March 25, 2015
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20426

RE: Parallel Flow Visualization Project Status (Docket No. EL14-82-000)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") voluntarily submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") to provide the Commission with an update on the Parallel Flow Visualization ("PFV") project. This report is being filed to inform the Commission of significant progress within NAESB regarding the PFV project. As described in previous reports, the project is an industry-driven, coordinated effort by NAESB, the North American Electric Reliability Corporation ("NERC") and the Interchange Distribution Calculator Association ("IDC Association") to improve the congestion management process within the Eastern Interconnection by increasing the reliability coordinator’s real-time visibility of the source and magnitude of parallel flows in the bulk electric system. Recently, the NAESB Wholesale Electric Quadrant ("WEQ") Executive Committee approved a recommendation for PFV-related modifications to the NAESB WEQ Business Practice Standards and voted to initiate the full-staffing process through a field trial. At the conclusion of the field trial and full-staffing period, the standards will be provided to the Commission.

This report was drafted with the support of NERC and the IDC Association to provide the Commission with (a) information regarding recent action by the NAESB Wholesale Electric Quadrant Executive Committee, (b) an overview of the approved NAESB WEQ Business Practice Standards, and (c) to communicate the next steps in the full-staffing process, including the administration of a PFV field trial to test the standards prior to their finalization. The information in this report supplements earlier status reports filed by NAESB on July 11, 2014 and January 28, 2015. As indicated in these status reports, NAESB will continue to file periodic status reports with the Commission throughout the project to inform the Commission on the progress of the full-staffing period and any additional PFV-related standards development efforts. Upon completion of the field test and ratification of the standards, NAESB will file a report with the Commission containing the final version of the NAESB WEQ Business Practice Standards for the PFV effort.

Respectfully submitted,

Jonathan Booe

Mr. Jonathan Booe
Vice President, North American Energy Standards Board
cc: Chairman, Cheryl LaFleur, Federal Energy Regulatory Commission
Commissioner, Norman C. Bay, Federal Energy Regulatory Commission
Commissioner, Tony Clark, Federal Energy Regulatory Commission
Commissioner Colette Honorable, Federal Energy Regulatory Commission
Commissioner, Philip D. Moeller, Federal Energy Regulatory Commission
Mr. Michael Bardee, Office of Electric Reliability, Federal Energy Regulatory Commission
Mr. David Morenoff, General Counsel of the Commission, Federal Energy Regulatory Commission
Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
Ms. Jamie L. Simler, Director, Office of Energy Market Regulation, Federal Energy Regulatory Commission
Mr. J. Arnold Quinn, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission
Ms. Valerie Crockett, Chairman and Chief Executive Officer, North American Energy Standards Board
Ms. Rae McQuade, President, North American Energy Standards Board
Mr. William P. Boswell, General Counsel, North American Energy Standards Board
Mr. Gerry W. Cauley, President and Chief Executive Officer, North American Electric Reliability Corporation
Mr. Mark Lauby, Senior Vice President and Chief Reliability Officer, North American Electric Reliability Corporation
Mr. Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary, North American Electric Reliability Corporation
Mr. Don Shipley, Chair of the IDC Association Steering Committee, IDC Association
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report to provide the Federal Energy Regulatory Commission ("FERC" or "Commission") with a status update concerning the Parallel Flow Visualization ("PFV") project. NAESB is making this filing as a result of significant progress by the NAESB Wholesale Electric Quadrant ("WEQ") Executive Committee ("EC") as part of the PFV project, and the report is intended to supplement the information provided in the January 28, 2015 and July 11, 2014 status reports filed by NAESB. The PFV project is an industry-driven effort to enhance the congestion management process within the Eastern Interconnection by improving the real-time visibility of the source and magnitude of bulk electric system parallel flows in the Interchange Distribution Calculator ("IDC"). The project is coordinated between NAESB, the North American Electric Reliability Corporation ("NERC") and the IDC Association. Recently, the NAESB WEQ EC conditionally approved a recommendation 1 for business practice standards that support the PFV project and to initiate the full-staffing process. Member ratification of these NAESB WEQ Business Practice Standards will take place once the full staffing process is complete, after which, if ratified, the standards will be provided to the Commission. The full-staffing process will allow the IDC Association to conduct a field trial on the newly revised NAESB WEQ Business Practice Standards to determine if the standards will perform as expected. This report provides information on the NAESB full-staffing process, proposed business practice standards, the recent action of the NAESB WEQ EC and the next steps during the full-staffing period.

The NAESB full-staffing process is utilized when the development of business practice standards is dependent upon other activities, such as the efforts of another quadrant within NAESB or an outside organization. The process is initiated by a vote of the applicable NAESB EC(s), and if employed, the business practice standards adopted by the applicable NAESB EC(s) are not submitted for membership ratification until the close of the full-staffing process. This process allows modifications to be made to the business practice standards as needed throughout the full-staffing period. For instance, related to the PFV project, modifications may need to be made to the business practice standards adopted by the NAESB WEQ EC as a result of the PFV field trial. Any modifications to the standards included in the adopted recommendation will follow the normal NAESB standards development process, including a formal comment period and approval by the NAESB WEQ EC. The NAESB full-staffing process creates an opportunity to effectively coordinate with other NAESB quadrants as well as outside organizations to ensure the NAESB Business Practice Standards best serve the needs of the industry.

The recommendation approved by the WEQ EC to support the PFV effort mostly consists of additions, deletions and revisions to NAESB WEQ-008 TLR – Eastern Interconnection Business Practice Standards ("NAESB

1 The recommendation provisionally approved by the WEQ EC can be accessed from the following link: https://naesb.org/member_login_check.asp?doc=weq_2014_api_1a_1b_1d_r11020_clean_rec_022415.docx. A redlined version of the recommendation documenting all proposed modifications can be accessed from the following link: https://naesb.org/member_login_check.asp?doc=weq_2014_api_1a_1b_1d_r11020_redline_rec_022415.docx.
WEQ-008”). In total, the recommendation included the addition of forty-two standards, the modification of thirty-eight standards, and the deletion of forty standards as well as Appendices A, B, and C within NAESB WEQ-008. The proposed revisions to NAESB WEQ-008 will allow balancing authorities to elect one of two different methods for assigning curtailment priorities, the Tag Secondary Network Service Method or the Generator Prioritization Method, and will enable the IDC tool to utilize real-time data in its calculations. The use of real-time data eliminates the need for the current Network and Native Load (NNL) Calculations in the determination of relief obligations. The forty-two new business practice standards provide the mechanics of the Tag Secondary Network Service Method and the Generator Prioritization Method and the accompanying changes to the assignment of relief obligations and curtailment priorities. Additionally, the new standards contain the data the IDC will consume for real-time calculations. The thirty-eight revised business practice standards allow for the recognition of intra-balancing authority transactions within the TLR procedures and include conforming changes to the existing requirements for the curtailment of transactions and assignment of relief obligations. The deletion of the forty business practice standards and the three appendices eliminate those rendered moot or inapplicable by the new additions and modifications, such as the parallel flow calculation procedures for reallocating or curtailing firm transmission service.

Additionally, the recommendation included modifications to NAESB WEQ-000 Abbreviations, Acronyms, and Definition of Terms, NAESB WEQ-001 Open Access Same-Time Information Systems (“OASIS”) Business Practice Standards, NAESB WEQ-002 OASIS Standards and Communication Protocols Business Practice Standards, NAESB WEQ-003 OASIS Data Dictionary Business Practice Standards, NAESB WEQ-004 Coordinate Interchange Business Practice Standards, and NAESB WEQ-013 OASIS Implementation Guide Business Practice Standards. The recommendation proposes the addition of three acronyms to NAESB WEQ-000-1 Abbreviations and Acronyms as well as the addition of nine new defined terms, the modification the definition for seven existing defined terms, and the deletion of one existing defined term in NAESB WEQ-000-2 Definition of Terms. The deletion of the defined term “Curtailment” necessitated conforming changes to NAESB WEQ-001, NAESB WEQ-002, NAESB WEQ-003, NAESB WEQ-004, and NAESB WEQ-013 to correct the capitalization of the word to reflect that the recommendation proposes the removal of the term from NAESB WEQ-000-2. As noted above, the PFV-related modifications to the NAESB WEQ Business Practice Standards included in the approved recommendation may be subject to additional modifications during the full-staffing process and will not be ratified by NAESB WEQ membership until after the full-staffing process has concluded, which is expected to happen following the completion of the PFV field trial. NAESB will keep the Commission informed regarding any additional PFV-related modifications to the business practice standards via future status reports.

2 The Tag Secondary Network Transmission Service Method utilizes expanded electronic tagging (e-Tag) requirements to establish curtailment priorities, and the Generator Prioritization Method uses a generator priority schedule designating the firm and non-firm transmission priorities of a transmission service provider to establish curtailment priorities. Information regarding the two methods was provided in the January 28, 2015 Status Report filed by NAESB and is available at the following link: https://naesb.org/pdf/fcc012815_pfsv_status_report.pdf
The recommendation and the determination to begin the full staffing-phase of standards development were approved by the NAESB WEQ EC on February 24, 2015. The approved recommendation resulted from the efforts of the NAESB WEQ EC PFV Task Force, and included the consideration of formal comments by Entergy, MISO, Southern Company, the NAESB WEQ Standards Review Subcommittee (“SRS”), New York ISO (“NYISO”), and joint comments submitted by the Independent Electric System Operator (“IESO”), ISO New England, MISO, NYISO, PJM, and Southwest Power Pool. The NAESB WEQ EC voted to initiate the full-staffing process. During full-staffing, the business practice standards may be subject to additional modifications or revisions. Any such changes will follow the normal NAESB standards development process and be submitted for a formal industry comment period as well as the approval of the NAESB WEQ EC. Following the conclusion of the PFV field trial, the NAESB WEQ EC will consider the conclusion of the full-staffing process and will vote on a finalized version of the recommendation containing the proposed business practice standards. If approved by the NAESB WEQ EC, the business practice standards will then be submitted to the NAESB WEQ membership for ratification. Once ratified, the standards will be considered a final action and NAESB will submit the business practice standards to the Commission.

During the full-staffing period, the IDC Association will conduct a twelve to eighteen month PFV field trial for the purpose of testing the NAESB WEQ Business Practice Standards prior to industry implementation. Before the commencement of the field trial, the IDC Association will need a twelve to eighteen month test preparation period to make the necessary modifications to the IDC tool and to develop a test plan. The IDC Association has indicated that the length of the test preparations is dependent upon several factors, including the timing requirements of Open Access Technology International, Inc. (“OATI”), the IDC tool software vendor, to develop, test, and implement the software modifications needed to conduct the PFV field trial. As part of test preparations, the IDC Association will require the input of both the NAESB WEQ BPS and the NERC Operating Reliability Subcommittee (“ORS”) in the development of the commercial and reliability metrics for the PFV field trial, respectively. NAESB supports the IDC Association’s efforts to develop a test plan that encompasses the appropriate commercial and reliability metrics and will fully coordinate with the IDC Association and NERC to ensure a comprehensive field trial. Preliminary suggestions of the NAESB WEQ BPS for potential criteria to be included in

3 The February 24, 2015 WEQ EC meeting minutes are available at the following link: https://naesb.org/pdf4/weq_ec022415dm.docx.
4 The formal comments submitted by Entergy are available at the following link: https://naesb.org/pdf4/weq_011215_entergy.docx.
5 The formal comments submitted by MISO are available at the following link: https://naesb.org/pdf4/weq_011215_miso.docx.
6 The formal comments submitted by Southern Company are available at the following link: https://naesb.org/member_login_check.asp?doc=weq_011215_soco.docx.
7 The formal comments submitted by the NAESB WEQ SRS are available at the following link: https://naesb.org/member_login_check.asp?doc=weq_011215_weq_srs.docx.
8 The formal comments submitted by NYISO are available at the following link: https://naesb.org/pdf4/weq_011215_nyiso.docx.
10 The late formal comments submitted by the NAESB WEQ PFV Task Force are available at the following link: https://naesb.org/member_login_check.asp?doc=weq_011215_weq_pfv_taskforce_late.docx.
11 The late formal comments submitted by IESO are available at the following link: https://naesb.org/pdf4/weq_011215_ieso_late.pdf.
the commercial metrics have already been communicated to the IDC Association, and the IDC Association is currently coordinating with the NERC ORS regarding the reliability metrics for the test plan.

NAESB, NERC, and the IDC Association are committed to continuing their coordination efforts throughout the remainder of the PFV effort. At the conclusion of the field trial, the IDC Association will provide a report to NAESB identifying the results of the field trial with respect to the commercial metrics. A similar report will be provided to the NERC ORS regarding the results of the reliability metrics of the field trial, and the NERC ORS will be responsible for evaluating these results to confirm that the NAESB WEQ Business Practice Standards do not impact reliability. The NAESB WEQ BPS will be responsible for making the modification to the business practice standards that may be needed to address any reliability or commercial issues that may arise.

As previously stated, NAESB will file future status reports with the Commission to note in any significant developments or standards modifications made during the test preparation period, the PFV field trial, and at the commencement of the full staffing process.