



North American Energy Standards Board

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Home Page: www.naesb.org

August 26, 2020

NAESB UPDATE CONFERENCE CALL

WEQ FERC NOPR ON WEQ VERSION 003.3: Ms. Trum, NAESB Deputy Director, provided the update. On July 16, 2020, FERC issued a NOPR regarding WEQ Version 003.3. NAESB published this new version of the WEQ Business Practice Standards on March 30, 2020 and filed an informational report with the Commission the same day. This version of the standards encompasses several landmark, multi-year projects and represents a significant industry effort, including cybersecurity modifications resulting from the Sandia Report, standards developed in coordination with the North American Electric Reliability Corporation (NERC), and the completion of standards development to address FERC Order No. 890 directives. The NOPR, issued in Docket Nos. RM05-5-029 and RM05-5-030, proposed to incorporate by reference into FERC regulations Version 003.3 of the WEQ Business Practice Standards with few exceptions.

WEQ/WGQ FERC FORMS UPDATE: Mr. Phillips, Chair of the WEQ Executive Committee, provided the update. On July 16, 2020, FERC released an Order on Technical Conference as part of the proceeding Revisions to the Filing Process for Commission Forms in Docket No. RM19-12-000. In the Order, the Commission adopted the final versions of the eXtensible Business Reporting Language (XBRL) taxonomy and other supporting documents needed by the industry to use the XBRL filing format for the submission of certain FERC Forms. As part of the Order, the Commission identified an implementation schedule for the use of the new filing format, with the industry using the XBRL process for starting with the 3rd Quarter, 2021 for FERC Form Nos. 3-Q (electric), 3-Q (natural gas), and 6-Q and in 2022 for FERC Form Nos. 1, 1-F, 2, 2-A, 6, 60, and 714. NAESB has made available on its website a list of vendors that have notified NAESB of their intent to provide software solutions or services to assist the industry in the filing of certain FERC Forms consistent with the FERC eForms Refresh and FERC Order No. 859 Revisions to the Filing Process for Commission Forms. NAESB staff continues to remain in contact with FERC staff regarding any support the organization can provide as the Commission moves forward with the next steps.

WEQ OASIS SUBCOMMITTEE ACTIVITIES: Mr. Wood, Co-Chair of the WEQ OASIS Subcommittee, provided the update. The WEQ OASIS Subcommittee has recently voted out a recommendation to address Standards Request R20003 proposing NAESB consider modifications to WEQ-001-9 and WEQ-001-10 in response to FERC Order No. 676-I to better conform with the Commission's Dyrnegy policy. The WEQ OASIS Subcommittee held 9 days of meetings between February and June to vote out a recommendation proposing modifications to the entire WEQ OASIS Suite of Standards intended to provide more specificity and direction to enhance the consistency of the reservation process applicable to redirects on a firm and non-firm basis. The formal comment period for the recommendation closed on July 23, 2020, and the subcommittee held two meetings to review the formal comments and develop late formal comments in response. Additionally, in July, the subcommittee voted out a recommendation to address Standards Request R20010. As part of the recommendation, modifications are proposed to several of the examples included in the WEQ-001 OASIS Business Practice Standards to ensure the examples accurately represent the standards language of which they are demonstrative. The formal comment period for the recommendation will conclude on September 18, 2020. The recommendations and all formal comments will be presented to the WEQ Executive Committee for consideration during its October 27, 2020 meeting.

WEQ COORDINATION WITH NERC: Mr. Phillips Chair of the WEQ Executive Committee, provided the update. Currently, the WEQ is engaged in two standard development efforts that could result in modifications to standards that complement areas addressed by the NERC Reliability Standards and other documentation maintained by NERC. In response to a directive contained in FERC Order No. 676-I, the WEQ Business Practices Subcommittee (BPS) is evaluating the WEQ-006 Manual Time Error Correction Business Practice Standards to determine if any standards are needed to support industry time error correction practices, including the NERC Time Monitoring Reference Document – Version 5. NAESB staff has reached out to NERC staff as well as WECC staff regarding the development of a draft recommendation by the subcommittee. As part of Standards Request R20008, the WEQ BPS is reviewing the WEQ-005 Area Control Error (ACE) Equation Special Cases Business Practice Standards to determine if revisions to the standards are needed to complement recent updates to the NERC Dynamic Transfer Reference Document – Version 4.



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RMQ/WEQ RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Mr. Brooks, Co-Chair of the WEQ BPS, provided the update. The WEQ BPS and RMQ BPS have scheduled a meeting for September 1, 2020 to continue the development of the NAESB Master Agreement for Sale and Purchase of Renewable Energy Certificates (NAESB REC Master Agreement). The NAESB REC Master Agreement will facilitate transactions involving RECs in the voluntary market. In the past several meetings, the participants have focused on the cover letter, the General Terms and Conditions for the sale and purchase of RECs, and definitions for the terms to be used.

WGQ CONTRACTS DISTRIBUTED LEDGER EFFORT: Ms. Crockett, Chair of the WGQ, delivered the update. After nearly two years of multi-day conference calls and face-to-face meetings, NAESB has published standards that enable the creation of a digitalized version of the NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) to be used on DLT, or blockchains. NAESB submitted the standards to FERC as part of the informational filing of Version 3.2 of the NAESB WGQ Business Practice Standards. The DoE has expressed support for NAESB standards development related to distributed ledger technologies, specifically the efforts related to the NAESB Base Contract, and NAESB staff continues to communicate with the DoE regarding this topic. Outside of the NAESB process, the Tennessee Valley Authority (TVA) and ExxonMobil are working together to initiate a pilot test of the newly developed WGQ Business Practice Standards. As part of the pilot, the companies will mirror their natural gas trades in a test environment using the distributed ledger technology standards. This effort has been closely coordinated with DoE staff. The pilot test is expected to produce valuable information that can help inform other areas that will need to be addressed to support uniform implementation, such as cybersecurity and a governance structure. With the support of Big Data Energy and Ardua Strategies, NAESB plans to continue its involvement in the test pilot by establishing a model for the use of the digitalized version of the NAESB Base Contract.

2020 NAESB STANDARDS DEVELOPMENT SURVEY: Mr. Booe, NAESB Executive Vice President and Chief Administrative Officer, delivered the update. As in past years, the NAESB Strategy Committee developed the 2020 NAESB Standards Development Survey to gauge potential interest in areas of standards development or activities that NAESB should consider undertaking within the next twelve to eighteen months. This year's survey, unlike those in the past, also asked respondents to provide use cases for standards development by identifying examples of specific business practices, processes, or transactions within each generalized area identified within the survey. The areas of inclusion in the survey were determined based on suggestions made by both the Advisory Council and the NAESB Board Digital Committee and included distributed ledger technologies, the IoT, distributed energy resources, and the General Data Protection Regulation. Approximately 75 responses were received, and the committee has a meeting scheduled for August 27, 2020 to review the draft report detailing the survey results. The report will be presented to the Board of Directors for consideration as part of its upcoming meeting.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and Chief Administrative Officer, delivered the update. On July 30, 2020, the NAESB Board of Directors held a status call to update members on these recent organization activities. The call was scheduled following the cancellation of the April meeting of the NAESB Board of Directors due to the COVID-19 pandemic and intended to provide Board members the opportunity to review and ask questions regarding the items to be presented during the upcoming virtual meeting. The presentation made during the status call covered the membership and financial reports, the NAESB Board Digital Committee Inaugural Report, the NAESB Response to Sandia National Laboratories Surety Assessment Report, and the revisions to the NAESB Accredited Certification Authority Process, among other items. During the call, NAESB leadership also announced that the NAESB Board of Directors, the Executive Committees, and the Subcommittees will continue to meet virtually through at least December 2020. The next meeting of the Board of Directors will be held on September 3, 2020.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for October 21, 2020 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	
August 26, 2020 1:00 PM Central	
Name	Organization
Matthew Agen	AGA
Jonathan Booe	NAESB
Michelle Brocklesby	Latitude Technologies
Dick Brooks	Reliable Energy Analytics
Christopher Burden	Enbridge
Jim Busch	BP
David Coffin	Green Button Alliance
Michael Colvin	EDF
Pete Connor	Rep. AGA
Chuck Cook	Chevron Natural Gas
Michelle Coon	OATI
Brad Cox	Tenaska
Valerie Crockett	TVA
Lindsey Fritz	Sabine Pass Liquefaction
Julie Gerush	SPP
Cory Herbolsheimer	NV Energy
Paul Hughes	Southern Company
Alan Johnson	NRG
Jo Johnson	Portland General Electric
Tom Kraft	ONEOK
Debbie Kupczyk	National Fuel Gas Supply Corp
Greg Kusel	Sidley Austin, LLP
Amy McConnel	Castleton Commodities Merchant
Bridget Medskir	NV Energy
Chris Norton	AMP
Brian Owens	WEC Energy Group
Ralph Painter	Tampa Electric
Joshua Phillips	SPP
Denise Rager	NAESB
Deepak Raval	NiSource
Keith Sappenfield	Corpus Christi Liquefaction
Carolyn Stone	Cascade natural Gas Corporation
Sarah Tomalty	BP Energy



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Caroline Trum	NAESB
Kim Van Pelt	Boardwalk Pipeline Partners
Victoria Venson	Anadarko Energy Services
Megan Vetula	EEI
Douglas Webb	Evergy
Bobbi Welch	MISO
Brittney Willet	Sprig
JT Wood	Southern Company