##### January 17, 2017

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: Gas-Electric Harmonization Update**

On January 17, 2017, the NAESB Wholesale Gas Quadrant (WGQ) Business Practices Subcommittee (BPS) voted out several recommendations marking the completion of its work on the Gas-Electric Harmonization standards. Since mid-July, the WGQ BPS has held GEH-related meetings to address the eight annual plan items that comprise the effort. The recommendations voted out during the January WGQ BPS meeting will be sent out for a formal industry comment period and to the joint WGQ Information Requirements and Technical Subcommittees (IR/Tech) for the development of the technical implementation to accompany the standards language.

To provide some background, on April 16, 2015 the Federal Energy Regulatory Commission (FERC or Commission) issued Order No. 809, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*,[[1]](#footnote-1) followed by the September 17, 2015 Order on Rehearing.[[2]](#footnote-2) As you may remember, in Paragraph 107 of FERC Order No. 809 the Commission requested that the “gas and electric industries, through NAESB, explore the potential for faster, computerized scheduling when shippers and confirming parties all submit electronic nominations and confirmations, including a streamlined confirmation process if necessary.” In the October 18, 2016 correspondence addressed to the NAESB President, Rae McQuade, Chairman Bay encouraged NAESB to “complete by March 31, 2017 the development of standards or modification to existing standards as needed to support the request of the Commission.”[[3]](#footnote-3) On December 20, 2016, NAESB filed a status report to the FERC in Docket No. RM14-2-000 detailing actions taken by the organization in response to the request in FERC Order No. 809.[[4]](#footnote-4)

Of the eight GEH annual plan items, five were a direct result of the 2016 GEH Forum activities and the other three were standards requests submitted by interested industry participants and placed on the WGQ annual plan. As noted in the December status report to FERC, 2016 WGQ Annual Plan Item 3.c.i was divided into four manageable parts, including: (a) Definitions Related to Special Efforts, (b) Nominations of Hourly Quantities, (c) Special Efforts Nominations, and (d) Special Efforts Capacity Release.

During the December 8, 2016 WGQ BPS conference call, the subcommittee voted out language to address Nominations of Hourly Quantities (2016 WGQ Annual Plan Item 3.c.iii and 2016 WGQ Annual Plan Item 3.c.i). A proposed definition for the term “Shaped Nomination,” a proposed standard that emphasized that standards application to only TSP’s that offer the service under their tariff, and accompanying instructions to IR/Tech were approved. On January 10-12, 2017, IR/Tech began discussing the recommendation from the WGQ BPS and considering the necessary technical implementation and data dictionary changes.

During the November 30, 2016-December 1, 2016 WGQ BPS meeting, the subcommittee approved one definition, two proposed standards, and instructions to IR/Tech as part of 2016 WGQ Annual Plan Item 3.b.v. IR/Tech began discussing the business implementation for the definition and two standards during its December 6-7, 2016 and January 10-12, 2017 meetings. On January 17, 2017, the subcommittee circled back around to the 2016 WGQ Annual Plan Item 3.b.v to vote out a proposed standard, a modification of existing NAESB Standard No. 1.3.27, and proposed instructions to IR/Tech regarding the modification. The modification to NAESB Standard No. 1.3.27 modifies the usage of the data element Downstream Package ID.

The WGQ BPS determined that no action was needed on the issues of Multiple Confirmation Methods (2016 WGQ Annual Plan Item 3.b.iv); Communication Protocols and Critical Information Sharing (2016 WGQ Annual Plan Item 3.b.ii and 2016 WGQ Annual Plan Item 3.b.iii); Terminology (2016 WGQ Annual Plan Item 3.b.i); Special Efforts Capacity Release (2016 WGQ Annual Plan Item 3.c.i; Special Efforts Nominations (2016 WGQ Annual Plan Item 3.c.i); and Definitions Related to Special Efforts (2016 WGQ Annual Plan Item 3.c.i).

The next IR/Tech meeting scheduled has been scheduled for January 31-Febraury 2, 2017.

1. Order No. 809, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, 80 Fed. Reg. 23197 (Apr. 24, 2015), FERC Stats. & Regs. ¶ 31,368 (cross-referenced at 151 FERC ¶ 61,049) (2015). [↑](#footnote-ref-1)
2. Order on Rehearing, *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, 152 FERC ¶ 61,212 (2015). [↑](#footnote-ref-2)
3. On October 18, 2016, NAESB received [correspondence](https://www.naesb.org/pdf4/101816_ferc_chairman_bay_letter_re_order809_naesb.pdf) from Chairman Bay concerning the gas-electric harmonization efforts. On October 26, 2016, Ms. McQuade posted a [reply](https://www.naesb.org/pdf4/102616_naesb_response_to_ferc_chairman_bay_re_order809.pdf) to the Chairman. These letters were exchanged on the heels of the October 17, 2016 NAESB Report to the Commission – [NAESB Status Report for Submittal to the Commission Concerning FERC Order No. 809.](https://www.naesb.org/pdf4/ferc101716_naesb_order809_status_report.pdf) [↑](#footnote-ref-3)
4. The December 20, 2016 NAESB Status Report to the Commission is available at the following link: <https://www.naesb.org/pdf4/ferc122016_naesb_order809_status_report.pdf>. [↑](#footnote-ref-4)