Agenda Item \_\_\_ on NAESB Board of Director’s Meeting scheduled for September 3, 2020.

Background:

Cheniere’s NAESB WGQ Request R19014 (R19014) was submitted on December 9, 2019. R19014 was reviewed by the full Triage Committee meeting on January 31, 2020 and sent to WGQ Executive Committee for review and vote. On February 20, 2020, WGQ Executive Committee discussed R19014 and found R19014 out of scope. R19014 is before the Board of Directors for review and vote on whether R19014 is within scope of NAESB WGQ standards development process.

Joint WGQ and WEQ Cooperation on NAESB R19014

Since the initial submittal of R19014, Cheniere has received requests for a joint WGQ/WEQ effort on R19014. The requesters believe the proposed nomination/scheduling standard will benefit both WGQ shippers and WEQ shippers to supply natural gas facilities. The WEQ members are representatives of electric generation facilities, end-users, marketer/brokers, and technology/services segments. The parties agree the proposed standard would bring greater transparency and predictability for firm contract holders and reduce the risk for market manipulation during the nomination and scheduling processes.

In March 2020, NERC issued *Reliability Guideline; Fuel Assurance and Fuel-Related Reliability Risk Analysis for the Bulk Power System* (Guideline). Under the Guideline, fuel assurance is defined as:

*“proactively taking steps to identify fuel arrangements or other alternatives that would provide confidence such that fuel interruptions are minimized to maintain reliable BPS performance during both normal operations and credible disruptive events “*

Several WEQ members believe Cheniere’s proposed nomination and scheduling standard falls within one of the Guideline’s proactive steps to minimize fuel interruptions during credible disruptive events. Further, as demonstrated by NAESB past efforts under Gas-Electric Harmonization, members of the WGQ could work together with members of the WEQ to develop this new nomination and scheduling standard.

Cheniere and certain WEQ members now propose the NAESB Board of Directors vote and find NAESB Request R19014 is within the scope of NAESB to be developed under a joint effort of the WGQ and WEQ with a high priority.

Cheniere and WEQ members supporting this joint effort are ready to respond to questions.