



North American Energy Standards Board

1415 Louisiana Street, Suite 3460, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

April 27, 2022

NAESB UPDATE CONFERENCE CALL

PROJECT CANARY PRESENTATION ON RESPONSIBLY SOURCED GAS (RSG): Ms. Applegate from Project Canary delivered a presentation on RSG. She stated that certified, lower emission gas is geologic natural gas with lower greenhouse gas emissions. Knowing the footprint of a gas supply chain enables the reduction of emissions. Preventable leaks occur in the gas supply chain, with wide variability between operators and basins. Ms. Applegate stated that facility-level data gives markets, regulators, and operators confidence in emissions reporting. The certified gas market is growing rapidly with increasing buyer/consumer awareness of methane issues. Ms. Mallett thanked Ms. Applegate for presenting information on the certified gas process. She noted that this is a timely presentation, as MiQ and Equitable Origin have both presented to NAESB participants and the WGQ Contracts Subcommittee is getting started on a Certified Gas addendum to the *NAESB Base Contract for Purchase and Sale of Natural Gas*.

WEQ/RMQ/WGQ GAS ELECTRIC HARMONIZATION EFFORTS: Mr. Phillips, Chair of the WEQ Executive Committee and Co-Chair of the WEQ Business Practices Subcommittee delivered the update. A kick-off joint meeting with the WEQ, WGQ, and RMQ Business Practices Subcommittees (BPS) was held in February to begin standard development efforts to address Standards Request R21006. Two subsequent meetings were held in March and one in April to discuss the request which was submitted by Southwest Power Pool. The request intends to support enhanced communication practices between the natural gas and electric markets during impending extreme weather-related emergency operation conditions. The first part of the annual plan item, assigned jointly to the WEQ, WGQ, and RMQ BPS, is to define a standard for the declaration of an impending extreme weather-related emergency operating condition, including defining what might constitute such an event. Once completed, the subcommittees will move on to address other items proposed in the request, including the creation of standard designations of critical electric and natural gas infrastructures during impending extreme weather-related emergency operating conditions and the definition of standards and communication protocols that support commercial information sharing between necessary parties during such events.

WEQ/RMQ RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Sieg, Co-chair of the WEQ BPS provided the update. On the heels of the ratification of the *NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates* (NAESB REC Base Contract), the WEQ BPS has begun work on the technical implementation for the contract, including standards that allow for the digitalization of the agreement. On April 25th, the WEQ and RMQ Business Practice Subcommittees held a joint conference call to continue the development of the technical implementation to support the. Where possible, the subcommittees are leveraging the standards created by the Wholesale Gas Quadrant to digitalize the NAESB Base Contract. The subcommittee anticipates holding an informal comment period on the technical implementation in upcoming weeks.

WEQ COORDINATION ACTIVITIES WITH NERC: Ms. Trum, NAESB Director of the Wholesale Electric Quadrant, delivered the update. She stated that NAESB and NERC staff continuously discuss the NAESB WEQ Business Practice Standards and the NERC Reliability Standards to cover topics such as cybersecurity, area control error (ACE), battery storage, distributed energy resources, and natural gas-electric market coordination activities. The WEQ Standards Review Subcommittee (SRS) is also monitoring several NERC efforts that could result in modifications to reliability standards for which NAESB maintains complementary business practices. One such effort is NERC Project 2022-01 Reporting ACE Definition and Associated Terms. As you may recall, the WEQ-005 Area Control Error (ACE) Special Cases Business Practice Standards address commercially related requirements in the calculate of ACE and are supportive of NERC requirements and guidance for calculating ACE. NAESB and NERC staffs have also engaged in discussions regarding the activities of the WEQ BPS, working jointly with the RMQ BPS and WGQ BPS, to address Standards Request R21006 regarding enhanced natural gas-electric market coordination as well as NERC efforts to address NERC Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination.



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WEQ OASIS SUBCOMMITTEE UPDATE: Mr. Wood, Co-chair of the WEQ OASIS Subcommittee, provided the update. In Version 3.4, the next version of the NAESB WEQ Business Practices, numerous WEQ OASIS Subcommittee recommendations will be incorporated. The subcommittee has developed enhancements to the redirect examples, new variables for OASIS query responses, standards to define the treatment of rollover rights within the Network Integration Transmission Service (NITS) standards, and made improvements to timing tables, among other modifications.

WEQ ENERGY STORAGE & DISTRIBUTED ENERGY RESOURCES ACTIVITIES: Mr. Phillips, Chair of the WEQ Executive Committee and the WEQ Business Practices Subcommittee, provided the update. In an effort to support distributed energy resources in front and behind the meter, the WEQ BPS has focused on the development of standards for information and reporting requirements for both qualified energy storage resources and distributed energy resources participating in wholesale markets. Once the drafted standards are completed, the subcommittee intends to hold an informal comment period to gain industry input and solicit additional use cases.

WGQ: RENEWABLE NATURAL GAS ADDENDUM ACTIVITIES: Mr. Sappenfield, Chair of the WGQ Contracts Subcommittee provided the update. To date, the WGQ Contracts Subcommittee has held twenty-one meetings to develop a Renewable Natural Gas Addendum to the *NAESB Base Contract for Sale and Purchase of Natural Gas*. The addendum, which will address both voluntary and regulated markets, contains the terms and conditions specific to RNG transactions and also the technical implementation to transact using distributed ledger technologies, such as blockchains. Throughout this process, the subcommittee has leveraged the previous standards development effort to digitalize the *NAESB Base Contract for the Sale and Purchase of Natural Gas* in order to expedite the work. Moving forward, that work will continue to be utilized as a template for the technical standards which will enable the digitalization of the RNG addendum.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe NAESB Executive Vice President and Chief Administrative Operator, provided the Regulatory and Board Activities update. He stated that the NAESB Board Strategy Committee is currently developing the NAESB 2022 Standards Development Survey. The survey is distributed biennially to receive feedback from a wide audience on future NAESB undertakings. All of the comments received will be posted and discussed during the September 1, 2022 Board of Directors Meeting including the Meeting of the Members and Strategic Session.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for June 15, 2022 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.



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NAESB Update Conference Call, Participant List	
April 27, 2022 1:00 PM Central	
Name	Organization
Denise Adams	ONEOK
Matthew Agen	American Gas Association
Michelle Applegate	Project Canary
Jonathan Booe	North American Energy Standards Board
Jana Bordenkircher	Arizona Public Service
Michelle Brocklesby	ESG Global
Christopher Burden	Enbridge
Jim Busch	BP
Zachary Buus	Bonneville Power Administration
Charles Couch	Dauphin Island Gathering Partners
Brad Cox	Tenaska
Valerie Crockett	Tennessee Valley Authority
John Fitzgerald	Tennessee Valley Authority
Karen Frank	MISO Energy
Alexandra Gajewski	Quorum Software
Rock Graham	Southwestern Energy
Cory Herbolzheimer	NV Energy
Valeria Herrera	Power Costs Inc.
Tom Kraft	ONEOK
Scott Lewter	Duke Energy
Nichole Lopez	Kinder Morgan Inc.
Elizabeth Mallett	North American Energy Standards Board
Leif Mattson	WBI Energy
Steven McCord	TC Energy Corporation
Megan Miller	Enbridge
Mary Nguyen	Gunvor Group
Joshua Phillips	Southwest Power Pool
Ron Robinson	Tennessee Valley Authority



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Name	Organization
Keith Sappenfield	Cheniere Corpus Christi Liquefaction
Sarah Shaffer	Equitrans Midstream
Lisa Sieg	LG&E and KU Services Company
Benjamin Smith	TECO Energy
Paul Smith	Tennessee Valley Authority
William Szubielski	Emera Energy
Sarah Tomalty	BP
Caroline Trum	North American Energy Standards Board
Kelly Wallace	Snohomish County Public Utility District
JT Wood	Southern Company