



## NORTH AMERICAN ENERGY STANDARDS BOARD

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### NAESB BOARD OF DIRECTORS APPROVES INAUGURAL REPORT ON THE DIGITALIZATION OF THE ENERGY INDUSTRY

During its September meeting, the NAESB Board of Directors adopted an inaugural report developed by the NAESB Digital Committee concerning the digital transformation taking place in the energy industry. The Digital Committee, established by Michael Desselle, Chair of the NAESB Board of Directors, in the Spring of 2019, was tasked with providing guidance to the board by evaluating new digital technologies being deployed by energy market participants to determine whether standardization in support of certain technologies would benefit the industry. Through a series of meetings spanning 2019 and 2020, the committee identified and discussed the potential impacts that new digital technologies are having on the wide variety of market transactions that are currently addressed through NAESB standards or may be in the future. These technologies have been credited with lowering the cost of data collection, storage and processing and are enabling advanced analytics to drive better performance, increase productivity and support better strategic decision making. The report developed by the Committee identified ten technologies or areas that are advancing digitalization in the industry or will be impacted by the transition to increasingly digitalized transactions and summarized the information gathered through the committee meetings and surveys distributed to the NAESB Board of Directors and Advisory Council. Based upon the report's findings, the NAESB Board of Directors has determined that the organization should continue its focus on standards development to support distributed ledger technologies and more generally, cybersecurity.

Pat Wood III, former Chairman of the Federal Energy Regulatory Commission, Public Utility Commission of Texas and member of the NAESB Digital Committee, stated that "NAESB (and its predecessor GISB) has played such a significant role in bringing significant customer value to energy markets through basic standardization of market transactions. The collaborative cross-industry process that is a hallmark of NAESB will be of paramount importance to all of us as we speed into a much more digital future. This report's early identification of actionable areas will help guide our future and ensure our continental energy markets remain a global success."

Sue Tierney, also a member of the NAESB Digital Committee and former Assistant Secretary for Policy at the US Department of Energy and former Commissioner for the Massachusetts Department of Public Utilities, said that she "commended NAESB leadership and staff for taking this important step to understand the new realities of digital technologies and work with the industries to identify how standardization of practices could benefit market participants and their customers."

Moving forward, the NAESB Digital Committee will continue to meet to further explore new technologies and areas related to digital technology to ensure that the NAESB Board of Directors remains informed and ready to support the transition to more digitalized energy markets. The report and a cover letter drafted by Chairman Desselle and Bruce Ellsworth, Chair of the NAESB Advisory Council, can be found on the NAESB website through the following hyperlink: [https://www.naesb.org/misc/naesb\\_digital\\_report\\_090320.pdf](https://www.naesb.org/misc/naesb_digital_report_090320.pdf)

For more information, please contact Jonathan Booe, NAESB Executive Vice President and Chief Administrative Officer, (713) 356-0060.

*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 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](http://www.naesb.org).*