett who previously co-chaired the 2012 effort to identify the gas-electric market harmonization (GEH) issues,⁴ and is an officer of the NAESB Board of Directors, said "This is a challenging but crucial task for the industry as we move into a future of increasing dependence on natural gas – and particularly by power generators. We appreciate the Commission's leadership in initiating our efforts, the forum's efforts in defining areas

¹ The WGQ Annual Plan can be accessed from the NAESB web site (http://www.naesb.org/pdf4/wgq_2014_annual_plan.docx) and the new item added is item 11(c).

² FERC Notice of Proposed Rulemaking, *Coordination of the Scheduling Process of Interstate Natural Gas Pipelines and Public Utilities*, 146 FERC ¶ 61,201 (2014) (NOPR) Available at: <http://www.ferc.gov/whats-new/comm-meet/2014/032014/M-1.pdf>.

³ The schedule for NAESB development specific to natural gas-electric harmonization can be found at http://www.naesb.org/pdf4/geh_timeline.pdf.

⁴ The NAESB Gas-Electric Harmonization Committee Report is posted on the NAESB web site and can be accessed from the following link: <http://www.naesb.org/pdf4/bd092012a1.pdf>. It was prepared in response to National Petroleum Council 2011 report, *Prudent Development: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources*.



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of commonality, and many of us will now be rolling up our sleeves to work with the various subcommittees on the development of standards.”

Dr. Susan Tierney, who participated in the creation of the National Petroleum Council report that served as a foundation for the NAESB GEH report, noted “As we move into the next stage, the board has provided boundaries that will guide the standards development, and the forum played an invaluable role in the definition of those boundaries.”

Both Ms. Crockett and Dr. Tierney co-chaired the NAESB industry forum. Any party interested in participating in the standards development activities should contact the NAESB office (naesb@naesb.org).

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 over 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, contact Denise Rager (drager@naesb.org) or call 713-356-0060.