



NORTH AMERICAN ENERGY STANDARDS BOARD

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March 27, 2017
Filed Electronically

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

RE: NAESB Status Report on the Reservation of WEQ-006 Manual Time Error Correction Business Practice Standards (Docket Nos. RM05-5-000 and RD17-1-000)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") voluntarily submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding standards development by the NAESB Wholesale Electric Quadrant ("WEQ") corresponding to efforts by the North American Electric Reliability Corporation ("NERC") to retire Reliability Standards BAL-004-0 Time Error Correction, approved by the Commission via letter order on January 18, 2017 in Docket No. RD17-1-000. The purpose of this report is to inform the Commission that NAESB has reserved the complementary business practice standards, WEQ-006 Manual Time Error Correction. The reservation of the standards will be reflected in the next publication of the NAESB WEQ Business Practice Standards, Version 003.2, tentatively scheduled for release later this year. This filing is intended to be informational only. NAESB will make a subsequent filing with the Commission following the publication of the NAESB WEQ Business Practice Standards Version 003.2 that will reflect the reservation of the WEQ-006 Manual Time Error Correction Business Practice Standards.

The cover letter and report are being filed electronically in Adobe Acrobat® Portable Document Format (.pdf), with each enclosure bookmarked separately. The entire filing is also available on the NAESB web site (www.naesb.org). Please feel free to call the office at (713) 356-0060 or refer to the NAESB website (www.naesb.org) should you have any questions or need additional information regarding the standards development effort.

Respectfully submitted,

Rae McQuade

Ms. Rae McQuade
President & COO, North American Energy Standards Board

cc without enclosures: Acting Chairman Cheryl LaFleur, Federal Energy Regulatory Commission
Commissioner Colette Honorable, Federal Energy Regulatory Commission
Mr. Michael Bardee, Director, Office of Electric Reliability, Federal Energy Regulatory Commission
Mr. David Morenoff, General Counsel of the Commission, Federal Energy Regulatory Commission



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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

Mr. Michael Desselle, Chairman and CEO, North American Energy Standards Board

Mr. Jonathan Booe, Executive Vice President & CAO, 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

Enclosures (all documents and links are available publically on the NAESB website – www.naesb.org)

Appendix A Links to Meeting Minutes, Comments, Work Papers and Voting Records

Appendix B List of Executive Committee Minutes and Available Transcripts

Appendix C Membership Ratification

Appendix C NAESB Process to Develop and Adopt Standards

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Standards for Business Practices)	Docket No. RM05-5-000
And Communication Protocols for Public Utilities)	
)	
WEQ-006 Manual Time Error Correction)	Docket No. RD17-1-000

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") to inform the Commission of recent standards development efforts undertaken by the NAESB Wholesale Electric Quadrant ("WEQ") related to WEQ-006 Manual Time Error Correction Business Practice Standards. This standards development activity supports corresponding efforts by the North American Electric Reliability Corporation ("NERC") to retire Reliability Standard BAL-004 Time Error Correction, approved by the Commission via letter order on January 18, 2017 in Docket No. RD17-1-000.¹ NAESB initiated standards development in response to a request submitted by NERC, which resulted in the reservation of the WEQ-006 Manual Time Error Correction Business Practice Standards as well as corresponding modifications to WEQ-000 Abbreviations, Acronyms, and Definition of Terms Business Practice Standards. These changes will be reflected in the NAESB WEQ Business Practice Standards Version 003.2, tentatively scheduled for publication later this year. NAESB will make an informational filing with the Commission following the publication of the new version of the NAESB WEQ Business Practice Standards. The purpose of this report is to provide the Commission with information on as well as the outcome of the specific standards development effort related to the reservation of WEQ-006 Manual Time Error Correction.

On February 2, 2016, NERC submitted Standard Request R16002 to NAESB. In the request, NERC noted its intentions to retire Reliability Standard BAL-004 Time Error Correction and proposed NAESB consider similar actions regarding the complimentary business practice standards, WEQ-006 Manual Time Error Correction. The WEQ Business Practices Subcommittee (BPS) met and preliminarily reviewed the request on March 1, 2016. At that meeting, the subcommittee decided to postpone development of a recommendation to support the request until the NERC Board of Trustees took action regarding the proposed retirement of the Reliability Standard BAL-004 Time Error Correction, which subsequently occurred on November 2, 2016.

The WEQ BPS reconvened on the matter of Standards Request R16002 at its meeting on November 9, 2016. During this meeting, the WEQ BPS unanimously voted out a recommendation in support of the standards request, proposing the reservation of WEQ-006 Manual Time Error Correction as well as corresponding modifications to WEQ-000 Abbreviations, Acronyms, and Definition of Terms. During the formal comment period, one set of comments was submitted by MISO proposing consistency changes. In response, the WEQ BPS submitted

¹ Letter Order, Petition of the North American Electric Reliability Corporation for Approval of Retirement of Currently-Effective Reliability Standard BAL-004-0, FERC Docket Nos. RD17-1-000 (January 18, 2017).

late formal comments proposing revisions to incorporate the modifications put forward by MISO as well as additional changes for accuracy purposes. On February 21, 2017, the WEQ Executive Committee unanimously adopted the recommendation as revised by the formal comments of the WEQ BPS. NAESB membership ratified the proposed standard changes on March 24, 2017.

As noted above, FERC has approved NERC's petition to retire Reliability Standard BAL-004 Time Error Correction, including NERC's proposed implementation plan. NAESB is committed to working with both the Commission and NERC to ensure a seamless industry implementation of the retirement of Reliability Standard BAL-004 Time Error Correction Reliability Standard and the reservation of the WEQ-006 Manual Time Error Correction. As always, NAESB will be ready to support the Commission's direction in any manner deemed appropriate.

For over a decade, NAESB and NERC have enjoyed a close working relationship. The organizations regularly engage on cross-over matters impacting both commercial and reliability wholesale electric market interests. Regarding time error correction, NAESB and NERC held discussions for well over a year, starting in 2015 prior to NERC's submittal of the standards request. This effort is yet another example that demonstrates NAESB's and NERC's ability to successfully coordinate commercial and reliability standards to better serve the wholesale electric industry.

Appendices:

- A. Links to Meeting Minutes, Comments, Work Papers and Voting Records
- B. List of Executive Committee Minutes and Available Transcripts
- C. Membership Ratification
- D. NAESB Process to Develop and Adopt Standards

Appendix A: Links to Meeting Minutes, Comments, Work Papers and Voting Records

Appendix A: Links to Meeting Minutes, Comments, Work Papers and Voting Records		
Date	Link to Meeting Minutes and Voting Records	Links to Comments and Work Papers
March 1, 2016	NAESB WEQ Business Practice Subcommittee Conference Call w/Web Conferencing: Meeting Minutes: https://www.naesb.org/pdf4/weq_bps030116fm.docx Attachment: Joint BPS and OASIS Action Item List Revised March 1, 2016: https://www.naesb.org/pdf4/weq_bps030116a1.xlsx	Work papers: Joint BPS and OASIS Action Item List Revised February 2, 2016: https://www.naesb.org/pdf4/weq_bps030116w1.xlsx Action Item 11 Work Paper Revised February 2, 2016: https://www.naesb.org/pdf4/weq_bps030116w2.docx 2.a.ii.2 Work Paper Revised February 2, 2016: https://www.naesb.org/pdf4/weq_bps030116w3.docx Request R16002: https://www.naesb.org/pdf4/weq_bps030116w4.doc February 16, 2016 NERC ORS PFV Reliability Metrics Task Group Draft: https://www.naesb.org/pdf4/weq_bps030116w5.pdf NCEMC response to NAESB WEQ Annual Plan Item 5c – February 29, 2016: https://www.naesb.org/member_login_check.asp?doc=weq_bps030116w6.docx

Appendix A: NAESB Process to Develop and Adopt Standards

Appendix A: Links to Meeting Minutes, Comments, Work Papers and Voting Records		
Date	Link to Meeting Minutes and Voting Records	Links to Comments and Work Papers
November 9, 2016	<p>NAESB WEQ Business Practice Standards Subcommittee Conference Call w/Web Conferencing: Meeting Minutes: https://www.naesb.org/pdf4/weq_bps110916fm.docx</p> <p>Attachments: R16002-WEQ 2016 AP Item 1.d Recommendation: https://www.naesb.org/pdf4/weq_bps110916a1.docx R16002-WEQ 2016 AP Item 1.d Recommendation Attachment: https://www.naesb.org/member_login_check.asp?doc=weq_bps110916a2.docx</p>	<p>Work papers: Draft R16002-2016 AP Item 1.d Recommendation November 7, 2016: https://www.naesb.org/pdf4/weq_bps110916w1.docx R16002: https://www.naesb.org/pdf4/weq_bps110916w2.doc Draft 16002-2016 AP Item 1.d Recommendation Attachment November 7, 2016: https://www.naesb.org/member_login_check.asp?doc=weq_bps110916w3.docx Original WEQ-006 Definitions: https://www.naesb.org/member_login_check.asp?doc=weq_bps110916w4.docx</p> <p>Comments: Recommendation to support WEQ 2016 Annual Plan Item 1.d / R16002 – Develop, modify or delete business practices standards to support NERC activities related to NERC Time Error Correction (BAL-004-0): https://www.naesb.org/pdf4/weq_2016_ap1d_r16002_rec.docx Recommendation Attachment: https://www.naesb.org/member_login_check.asp?doc=weq_2016_ap1d_r16002_rec_attach1.docx</p> <p>Request for Formal Comments – due December 9, 2016: https://www.naesb.org/pdf4/weq_110916_reqcom.doc</p> <p>Comments Submitted by K. Spontak, MISO: https://www.naesb.org/pdf4/weq_110916_miso.docx</p> <p>WEQ BPS Late Formal Comments – Attachment: https://www.naesb.org/member_login_check.asp?doc=weq_110916_weq_bps_late_attachment.docx</p>

Appendix B: List of Executive Committee Minutes and Available Transcripts

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Date	Link to Meeting Minutes	Work Papers
February 21, 2017	<p>NAESB WEQ Executive Committee Meeting, Richmond, VA (Held at the Dominion)</p> <p>Meeting Minutes: https://www.naesb.org/pdf4/weq_ec022117dm.docx</p> <p>Attachment:</p> <p>WEQ 2017 Annual Plan as approved by the WEQ EC (Redline): https://www.naesb.org/pdf4/weq_ec022117a1.docx</p> <p>Transcripts from the meeting can be ordered from:</p> <p>Jill Vaughan, CSR 1803 Rustic Oak Ln Seabrook, Texas 77586 Phone: 281-853-6807</p>	<p>WEQ EC Meeting Materials Assembled: https://www.naesb.org/member_login_check.asp?doc=weq_ecbk022117.pdf</p> <p>Supplemental Material:</p> <p>Revised WEQ 2017 Annual Plan - Redline: https://www.naesb.org/pdf4/weq_ec022117w1.docx</p> <p>WEQ SRS Update Presentation: https://www.naesb.org/pdf4/weq_ec022117w2.pptx</p>

Appendix C: Member Ratification

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Date of Ballot	Links to Member Ratification Ballot and Results	Links to Recommendations Ratified
February 22, 2017	<p>NAESB WEQ Member Ratification Ballot – due March 24, 2017: https://www.naesb.org/member_login_check.asp?doc=weq_rat022217ballot.doc</p> <p>Ballot Results: https://www.naesb.org/pdf4/rat_weq032417tally.xls</p> <p>Final Action WEQ 2016 Annual Plan Item 1.d/R16002: Develop, modify or delete business practices standards to support NERC activities related to NERC Time Error Correction (BAL-004-0), ratified March 24, 2017: https://www.naesb.org/member_login_check.asp?doc=fa_weq_2016_ap1d_r16002.docx</p> <p>Attachment: https://www.naesb.org/member_login_check.asp?doc=fa_weq_2016_ap1d_r16002_attachment.docx</p>	<p>Recommendation WEQ 2016 Annual Plan Item 1.d/R16002: Develop, modify or delete business practices standards to support NERC activities related to NERC Time Error Correction (BAL-004-0) as approved by the WEQ Executive Committee on February 21, 2017: https://www.naesb.org/member_login_check.asp?doc=weq_rat022217_weq_2016_ap1d_r16002_rec.docx</p> <p>Attachment (Redline): https://www.naesb.org/member_login_check.asp?doc=weq_rat022217_weq_2016_ap1d_r16002_rec_attachment_redline.docx</p> <p>Attachment (Clean): https://www.naesb.org/member_login_check.asp?doc=weq_rat022217_weq_2016_ap1d_r16002_rec_attachment_clean.docx</p>

Appendix D: NAESB Process to Develop and Adopt Standards

The NAESB Standards Development Process

NAESB is focused on proposing, considering, and adopting voluntary standards and model business practices that will have a significant and lasting impact on all aspects of the natural gas and electricity marketplaces. As a result of the standards NAESB adopts, it is expected that the industry will operate more efficiently and effectively, benefiting both the industry and its customers. At the same time, it must be acknowledged that NAESB standards may constitute a change in the way parties do business, with an accompanying effect on the use and allocation of resources.

NAESB's policy is to move at a deliberate pace, consistent with its annual plan(s), thus permitting those affected by its standards, especially those standards adopted as regulations by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies, to assimilate them as part of their business practices. To this end, NAESB will carefully consider whether proposed standards are both timely and necessary. In particular, it will try to avoid adopting and implementing new standards, however beneficial, before the industry is able to reasonably make use of them.

The standards development process is governed by the annual plan, and items can be included in the plan or modified only with Board approval. The plan typically reflects requests from NAESB members, government agencies, and other interested parties. In approving the annual plan, the Board considers the availability of resources, including the NAESB budget and staff and the availability of industry volunteers. New requests received throughout the year are either considered part of the existing annual plan or as new items that require Board approval.

The standards development process begins with an annual plan item or a triaged and approved request. Triage is a process used by each quadrant of the Executive Committee (EC) to determine whether a request is within scope, which quadrant(s) it applies to, which subcommittee(s) it should be referred to, and what priority it should be assigned. Triage is carried out by EC members appointed by the EC chair. Triage recommendations are submitted to the en banc EC and require EC approval, and may require Board approval if there are scope questions or if a modification of the annual plan is required.

Once the triage process is completed, the subcommittees—more than one are normally involved in standards recommendations—review the request, compare it to existing standards, and prepare recommendations that may take the form of new or modified standards or interpretations. Participation in EC subcommittees is open to any interested party regardless of membership status. All subcommittee participants may vote; voting is balanced by segment and quadrant. All votes are public.

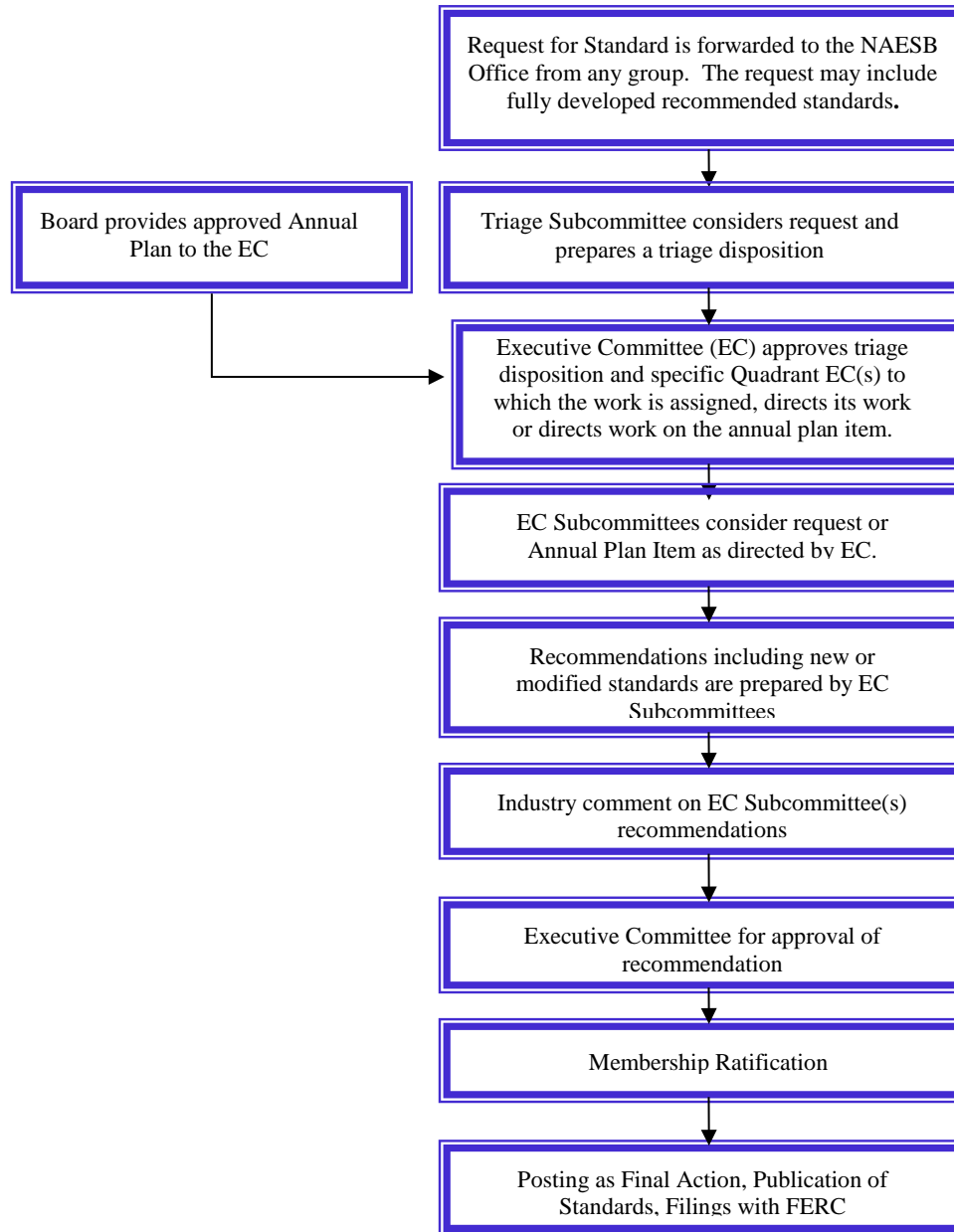
When the recommendation is complete, it is made available for a thirty-day industry comment period. The recommendation and comments are then forwarded to the EC, which considers the recommendation, makes any changes it deems necessary, and takes a vote. A recommendation must receive an affirmative vote of at least 67 percent from each applicable quadrant EC and 40 percent from each of the segments of the applicable quadrant(s).

After passage by the EC, the recommendation must be ratified by the NAESB members. An affirmative vote of 67 percent of the members of the applicable quadrant(s) is required for ratification. After ratification, standards and modifications are considered final actions and will be published in the next version of NAESB standards.

All NAESB quadrants follow the same development process described herein. The process has been followed by the WGQ since 1994 and has been used to develop more than five hundred standards that have been incorporated by reference into federal regulations.

Appendix D: NAESB Process to Develop and Adopt Standards

North American Energy Standards Board
Standards Development Process Flow Chart



Appendix D: NAESB Process to Develop and Adopt Standards

Flexibility

NAESB recognizes that flexibility is necessary as standards are developed to address regional concerns or to incorporate variances to accommodate operational or structural differences. Several WEQ standards incorporate regional or operational differences for both Version 0 and Version 1. There is a high threshold for incorporating such variances in a standard; the subcommittee(s) in drafting the standard, the EC in approving the subcommittee recommendation, and the membership in approving the standard must all agree that such variance is necessary. Nonetheless, NAESB procedures are well suited to take into account operational and regional differences.

Transparency

All NAESB meetings are open for attendance and participation by any interested party, with the exception of executive sessions of the Board or Managing Committee for purposes of discussing personnel, compensation or legal issues. Meeting announcements and agendas are posted in advance to permit the widest possible participation. Conference-calling capability is available for all meetings and web casting is available for most. Those intending to attend a meeting in person or by telephone are asked to notify NAESB by a specific date to permit adequate meeting planning.

Transcripts are made of all Board of Directors and EC meetings, and may be made of other meetings that are expected to be controversial. Transcripts are maintained in the NAESB office and are provided to regulatory agencies for their internal use. All other interested parties can purchase transcripts from the relevant transcription service.

Coordination with NERC

For business practice standards development for the WEQ, if it is determined by NERC and NAESB Executive Management that joint development is needed by NERC and NAESB, the NERC-NAESB Coordination Joint Development Process is implemented.¹ This process requires that the appropriate NAESB Subcommittee and NERC Standards drafting team work together to develop reliability standards and business practices.

The Joint Interface Committee of NAESB, NERC and the ISO-RTO Council (“JIC”) were dissolved as part of the agreement to create the Independent Grid Operator segment of the WEQ. The joint development process between NAESB and NERC is being used to ensure appropriate coordination. The ISOs and RTOs have strong decision-making roles in both NERC and NAESB, and thus with the use of the joint development process, the JIC was no longer necessary.

Copyright and Accessibility of Standards and Work Products

All published NAESB standards and work products are protected under United States Copyright laws, and NAESB alone retains the rights to publication, reproduction, display and distribution of the its published works consistent with the NAESB Copyright Policy. The NAESB standards and protected work products are accessible to members at no cost as a benefit of their membership. Non-members can purchase the standards and work products as a full version, or they can purchase individual final actions. Non-members can also access the standards at no cost by requesting an evaluation copy. A materials order form from the NAESB web site for ordering standards or for instructions on accessing standards for evaluation may be downloaded from the NAESB website homepage (www.naesb.org).

The NAESB Copyright Policy and a list of entities with recorded valid access to the standards and work products can be found through the following hyperlink: <https://naesb.org/pdf2/copyright.pdf>. Additionally, a list of Federal Energy Regulatory Commission jurisdictional entities without record of valid access to the most recently

¹ The NERC-NAESB Coordination Joint Development Process was submitted to the Commission on February 17, 2006 in Attachment C of the Progress Report on NAESB Activities impacting Docket No. RM05-5-000, “Standards for Business Practices and Communication Protocols for Public Utilities”: http://www.naesb.org/doc_view2.asp?doc=ferc021706.pdf.

Appendix D: NAESB Process to Develop and Adopt Standards

mandated NAESB WGQ² and WEQ³ Business Practice Standards can be found through the following two hyperlinks.

- WGQ Entities: https://naesb.org/pdf4/wgq_jurisdictional_entities_without_recorded_access.pdf
- WEQ Entities: https://naesb.org/pdf4/weq_jurisdictional_entities_without_recorded_access.pdf

² Per 18 C.F.R. §284.12(a), the NAESB WGQ Business Practice Standards apply to an interstate pipeline that (1) transports gas on behalf of any intrastate pipeline or any local distribution company in accordance with 18 C.F.R. §284.101 OR (2) transports on behalf of others in accordance with 18 C.F.R. §284.221.

³ Per 18 C.F.R. §18.1(a), the NAESB WEQ Business Practice Standards apply to all public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce or for the sale of electric energy at wholesale in interstate commerce and any non-public utility that seeks voluntary compliance with jurisdictional transmission tariff reciprocity conditions.