**November 1, 2017**

**TO:** NAESB Retail Quadrants Executive Committee and Interested Industry Participants

**FROM:** Caroline Trum, NAESB Deputy Director

**RE:** Retail Markets QuadrantExecutive Committee Meeting Draft Minutes

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**RETAIL MARKETS QUADRANT**

**EXECUTIVE COMMITTEE MEETING**

**Wednesday, October 25, 2017**

**DRAFT MINUTES**

**1. Welcome**

Ms. Do called the meeting to order and welcomed the Retail Markets Quadrant (RMQ) Executive Committee (EC) members, alternates and other participants. Ms. Trum delivered the NAESB antitrust guidelines and meeting policies reminder and called the roll. Quorum was established for the quadrant.

Ms. Do thanked Ms. Hogge, Mr. Oberski, Mr. Tomlinson, and Dominion for hosting the meeting.

Ms. Do thanked the resigning RMQ EC members: Ms. Ray with Alabama Power, Mr. Precht with Baltimore Gas & Electric, Mr. Villarreal with the Minnesota Public Utilities Commission, and Mr. Zhou with Ernst & Young. She welcomed the new RMQ EC member, Mr. Wood with Southern Company Services, and new RMQ EC alternates, Mr. Lawrence with Duke Energy and Mr. Brundage with Southern Company Services.

1. **Consent Agenda**

Ms. Do reviewed the consent agenda with the participants, which included the adoption of the [agenda](https://www.naesb.org/pdf4/ec102417a.docx) and the approval of the [draft meeting minutes](https://naesb.org/pdf4/retail_ec022217dm.docx) from the February 22, 2017 meeting. Mr. Watson moved, seconded by Mr. Laval, to adopt the consent agenda. The motion passed a simple majority vote without objection.

1. **Review and Consider for Vote the Recommendation to Support R17004 – Request to make corresponding modifications as necessary to REQ.13, REQ.17 and REQ.20 to complement modifications made to WEQ-015, WEQ-018, and WEQ-020**

Ms. Do asked Ms. Trum to review the [recommendation](https://www.naesb.org/member_login_check.asp?doc=r17004_rec.docx). Ms. Trum stated that the request was submitted by the co-chairs of the WEQ/RMQ Demand Side Management and Energy Efficiency (DSM-EE) Subcommittee to make any necessary changes to REQ.13, REQ.17 and REQ.20 to complement modifications made to WEQ-015, WEQ-018, and WEQ-020. As part of the 2017 WEQ Annual Plan, the subcommittee was tasked with modifying WEQ-015, WEQ-018, and WEQ-020 to update references to NERC terminology and NERC Reliability Standards. Standards Request R17004 was submitted to ensure consistency between the complementary WEQ Business Practice Standards and RMQ Model Business Practices. As a result of the changes made to the WEQ Business Practice Standards, the subcommittee modified REQ.20 to replace references to the term “NERC Control Area” with the term “NERC Balancing Authority Area.” No formal comments were received during the comment period.

Ms. Trum noted that the WEQ Executive Committee adopted a similar recommendation modifying the WEQ Business Practice Standards during its meeting on the previous day.

Mr. Watson moved, moved, seconded by Mr. Lackey, to adopt the recommendation. Ms. Do asked if there were any questions or comments on the recommendation. None were offered. The motion passed a super majority vote. [Vote 1]

1. **RMQ Leadership Discussion**

Mr. Booe stated that during the September 7, 2017 Board of Directors meeting, the chair of the Board of Directors, Mr. Desselle, reactivated the Retail Structure Review Committee. The Board of Directors originally created the committee in 2005 to incorporate the retail markets into NAESB, and the committee was reactivated in 2012 to address the merger of the Retail Electric Quadrant and Retail Gas Quadrant. Per NAESB Bylaws, the minimum threshold for quadrant membership is forty, and the RMQ has forty members. Mr. Desselle has directed the committee to investigate a sustainable solution for the quadrant. Mr. Burks, the RMQ Vice Chair, will serve as chair of this named committee.

The first meeting of the Retail Restructure Review Committee will be held on November 3, 2017. A follow-up meeting has been scheduled for December 1, 2017. The committee will discuss both short-term and long-term issues impacting the RMQ as well as potential solutions. Topics of discussion are likely to include the leadership gap, the current business model, potential outreach efforts, quadrant structure and composition, and potential standards development work to support retail gas markets as well as the recent shift in the retail electric markets to renewables, microgrids, and distributed energy resources.

Mr. Booe noted that when the retail quadrants were first established, one of the goals was to use NAESB to develop EDI standards that would be broad enough to support all customer-choice jurisdictions. He stated that at the request of Ms. Do, NAESB staff has begun to reach out to the various state EDI working groups. Some of these state working groups have expressed interest in utilizing NAESB for EDI standards development, and NAESB is continuing discussions with them to determine how the organization can best support their EDI activities.

Mr. Laval stated that one area of continued growth for the quadrant could be OpenFMB. The OpenFMB architecture could be an important part of grid interoperability and resiliency; however, lack of compatibility with commercial suppliers and technology is hampering the adoption of the OpenFMB framework. He explained that for OpenFMB to be effective there has to be interoperability at the hardware, software, and telecommunication levels. Currently, a number of technology suppliers that represent compliance with OpenFMB do not meet the requirements established by the OpenFMB Model Business Practices.

The Smart Grid Interoperability Panel (SGIP), an original contributor to the NAESB OpenFMB standards development effort, has now merged with the Smart Electric Power Alliance (SEPA). SEPA is working to develop a certification process that would incorporate compliance testing. Recently, the Department of Energy (DoE) has awarded grant money to several grid modernization laboratories to develop OpenFMB compliance testing. The RMQ OpenFMB Model Business Practices could be included as conformance profiles in the compliance testing and certification process. By including compliance testing in the certification process, manufacturers and technology suppliers would have to demonstrate that their product is compatible. A certification program would enable utilities to more widely adopt OpenFMB by allowing utilities to include OpenFMB certification as a requirement in any request for proposals (RFPs).

Mr. Laval stated that while the grid is interconnected, there is still a lack of integration as a lot of equipment tied to the grid is not coordinated. He noted that the Institute of Electrical and Electronic Engineers (IEEE) is in the process of revising its 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems. These updates will provide new functionalities regarding interconnection and interoperability but will not address integration issues.

Mr. Booe stated that NAESB has reached out to SEPA leadership to discuss the relationship between the organizations and OpenFMB. SEPA could potentially act as a user’s group to discuss issues and identify requirements for additional standardization, with the standards development work being addressed through NAESB’s ANSI-accredited standards development process. Mr. Booe stated that uncertainty of the roles between NAESB and SEPA has been one obstacle to completing the RMQ 2017 Annual Plan item directing the development of additional cybersecurity standards for the OpenFMB Model Business Practices. He noted that another obstacle moving forward with additional OpenFMB standards development would be subject matter expertise. While there are a several NAESB members that are involved in OpenFMB implementation, most of those entities only participate in the WEQ. Mr. Laval agreed and identified Duke Energy, Entergy, Avista Corporation, Xcel Energy, and Arizona Public Service Company as NAESB members that are also pursuing OpenFMB implementation.

Mr. Watson suggested NAESB participate in public utility commission staff subcommittee meetings held in conjunction with NARUC meetings. Mr. Booe stated that NAESB has participated in the NARUC Committee on Gas in the past. Mr. Watson noted that NAESB may also want to reach out to the NARUC Staff Subcommittee on Electricity as some areas of potential standardization, such as solar integration, impact all jurisdictions, not just customer choice states. He stated that a staff member in his office chairs the NARUC Staff Subcommittee on Electricity.

Mr. Booe stated that in regards to Green Button, NAESB recently executed a memorandum of understanding (MOU) with the Green Button Alliance. The MOU defines the roles of each organization and ensures that the NAESB Energy Services Provider Interface (ESPI) Model Business Practices are a part of any certification program developed by the Green Button Alliance. The Green Button Alliance has committed subject matter expertise for ESPI standards development efforts and is working with the OpenADE Task Force to submit a request for updates to the ESPI Model Business Practices. The Ontario Ministry of Energy, which is in the process of joining NAESB, has also committed to participating in ESPI standards development and expressed interest in co-chairing the ESPI Task Force. Recently, the Ontario Ministry of Energy sent NAESB a letter encouraging the organization to move forward with allowing the ESPI schema to be an open source document. Mr. Booe stated that while this strays from NAESB’s business model, NAESB leadership is considering moving forward with the request due to the MOU assurances that entities pursuing Green Button certification through the Green Button Alliance will be required to purchase the ESPI Model Business Practices.

Mr. Burks explained that two objectives of the Retail Structure Review Committee are to increase membership and facilitate a better understanding of how the quadrant can support the retail markets. One potential area for growth for the RMQ could be the establishment of a segment to support the renewables sector. The committee may also discuss open source materials and how this issue can be addressed through the NAESB business model. Additionally, the committee will explore ideas to help be more supportive of state level regulatory bodies. Mr. Booe also noted that there is an immediate need within the RMQ to increase those participating in leadership roles within the RMQ EC and subcommittees. Mr. Burks agreed, stating that the Retail Structure Review Committee will be discussing solutions to address both the short-term and long-term needs of the quadrant.

Mr. Booe stated that NAESB has also reached out to ERCOT to engage them on this issue. Ms. Anthony said that ERCOT is having internal, preliminary discussions regarding actions and ideas.

Mr. Watson stated that NAESB may want to consider reorganizing the RMQ segment structure to ensure proper representation of the retail markets and potentially attract new members. Mr. Miyaji noted that while RMQ membership has been impacted by industry consolidation, in the past, RMQ membership has fluctuated based on the standards development activities of the quadrant. He suggested that metered batteries and photovoltaic (PV) solar could be areas of standards development that might attract new members. Mr. Booe stated that as renewable sources of energy generation are in the initial stages of use, the industry has an opportunity to address coordination issues as these resources are being developed.

Mr. Smith stated that ISO New England is interested in pursuing interoperability at the meter level wherein the meter serves as the interconnection point between a retail customer and a distribution system. He noted that as the industry moves towards real-time pricing, there will be an increased demand for overall interoperability.

Ms. McKeever stated that she has some ideas to share with the Retail Structure Review Committee but could not attend the upcoming meeting. Mr. Booe stated that he would reach out to her and that NAESB staff would be happy to work with anyone to develop a work paper on any thoughts they may have if they cannot attend the meeting.

1. **Subcommittee/Development Updates**

Triage Subcommittee

Mr. Booe stated that since the last meeting, there have been two triage dispositions. The first [disposition](https://naesb.org/pdf4/tr080317disposition.docx) assigned Standards Request R17004 to the RMQ. The second [disposition](https://naesb.org/pdf4/tr092617a.docx) assigned five requests to the WGQ.

Business Practices Subcommittee (BPS)

Ms. Do stated that the subcommittee last met on October 24, 2017 to review the proposed 2018 RMQ Annual Plan.

BPS Registration Agent Task Force (RATF)

Ms. McKeever stated that the task force has not met since the last RMQ EC meeting.

Information Requirements and TEIS (IR/TEIS) Subcommittee

Ms. Do stated that the subcommittee is still working on the technical implementation for RXQ.14, RXQ.24, and REQ.27. She noted that the subcommittee is in need of additional technical subject matter expertise to continue standards development efforts regarding these model business practices as well as the remaining annual plan items assigned to the subcommittee.

Glossary Efforts

Ms. Do provided the update. The subcommittee will continue to meet as necessary.

Demand Side Management and Energy Efficiency Subcommittee (DSM-EE)

Ms. Trum provided the update. The subcommittee last met on August 31, 2017 to vote out the recommendation in support of Standards Request R17004.

Energy Services Provider Interface (ESPI) Task Force

Mr. Booe stated that the NAESB office will work with the task force co-chairs to schedule a meeting of the subcommittee once there are updates to be made to the standards.

OpenFMB Task Force

Mr. Laval provided the update. He stated that the task force will meet to discuss proposed enhancements to the standards once the relationship between NAESB and SEPA is established.

1. **Adoption of the 2017 RMQ Annual Plan Adopted by the Board of Directors on September 7, 2017**

Ms. Do reviewed the [2017 RMQ Annual Plan](https://www.naesb.org/pdf4/retail_ec102517w1.docx). Items 3.a through 3.e were marked as completed and their completion dates changed to 2nd Quarter, 2017. The completion date for Item 4.a was changed to 2018. Additionally, the ESPI Task Force was added to the RMQ Subcommittees list and the Smart Grid Standards Development Subcommittee was removed. Mr. Burks, Mr. Coffin, and Mr. Lackey were added to the RMQ Subcommittee leadership roster.

Mr. Lackey moved, seconded by Mr. Laval, to adopt the annual plan as [revised](https://naesb.org/pdf4/retail_ec102517a1.docx) during the meeting. The motion passed a simple majority vote.

1. **Adoption of the Proposed 2018 RMQ Annual Plan Adopted by the Annual Plan Subcommittee on October 18, 2017**

Ms. Do reviewed the [proposed 2018 RMQ Annual Plan](https://naesb.org/pdf4/retail_ec102517w2.docx). The completion dates for Items 1.a through 1.f were updated. Several items included as part of Annual Plan Item 3 were removed as these items were completed in 2017. The status of new Annual Plan Items 3.b and 3.c was updated to “underway.” Mr. Lackey and Mr. Coffin were added to the RMQ Subcommittee leadership roster.

Ms. McKeever moved, seconded by Mr. Lackey, to adopt the proposed annual plan as [revised](https://naesb.org/pdf4/retail_ec102517a2.docx) during the meeting. The motion passed a simple majority vote.

1. **Publication Schedule Review**

Ms. Rager provided the update. The [WGQ](http://www.naesb.org/misc/wgq_publication_schedule_ver3_2.doc) published Version 3.1 on September 29, 2017. The publication date for Version 3.2 is to be determined. The WGQ EC will consider one recommendation and five minor corrections during its meeting on October 26, 2017. The [WEQ](http://www.naesb.org/misc/weq_publication_schedule_ver3_2.doc) is scheduled to publish Version 3.2 on December 8, 2017. The WEQ EC approved four recommendations, one no action recommendation, and one minor correction during its meeting on October 24, 2017. If the four recommendations proposing standards development are ratified, they will be included in the upcoming WEQ publication. The next publication for the [RMQ](http://www.naesb.org/misc/retail_publication_schedule_ver3_3.doc) will be Version 3.3. The publication date is to be determined. The recommendation adopted by the subcommittee during this meeting will be incorporated into the publication schedule should it be ratified.

1. **Board of Directors, Board Committee, and Regulatory Updates**

Mr. Booe provided the updates.

NAESB [membership](https://www.naesb.org/misc/membership_report_093017.docx) information is included in the meeting materials. The RMQ is currently at forty members, but the Ontario Ministry of Energy is in the process of joining the quadrant. In total, the RMQ has lost five members this year; however, Ernst & Young has recently expressed interest in rejoining the quadrant. The WEQ and WGQ have both seen net increases in membership this year. The meeting materials also include the membership volatility chart, the meeting analysis statistics, and information on product access and waivers. Mr. Booe asked that all members review their membership contact information and send any updates to Ms. Rager.

The Board of Directors last met on September 7, 2017 for the annual strategic session and meeting of the members. The strategic session featured a panel discussion regarding the direction of the energy industry and the impact to NAESB. Panelist included former FERC Chairman Pat Wood and Ms. Sheila Hollis. During the meeting, the Board of Directors approved modifications to the NAESB Certificate of Incorporation regarding majority voting. The modifications will allow for the Board of Directors to act as a unit with weighted voting to prevent one quadrant from dominating the others.

The Strategic Plan Ad Hoc Task Force will next meet on November 17, 2017. The task force will review the comments made by panelist during the strategic session of the Board of Directors to determine how to translate those comments into standards development activities or the strategic direction of the organization. The task force will also review the proposed 2018 Annual Plans for each quadrant to make sure the plans are consistent with NAESB’s strategic direction. Next year, the task force will begin preparing for the development of the 2019 – 2021 NAESB Strategic Plan.

The Revenue Committee will next meet on November 17, 2017. During the meeting, the committee will review the 2018 budget as well as the communication activities with external organizations, including meetings with regulators and involvement with NARUC. The committee will also review revenue tracking for the 2017 budget.

The Parliamentary Committee will next meet on November 17, 2017. The committee will begin its effort to review the NAESB Governance Documents to ensure consistency and consider the incorporation of past Board of Directors resolutions.

The Critical Infrastructure Committee has been asked to track the activities of the surety assessment being conducted by the Sandia National Laboratories. The committee held an initial meeting in May and will be scheduling a follow-up meeting to review the scope of work document for the surety assessment provided by Sandia National Laboratories.

The Managing Committee met in August to discuss staffing and other organizational issues.

On October 2, 2017, NAESB submitted a [status report](https://naesb.org/pdf4/ferc100217_naesb_pfv_status_report.pdf) to the FERC regarding the Parallel Flow Visualization effort. The report was drafted in coordination with NERC and the Eastern Interconnection Data Sharing Network.

On September 29, 2017, NAESB filed an [informational report](https://naesb.org/pdf4/ferc092917_wgq_version_3.1_filing.pdf) with the FERC regarding the publication of Version 3.1 of the WGQ Business Practice Standards.

On August 24, 2017, NAESB sent letters to [Mr. K. John Holmes](https://naesb.org/pdf4/naesb_letter_response_NAS_report_082417_holmes.pdf) and [Dr. M. Granger Morgan](https://naesb.org/pdf4/naesb_letter_response_NAS_report_082417_morgan.pdf) in response to Enhancing the Resilience of the Nation’s Electricity System Report developed by the National Academy of Sciences. The report asked NAESB to work with FERC to identify and address gas-electric harmonization issues. The letter thanks the National Academy of Sciences for considering NAESB and indicates that NAESB will follow FERC direction on this issue.

On August 23, 2017, the Department of Energy released a [Report to the Secretary on Electricity Markets and Reliability](https://naesb.org/pdf4/doe_staff_report_elec_markets_reliability_aug_2017.pdf) and published a [cover letter](https://naesb.org/pdf4/secretary_state_perry_grid_study_cover_letter_0823_2017.pdf) regarding the study from Secretary Rick Perry. FERC has now issued a [Notice of Proposed Rulemaking](https://www.ferc.gov/media/headlines/2017/2017-3/10-04-17.pdf) in Docket No. RM18-001in response to the report.

Mr. Booe stated that before the end of the year, NAESB will make an additional informational filing with the Commission regarding the publication of Version 3.2 of the WEQ Business Practice Standards.

1. **Other Business**

Mr. Booe stated that the [FERC Forms Subcommittee](https://www.naesb.org/misc/weq_wgq_ffs_update_100517.docx) has not met since the previous RMQ EC meeting. The subcommittee is waiting for action by FERC staff to develop additional documentation.

Mr. Booe stated that the WGQ EC will be considering recommendation proposing a [Mexican Addendum](https://www.naesb.org/misc/mexican_markets_update_101517.docx) to the NAESB Base Contract for Sale and Purchase of Natural Gas during its meeting on October 26, 2017. NAESB also continues discussions with the Comisión Reguladora de Energía (CRE) about how the organization can support Mexican market activities. Mr. Booe indicated that he had delivered a presentation titled *Outlook – Industry Standards development for the Smart Grid* during the Smart Grid Congress Latin America 2017.

Mr. Booe stated that Sandia National Laboratories has indicated that the [surety assessment](https://www.naesb.org/misc/surety_assessment_update_100417.docx) is on track to be completed by the end of the year or early next year.

The [2018 meeting schedule](https://naesb.org/pdf4/retail_ec102517w3.pdf) is now posted.

Mr. Watson asked if the RMQ EC will continue to hold in-person meetings. Mr. Booe responded that the executive committees will typically meet in-person if there is a voting item. He stated that in the past, if there has not been a voting item, the executive committees have typically opted to cancel the meeting in an effort to conserve resources.

Ms. Do expressed congratulations to Ms. York who will be retiring later this year and stepping down as WEQ EC Chair. She thanked Ms. York for her leadership over the years in NAESB.

1. **Adjourn**

The meeting adjourned at 12:48 PM Eastern on a motion by Mr. Watson, seconded by Ms. McKeever.

1. **Attendance**

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| **Retail Electric Utilities Segment** | | **Attendance** | **Vote 1** |
| Lincoln Wood | Product Manager, Southern Company Services, Inc. | By Phone | In Favor |
| Stuart Laval | Director, Technology Development, Duke Energy Corporation | In Person | In Favor |
| Patrick Eynon | Supervisor, Transmission Services Business Center, Ameren Services Company |  |  |
| Debbie McKeever | Market Advocate, Oncor Electric Delivery Company, LLC | By Phone | In Favor |
| **Retail Gas Market Interests Segment** | |  |  |
| Mary Do | EDI Developer, Latitude Technologies, Inc. | In Person | In Favor |
| **Retail Electric End Users/Public Agencies Segment** | |  |  |
| Susan Anthony | Market Support Services, Electric Reliability Council of Texas (ERCOT) | By Phone | In Favor |
| Sam Watson | General Council – North Carolina Utilities Commission rep. National Association of Regulatory Utility Commissioners (NARUC) | In Person | In Favor |
| Doug Smith | Technical Manager, Market & Resource Administration, ISO New England, Inc. | By Phone | In Favor |
| Robert G. Gray | Executive Consultant, Arizona Corporation Commission |  |  |
| **Retail Electric Service Providers/Suppliers Segment** | |  |  |
| Wendell Miyaji | Vice President – Energy Sciences, Comverge, Inc. | By Phone | In Favor |
| Donald F. Coffin | Technical Manager, Green Button Alliance | By Phone | In Favor |
| Larry Lackey | Director Cybersecurity and Standards Development, Open Energy Solutions, Inc. | In Person | In Favor |

| **Other Participant Attendance** | | |
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| **Participant** | **Organization** | **Attendance** |
| Jonathan Booe | NAESB | In Person |
| J. Cade Burks | Big Data Energy Services | By Phone |
| Valerie Crockett | TVA | In Person |
| Denise Rager | NAESB | By Phone |
| Veronica Thomason | NAESB | In Person |
| Caroline Trum | NAESB | In Person |
| Jill Vaughan | Court Reporter | In Person |
| Kathy York | TVA | In Person |