**via posting**

**TO:** NAESB Board Strategic Plan Task Force Members and Interested Industry Parties

**FROM:** Elizabeth Mallett, Director Wholesale Gas and Retail Markets Quadrants

**RE:** Meeting Notes from theNAESB Board Strategy Committee Conference Call – December 6, 2023

**DATE:** December 7, 2023

Dear Board Strategy Committee Members,

A Board Strategy Committee conference call was held on Wednesday, December 6, 2023. The meeting was called to order at 2:00 PM Central. Mr. Desselle presided over the meeting. The notes and attachments below serve as a record for the meeting.

| **Notes from December 6, 2023 NAESB Board Strategy Committee Conference Call** |
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| **Administrative** | Mr. Desselle opened the meeting and welcomed the participants. He reminded the participants that the [NAESB Antitrust and Other Meeting Policies](http://www.naesb.org/misc/antitrust_guidance.doc) were in effect. Mr. Desselle reviewed the [draft agenda](https://naesb.org/pdf4/bd_strategy_120623a.docx) and the [meeting notes from November 29, 2023](https://naesb.org/pdf4/bd_strategy_112922mn.docx) with the participants. Ms. Crockett, seconded by Mr. Burks, moved to adopt the agenda and the meeting minutes as final. The motion passed without opposition. |
| **Review Proposed NAESB Strategic Plan 2023-2025** | Mr. Booe stated the Board Strategy Committee members were provided with several weeks to comment on the [NAESB Strategic Plan 2023-2025](https://www.naesb.org/misc/strategic_plan_2023_2025_draft.docx). He explained that there are no substantive changes in the redlined document, just revisions for cleanup. Mr. Desselle stated his support for the adoption of the new plan with the caveat that NAESB remain cognizant of ongoing major industry changes that may impact how NAESB supports the industry. He noted that discussing these changes and ways that NAESB could respond may be more valuable than issuing the bi-annual standards development survey. He noted that the changes in each of the recent quadrant publications were more maintenance focused than previous versions in both the wholesale gas and electric quadrants. He noted that the wholesale electric and retail markets quadrants will spend significant effort considering standards that support distributed energy resources, and that the upcoming gas-electric market coordination work will also keep all three quadrants busy at the beginning of the year. He stated that the natural gas industries focus on greenhouse gas emissions and may present an opportunity for NAESB. Mr. Desselle stated that, in the past, Mr. Booe has reported on the incorporation by reference process that is used by federal agencies, such as FERC, to adopt standards. He stated that the process may be in jeopardy of no longer being legally supported and that may impact the NAESB business model, requiring new strategies for the organization. Mr. Desselle asked for any comments or questions. None were offered. Mr. Burks moved to adopt the NAESB Strategic Plan 2023-2025 with stated caveat from Mr. Desselle. Ms. Crockett seconded the motion. The motion passed a simple majority vote without opposition.Ms. Crockett stated that Mr. Desselle’s points regarding the changing industry and the threats to the incorporation by reference process are valid concerns and suggested that NAESB may be benefit from examining a funding structure similar to that of NERC. Mr. Desselle agreed. Mr. Thorn stated that there are two sides to the coin. NAESB focuses on services to members, but with all of the industry changes, NAESB could also provide services to regulators to implement and monitor activities and ensure their goals are met. He stated that there is a need for measurement and verification standards to support greenhouse gas emissions, especially with the COP28 and recent Environmental Protection Agency (EPA) efforts. Mr. Booe suggested that several meetings be scheduled next year to discuss the stated concerns. Mr. Desselle supported scheduling additional Board Strategy Committee meetings and will work with Mr. Booe to finalize the dates.Mr. Booe explained that a recent court decision may significantly threaten the incorporation by reference process utilized by federal agencies to adopt voluntarily developed industry standards. He stated that a party in the case infringed upon the copyrighted works of several standards development organizations and was able to successfully assert the defense of fair use. Mr. Booe stated that NAESB has been working with the American National Standards Institute (ANSI) to monitor the litigation activities and that there is proposed legislation to protect the business model of NAESB and similarly-situated standards development organizations. Mr. Connor stated that the main driver of NAESB membership is that the standards will become a part of pipeline tariffs. Ms. McQuade stated that the sales of standards is a small piece of the revenue and that drives the membership, and that membership currently support the revenue model. She explained that a settlement was just announced between a large Canadian AI group and owners of copyrighted materials that may impact the court decision referenced by Mr. Booe. Mr. Thorn asked whether there is a legal basis to overturn the decision or an amendment to legislation could be made. Mr. Booe noted that NAESB is monitoring the proposed Pro Codes Act through its participation in ANSI. |
| **Review Proposed 2024 Quadrant Annual Plans** | Mr. Booe reviewed the 2024 quadrant annual plans with the participants. He also noted that Ms. Trum will publish an article in Climate and Energy that provides an overview of the 2024 standards development activities within NAESB and specifically focuses on the upcoming distributed energy resources (DERs) activities. Mr. Sappenfield stated that additional revisions may be proposed to the 2024 WGQ Annual Plan to update the Renewable Natural Gas Addendum as a result of the EPA changes to the characterization of Renewable Identification Numbers (RINS). Additionally, revisions to the NAESB Certified Gas Addendum may be necessary in light of European regulations regarding the methane intensity of LNG imports and the fact that states are evaluating certified natural gas requirements as part of LDC portfolios. Mr. Booe stated that he would work offline with Mr. Sappenfield to develop the proposed language for the annual plans to be presented to the Board of Directors. Mr. Booe stated that a [work paper](https://naesb.org/pdf4/bd121423w1.docx)  from Mr. Desselle was sent out before the meeting proposing revisions to the annual plans to support the GEH activities. Mr. Booe reviewed the WEQ and WGQ provisional items in response to the FERC Winter Storm Elliott presentation. He stated that, on November 8th, FERC and NERC released the final report on Winter Storm Elliott and requested that NAESB take action to identify improvements in communication during extreme cold weather events to enhance situational awareness. The Report included a second quarter 2024 deadline for the activity. Mr. Booe noted that Mr. Deselle previously sent a [November correspondence to the industry](https://naesb.org/pdf4/md_correspondence_110823.docx) recommending that the Board of Directors move the provisional items included in the proposed 2024 quadrant annual plans developed by the Executive Committees in anticipation of the report to an active status. Mr. Booe explained that in the December correspondence, Mr. Desselle proposed that additional language sourced from the report be included in the annual plan items to provide direction to the Executive Committees. Mr. Booe stated that the effort was clearly identified by FERC and NERC staffs as one that should span all of the NAESB quadrants, so the annual plan items are proposed to be jointly assigned to the Business Practice Subcommittees of each quadrant with a review of the previous Gas Electric Coordination Standards to determine if they can be expanded to support the request from the Winter Storm Elliott Report. Mr. Desselle stated that he would entertain a motion that the Board Strategy Committee endorse the quadrant annual plans as circulated with the caveat that the RNG and CG items will be added to the WGQ Annual Plan. Mr. Burks made the motion. Ms. Crockett seconded the motion which passed a simple majority vote without opposition.Mr. Desselle stated that he would also entertain a motion that the Board Strategy Committee endorse moving the provisional items in all three annual plans to the active plans, as described in his November and December correspondence. Ms. Crockett made the motion and Mr. Burks seconded. Mr. Desselle asked for any opposition to the motion. None was offered. The motion passed a simple majority vote. Mr. Desselle stated that the revised proposed 2024 quadrant annual plans will be presented to the Board of Directors during the December 14th meeting. |
| **Other Business and Action Items** | Mr. Booe and Mr. Sappenfield will develop language revising the proposed 2024 WGQ Annual Plan revisions. Mr. Booe will also work with Mr. Desselle to schedule the next Board Strategy Committee meeting.  |
| **Adjourn** | The meeting adjourned on a motion made by Mr. Thorn at 2:37 PM Central. |
| **Work Papers Provided for the Meeting:** | * **Agenda Item 1**: Antitrust Guidance: <http://www.naesb.org/misc/antitrust_guidance.doc> (antitrust), <https://naesb.org/pdf4/board_strategic_plan_taskforce_members.pdf> (roster), <http://www.naesb.org/pdf4/bd_strategy_120623a.docx> (agenda), <https://naesb.org/pdf4/bd_strategy_112922mn.docx> (notes)
* **Agenda Item 2**: NAESB Strategic Plan 2023-2025: <https://www.naesb.org/misc/strategic_plan_2023_2025_draft.docx>
* **Agenda Item 3:** Proposed 2022 Quadrant Annual Plans: <https://www.naesb.org/pdf4/weq_ec102523a4.docx> (Proposed WEQ AP); <https://www.naesb.org/pdf4/rmq_ec102623a3.docx> (Proposed RMQ AP); <https://www.naesb.org/pdf4/wgq_ec102623a2.docx> (Proposed WGQ AP)
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| **December 6, 2023 NAESB Board Strategy Committee Conference Call****BOARD STRATEGY COMMITTEE MEMBERS** |
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| **Name** | **Organization**  | **Attendance** |
| J. Cade Burks | Big Data Energy Services | Present |
| Valerie Crockett | Tennessee Valley Authority | Present |
| David Darnell | Systrends, USA | Present |
| Michael Desselle (Chairman) | Southwest Power Pool | Present |
| Mark G. Lauby | North American Electric Reliability Corporation |  |
| Debbie McKeever | Oncor Electric Delivery Company LLC | Present |
| Timothy Alan Simon | TAS Strategies |  |
| Terence (Terry) Thorn | KEMA Gas Consulting | Present |
| Sue Tierney | Analysis Group, Inc. |  |
| **OTHER ATTENDEES** |
| **Name** | **Organization**  |
| Jonathan Booe | North American Energy Standards Board |
| Joseph Ciabattoni | PJM Interconnection |
| Pete Connor | rep. American Gas Association |
| Robert DeMelo  | Seminole Electric Cooperative, Inc.  |
| John Fitzgerald | Tennessee Valley Authority |
| Howard Gugel | North American Electric Reliability Corporation |
| Elizabeth Mallett | North American Energy Standards Board |
| Steve McCord | TC Energy Corporation |
| Rae McQuade | North American Energy Standards Board |
| Joshua Phillips | Southwest Power Pool |
| Keith Sappenfield | Cheniere Corpus Christi Liquefaction |
| Sarah Stabley  | Duke Energy |
| Caroline Trum | North American Energy Standards Board |
| Kimberly Van Pelt | Boardwalk Pipelines |