



North American Energy Standards Board

1415 Louisiana, Suite 3460, Houston, Texas 77002
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Home Page: www.naesb.org

April 24, 2024

NAESB UPDATE CONFERENCE CALL

PRESENTATION BY HEATHER JONES WITH S&P GLOBAL COMMODITY: Ms. Jones, Head of Emissions Technical at S&P Global Commodity Insights, provided an overview on the market for certified natural gas. Her presentation covered the importance of differentiated market, what is needed, the state of the certified gas market today, challenges with market adoption, S&P natural gas carbon intensity benchmarking, and the standardization needed. Some of the challenges identified by Ms. Jones included midstream certification, accounting for carbon intensity versus methane intensity and a lack of agreed upon benchmarks, methodologies, and data quality standards. Ms. Jones noted the important role of standards in establishing credible certification processes, benchmark methodologies, and consistency in data measurement and comparison. Ms. Jones noted that key considerations for standards development include agreement on carbon intensity methodology, the constructs of what products will qualify as certified natural gas, including independent verification of emissions quantifications, and minimum data quality requirements, such as those being considered in the DoE's measurement, monitoring, reporting, and verification (MMRV) Framework effort. She stated that S&P Global is working to develop a benchmark methodology for natural gas carbon intensity assessment. Mr. Conor asked how claims of certified natural gas purchases are made and verified. Ms. Jones stated that there is not a singular, commonly accepted method and noted that there could be an opportunity to develop standards that could establish industry-wide processes, rules, and requirements.

WEQ/WGQ/RMQ GAS-ELECTRIC COORDINATION: Mr. Phillips, Co-Chair of the NAESB WEQ Business Practice Subcommittee (BPS), provided the update. In April, the NAESB Board of Directors took action to move the completion date to 3rd Quarter, 2024 for the Joint WEQ, WGQ, and RMQ BPS efforts to develop gas-electric coordination business practice standards. The joint subcommittees have been holding meetings every two to three weeks and participants have proposed several suggestions to bolster consistency in coordination communications and increase information sharing between parties during critical events. These proposals include (1) enhanced granularity of locational information provided in critical notices and operational flow orders and centralized posting location on an interstate pipelines information posting website for gas-electric coordination information; (2) local distribution company, end user, and pipeline forecast information sharing; and (3) communication protocols for upstream natural gas entities. During the next meeting, the Joint BPS Co-Chairs anticipate making available a work paper containing a scenario-based communication gap analysis to help the subcommittee identify potential gaps that could be addressed through standards. The Joint BPS Co-Chairs have been meeting with market participants, outside of the NAESB process, to gather the relevant information to create the work paper.

WEQ/RMQ STANDARD CONTRACT FOR THE SALE AND PURCHASE OF DISTRIBUTION SERVICES FROM DER AGGREGATIONS: Mr. Phillips, Co-Chair of the NAESB WEQ BPS, provided the update. The WEQ and RMQ BPS continue to hold joint meetings to discuss the development of a standard contract for the sale and purchase of distribution services from distributed energy resource (DER) aggregations in response to Standards Request R24001, jointly submitted by the U.S. Department of Energy (DoE). To create the standard contract, the WEQ/RMQ BPS participants have been leveraging terms and conditions included in the NAESB Base Contract for the Sale and Purchase of Voluntary Renewable Energy Certificates as well as other NAESB contract standards. The WEQ/RMQ BPS is also reviewing the contract framework principles outlined in the U.S. DoE Standard Distribution Services Contract White Paper which accompanied the request. Standard terms and conditions categories being considered, among others, include (1) data and visibility, which could identify data access and telemetry requirements; (2) customer engagement, which could identify relevant DER aggregator codes of conduct and address interactions between DER aggregators and DER owners; and (3) operational coordination, which could identify relevant communication processes between the parties and specific provisions, protections, or penalties related to system operations.

WEQ COORDINATION ACTIVITIES WITH NERC: Ms. Trum, NAESB Director of Wholesale Electric Activities, delivered the updated. In an effort to foster coordination, NAESB and NERC staff are in frequent communication, and the NAESB WEQ Standards Review Subcommittee (SRS) reviews all new NERC Projects for Standards Development to determine any potential areas of coordination between the organizations. In March, NERC submitted Standards Request R24002, proposing NAESB review NERC's revisions to defined terms used in the



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reliability standards and evaluate whether similar revisions to the NAESB WEQ BPS are commercially applicable. The NAESB WEQ SRS committee met on April 23, 2024, to begin discussions. In support of the 2024 WEQ Annual Plan, the NAESB WEQ BPS will review reliability standards developed as part of NERC Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination, and create as needed complementary business practice standards. NERC staff has indicated that final revisions have been filed with FERC and the NAESB WEQ BPS will initiate its effort following any FERC action. Finally, in response to the 2024 Annual Plan Item to develop modification to the NAESB WEQ Business Practice Standards, the NAESB WEQ Coordinate Interchange Scheduling Subcommittee (CISS) has held several meetings to evaluate the potential impact of NERC's changes on the commercial and business process of the industry to complement modifications to the NERC Rules of Procedure in support the inclusion of inverter-based resources (IBRs) in the NERC Compliance Registry. The subcommittee participants have noted that several of the defined terms with revised definitions are also used in the WEQ Business Practice Standards and is evaluating the need for similar modifications to the NAESB standards.

WEQ/RMQ/WGQ CYBERSECURITY ACTIVITIES: Mr. Spangler, Chair of the Electronic Delivery Mechanism (EDM) Subcommittee, delivered the update. Within the WEQ, the Cybersecurity Subcommittee has its first meeting scheduled for May 8, 2024. At this meeting, the subcommittee will begin discussing two of its annual plan assignments. These efforts include a review of the WEQ Business Practice Standards to evaluate the need for any modifications to meet changing market conditions or support cybersecurity-related activities by FERC and NERC as well as an assessment of the WEQ-012 Public Key Infrastructure (PKI) Business Practice Standards and the NAESB Accreditation Requirements for the Authorized Certificate Authorities (ACAs). The WGQ and RMQ also engage in a yearly review of their respective cybersecurity-related standards and plan to convene later this year to begin addressing these annual plan items. Beyond these activities, the WEQ and RMQ have additional cybersecurity-related standard development efforts planned for this year. First, the WEQ will be considering the development of business practice standards for cybersecurity disclosure policies to support industry implementation of any applicable regulation. This will be a joint activity between the WEQ Cybersecurity Subcommittee and the WEQ BPS. Additionally, later this year, the WEQ and RMQ plan to reconvene to continue discussions regarding cybersecurity protections necessary to secure electronic communications between DER aggregators, utilities, and system operators. The WEQ and RMQ initiated standards development in this area in October 2023 but shifted focus earlier this year to respond to the request from the U.S. DoE to develop a standard contract for the sale and purchase of distribution services from DER aggregations. Consideration of cybersecurity related business practice standards will resume once this effort is completed.

WGQ STANDARD CONTRACT FOR THE SALE AND PURCHASE OF HYDROGEN: Mr. Buccigross, Chair of the WGQ Executive Committee, delivered the update. In April 4, 2024, the NAESB Board of Directors, at the recommendation of the NAESB Board Strategy Committee, created an assignment as part of the 2024 WQG Annual Plan to develop a standard contract for the sale and purchase of hydrogen. This action followed the March 13, 2024 webinar NAESB hosted, provided by the U.S. Department of Energy (DoE) DoE to present an update on the current status of development of the Regional Clean Hydrogen Hubs (H2Hubs) and the activities of the newly selected consortium created to accelerate demand-side mechanisms supportive of a clean hydrogen market. Standards development in this area has been a provisional item on the WQG Annual Plan since 2022. Leadership is in the process of scheduling a kick-off meeting for later this year, and an announcement will be distributed once a date is identified. This has a general completion date of 2024.

BOARD AND REGULATORY ACTIVITIES UPDATE: Ms. Trum provided the board and regulatory activities update. The first board meeting of the year was held on April 4, 2024, and featured guest speakers, former FERC Commissioner and Partner, Steptoe & Johnson, LLP, Marc L. Spitzer, and Christine Tezak of ClearView Energy Partners. During the meeting, the Chair of the Advisory Council (AC), provided an overview of discussions from council's February 2024 meeting. In March, the Executive Meetings were held in person hosted by Oncor in Dallas, Texas. Regarding regulatory activities, as part of the Commission Open Meeting on March 21, 2024, FERC released a Notice of Proposed Rulemaking (NOPR) on Version 4.0 of the WGQ Business Practice Standards proposing to incorporate the standards by reference, with certain exceptions. The NOPR comment period ends on June 4, 2024. Following the release of the NOPR, NAESB sent letters to the general counsels of regulated entities with information on how to nonmembers can access the standards. The next Commission Open Meeting is scheduled for April 25, 2024,



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and includes on the agenda Version 004 of the WEQ Business Practice Standards, filed with the FERC on July 31, 2023.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for June 12, 2024 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update Call page of the NAESB website, accessible at the following link: http://www.naesb.org/monthly_update.asp. We hope you can join us. If there are particular topics you would like to see covered or if you would like to receive additional information, please contact the NAESB Office by phone at (713) 356-0060 or email at naesb@naesb.org.

NAESB Update Conference Call Participant List	
April 24, 2024 1:00 PM Central	
Name	Organization
Denise Adams	ONEOK, Inc.
Matthew Agen	AGA
Karl Almquist	Tallgrass Operations, LLC
Jumoke Arowolo	Emera Energy
Kurt Batenhorst	United Energy Trading
Jim Buccigross	Group 8760, LLC
Christopher Burden	Enbridge (U.S.) Inc.
Jim Busch	BP Energy Company
Jerry Chiang	FERC Staff
Donald Coffin	Green Button Alliance, Inc.
Pete Connor	AGA
Michelle Coon	OATI
Brad Cox	Tenaska, Inc.
Katie Davis	BPA
Jay Dibble	Chevron
Angela Dunn	Southern Company Gas
April Gregory	Northern Natural Gas Company
Anna Hartung	OKEOK, Inc.
Ronnie Hensley	Southern Star Central Gas Pipeline
Katherine Herrera	AGA
Jessie Irving	Emera Energy
Heather Jones	S&P Global Commodity Insights
Samantha Joyce	Philadelphia Gas Works
Mike Kraft	Basin Electric Power Cooperative
David Lademan	S&P Global Commodity Insights



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Hayden Maples	Evergy
Lief Mattson	WBI Energy



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Steven McCord	TC Energy Corporation
Melissa McGoogan	Norwest Natural
Nichole Murphy	Nebraska Public Service Commission
Scott Murphy	Colorado Springs Utilities
Amrit Nagi	NAESB
Chris Norton	American Municipal Power
Joshua Phillips	Southwest Power Pool
Ken Quimby	Southwest Power Pool
Farrokh Rahimi	OATI
Liliana Ramos Castellanos	P.M.I. Comercio Internacional, S.A. de C.V.
Lisa Russo	National Fuel Gas Supply Corporation
Sarah Shaffer	Equitrans, LP
Tess Shutiak	NRG Energy
John Sillin	FERC Staff
Leigh Spangler	ESG
Greg Staton	Spire
Carolyn Stone	Cascade Natural Gas Corporation
Nicholas Timer	Philadelphia Gas Works
Michael Tita	FERC Staff
Sarah Tomalty	BP Energy Company
Caroline Trum	NAESB Staff
Kimverly Van Pelt	Boardwalk Pipelines
Jason Williams	Southern Company
Barbie Zankpah	PJM
Thomas Zermeno	SSL.com