



NORTH AMERICAN ENERGY STANDARDS BOARD

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October 26, 2016
Via post and email

The Honorable Norman C. Bay
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: Progress on the development of NAESB Gas-Electric Coordination Standards

Dear Mr. Chairman,

Thank you for your recent correspondence¹ specific to the natural gas-electric market interdependencies and efforts underway by NAESB to develop standards per Order No. 809.² The standards development currently underway by NAESB was either defined through the Gas-Electric Forum meetings and approved by our Board of Directors, or was defined through standards development requests provided by participants of the Gas-Electric Forum, and also approved by our Board of Directors through placement on the NAESB annual plans.³ A status report on the standards development effort was submitted to the Commission on October 17.⁴

Your candor and forthrightness in assessing our progress and our focus is very helpful as we go forward. On the progress of our currently defined efforts, we share your view of the importance and urgency. Indeed, the subcommittee leadership responsible for the development of these standards is working diligently to meet a March 2017 completion on all standards development cited in the status report.

The focus of our efforts –

developing business practices as needed to support (a) terminology and communication protocols, (b) efficiency of critical information sharing, and (c) multiple confirmation methods along with support for levels of confirmations; and as related to the submitted requests for (d) special efforts scheduling services, (e) updating the data requirements for nominations, and (f) adding the ability to support an optional service for nominations with hourly quantities

- is underway and is organized as described in the status report for streamlined development. Moreover, the subcommittee leadership also supports adding a provisional item to our annual plans, should efforts or requests

¹ The October 18, 2016 Correspondence from Chairman Bay is available at the following link: https://www.naesb.org/pdf4/101816_ferc_chairman_bay_letter_re_order809_naesb.pdf.

² *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, 80 Fed. Reg. 23,198 (Apr. 24, 2015), FERC Stats. & Regs. ¶ 31,368 (2015) (cross-referenced at 151 FERC ¶ 61,049 (2015)), *order on clarification*, 152 FERC ¶ 61,095, *order on reh'g*, 152 FERC ¶ 61,212 (2015) (finding "it reasonable for the industry to begin considering [computerized scheduling] standards and to submit standards or a report on the development of such standards by October 17, 2016"), *order on clarification*, 153 FERC ¶ 61,049 (2015).

³ The NAESB 2016 WGQ Annual Plan Item, as adopted by the Board of Directors on September 1, 2016, is available at the following link: http://www.naesb.org/pdf4/wgq_2016_annual_plan.docx. The NAESB 2016 WEQ Annual Plan, as adopted by the NAESB Board of Directors on September 1, 2016, is available at the following link: http://www.naesb.org/pdf4/weq_2016_annual_plan.docx.

⁴ The October 17, 2016 NAESB Status Report for Submittal to the Commission Concerning FERC Order No. 809 is available at the following link: https://www.naesb.org/pdf4/ferc101716_naesb_order809_status_report.pdf.



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emerge that would indicate additional development per your correspondence. Both the leadership of the Business Practices Subcommittee and the leadership of the Executive Committee are committed to completing the standards in the first quarter 2017, and gas-electric coordination standards development is a key priority of the Executive Committee for wholesale natural gas issues.

We are appreciative of the time you have taken to provide us with guidance as we develop these standards, and the confidence you and the Commission have shown to us over the years. We look forward to completing these standards by March 2017.

With Best Regards,

Rae McQuade, President, NAESB

cc via email: Jamie L. Simler, Federal Energy Regulatory Commission

Jonathan Booe, Executive Vice President, NAESB
Cade Burks, Big Data Energy Services and Chairman, NAESB
Valerie Crockett, Tennessee Valley Authority and Wholesale Gas Vice Chairman, NAESB
Michael Desselle, Southwest Power Pool and Wholesale Electric Vice Chairman, NAESB