



North American Energy Standards Board

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August 28, 2013

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON PUBLIC KEY INFRASTRUCTURE (PKI) AND CYBERSECURITY EFFORTS: Mr. Booe, Vice President of NAESB, provided the update on the PKI Subcommittee and cybersecurity efforts. The Wholesale Electric Quadrant (WEQ) Executive Committee met on August 20, 2013 and unanimously voted to approve a recommendation for no action on the 2013 WEQ Annual Plan Item 4.a.ii – Review the FERC Report, “*Report on the Use of North American Energy Standards Board Public Key Infrastructure Standards*,” Docket No. EL12-86-000, issued on August 27, 2012,¹ to determine which standards changes are needed to be responsive to suggestions made by the Federal Energy Regulatory Commission (FERC). The annual plan item asked the PKI Subcommittee to address the August FERC Report’s request to evaluate the 20-year lifespan on root keys. The subcommittee developed a work paper detailing its decision to take no action on the request to modify the existing maximum lifespan of the root certificate and associated keys. The work paper emphasized that the current maximum 20-year lifespan fell in line with many PKI implementation models used in the government and private sectors, including the Federal Bridge Certification Authority Model and the certificate policy outlined in the Internet Engineering Task Force document, IETF 3764. During the WEQ Executive Committee meeting, the PKI Subcommittee announced its new name, Cyber Security Subcommittee (CSS), and noted that no change to the scope of the subcommittee’s work had occurred. The WEQ CSS will hold a face-to-face meeting immediately following the NAESB Board of Director’s meeting on September 5, 2013. During the meeting the participants will address an annual review of the accreditation requirements for Authorized Certification Authorities to determine whether changes are needed to meet market conditions. NAESB is continuing to monitor the National Institute of Standards and Technology (NIST) Cybersecurity Framework that includes standards, guidelines, and best practices to promote the protection of critical infrastructure. Additionally, Mr. Booe will participate in the September 11-12, 2013 NIST Cybersecurity Framework Workshop in Dallas, Texas.

UPDATE ON THE OPEN ACCESS SAME-TIME INFORMATION SYSTEMS (OASIS) SUBCOMMITTEE: Mr. Pritchard, co-chair of the WEQ OASIS Subcommittee, delivered the update on the OASIS Subcommittee activities regarding the preemption and competition recommendation. Spurred by a 2005 request for standards development which was subsequently addressed at the FERC Order No. 890 proceedings, the OASIS Subcommittee has been developing standards in the area of preemption and competition for over a year and a half. To date, the participants and members of the subcommittee have identified and discussed 147 issues and requirements. The subcommittee is currently addressing short term firm preemption and competition and will address non-firm applications later this year. The efforts will conclude with an analysis and possible standards development in the area of long-term preemption and competition. Separate from the subcommittee’s core workload are eight peripheral assignments that have been delegated to subcommittee members in an effort to reach the estimated annual plan completion date, set within the first quarter of 2014. The subcommittee is also monitoring possible upcoming standards development requests from the FERC and the North American Electric Reliability Corporation (NERC). Mr. Booe asked whether the preemption and competition standards development efforts will close out the subcommittee’s work on FERC Order No. 890. Mr. Pritchard replied that a few more items will need to be addressed by the subcommittee to complete work on the order. Mr. Booe thanked the subcommittee chairs for their leadership on the complex undertakings within the WEQ OASIS Subcommittee.

UPDATE ON PARALLEL FLOW VISUALIZATION (PFV) PROJECT: Mr. Saini, co-chair of the WEQ Business Practices Subcommittee (BPS), presented an update on the status of the recommendation for PFV/Mitigation for Reliability Coordinators in the Eastern Interconnection. During the thirty-day informal comment period for the draft recommendation, which concluded on March 18, 2013, seventeen comments were submitted. The subcommittee is currently addressing these comments and has taken under consideration the possibility of holding a second informal comment period. During the development of the PFV Permanent Solution White Paper, several issues emerged surrounding implementation, funding, pseudo-ties, seams agreements, and the

¹ The August 27, 2012 FERC Report is available at: http://www.naesb.org/pdf4/ferc_082712_report_on_naesb_pki_standards.doc.



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Interchange Distribution Calculator (IDC) tool. During the early October WEQ BPS meeting, the IDC Working Group and the WEQ BPS will hold a joint meet to discuss multiple aspects of the project. The WEQ BPS will recommend a twelve to eighteen-month parallel test followed by any necessary modifications to the standards as part of the development process. The next WEQ BPS face-to-face meeting will be held in Las Vegas, NV on October 8-9, 2013. Subsequent meetings will follow on November 13-14, 2013 and December 4-5, 2013. The expected completion date for this annual plan item falls within the fourth quarter of 2014.

UPDATE ON NAESB AND NERC COORDINATION: Mr. Booe provided the update on the continuous coordination between NAESB and NERC. The NAESB staff and WEQ leadership continue to hold monthly conference calls with NERC staff to ensure synchronization of the standards development processes. Additional monthly calls between NAESB and NERC staff members are held to ensure that both organizations are supportive to the coordination between the NERC project managers and the NAESB subcommittee co-chairs. On June 25, 2013, the executive leadership of the two organizations held a face-to-face meeting at the NERC offices in Atlanta, GA to discuss the progress of the coordination efforts. The groups concluded that the current coordination strategy has been effective and efficient in supporting the strong working relationship between NERC and NAESB. The agendas of the monthly conference calls typically concentrate on three areas: the Electric Industry Registry (EIR), NERC Project 2012-05 – ATC Revisions (MOD A), and the PFV project. Following the successful transition of the EIR from NERC to NAESB, the NERC Coordinate Interchange Standards Drafting Team submitted the first EIR enhancement request, which proposed to add a new object to the EIR – allowing balancing authorities to create pseudo-tie transactions between source and sink balancing authorities and the affected transmission service provider. The WEQ Joint Electric Scheduling Subcommittee (JESS) decided to delay action upon the enhancement request until the NERC standard driving the request was finalized. A second frequent agenda topic discussed during the calls concerns the NERC Project 2012-05 – ATC Revisions (MOD A) Standards Authorization Request (SAR) which proposes to consolidate a number of the NERC MOD Standards to reorient the focus on reliability-related aspects. This project was posted for a 45-day comment period on July 11, 2013. A standards development request will possibly be submitted to NAESB from NERC to ensure that the commercial aspects of the standards are maintained. The NERC Board of Trustees must approve the proposed MOD A Standards and NERC must submit a standard request, for NAESB to begin to triage the submitted request. If a request is submitted, NAESB and NERC will work closely with FERC to ensure a smooth transition. Other topics are discussed during the monthly meetings, including the NAESB and NERC Glossary coordination efforts and the September 3-4, 2013 WEQ Standards Review Subcommittee (SRS) review of the 2014-2016 Reliability Standards Development Plan for impact on NAESB Business Practice Standards.

UPDATE ON PHASE 3 OF THE ELECTRIC INDUSTRY REGISTRY (EIR) PROJECT: Mr. Phillips, co-chair of the WEQ JESS, presented the update on Phase 3 of the EIR project. NAESB is currently working with Open Access Technology International, Inc. (OATI) and the Western Electricity Coordinating Council (WECC), to complete Phase 3 of the EIR project, which includes the incorporation of the WECC registry, currently managed through the WECC Interchange Tool (WIT), into the EIR. Parallel operations of the EIR for WECC users began on June 4, 2013 and are expected to last until the 4th Quarter. Additionally, legacy TSIN items retained within the EIR as part of the original transition will be retired, and the EIR publication will transition to XML file format only, with the CSV and MDB file formats being retired. An informal comment period was held from August 15, 2013 to September 6, 2013 for the WEQ JESS white paper proposing a business solution for improving the management of e-Tag reliability profile limits. The e-Tag Specification 1.8.1.1 will be integrated on September 17, 2013. (*Please Note: the integration date for e-Tag Specification 1.8.1.1 was later rescheduled for October 1, 2013*). The WEQ JESS has also completed the recommendation regarding the interconnection scheduling in 15-minute intervals per FERC Order No. 764, and submitted additional formal comments to the Executive Committee on the topic. A participant asked whether the 15-minute adjustment was a rounding issue. Mr. Phillips responded that it was a ramping issue. Mr. Harshbarger further clarified that changes were made to the WECC timing tables and default ramp durations in the NAESB WEQ-004 Business Practice Standards. Mr. Booe requested a status update on the parallel testing. Ms. Trum responded that OATI will communicate the official numbers to NAESB in the upcoming week, but at this time it is estimated that 1/3 of the data points have been registered. NAESB is working closely



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with OATI and WECC to monitor the data being registered during the parallel operations period and to ensure a smooth transition. Communications finalizing the cutover date for Phase 3 will soon go out to the industry and hopefully spur unregistered entities into action.

UPDATE ON GAS-ELECTRIC HARMONIZATION ACTIVITIES: Ms. Crockett, Chair of the Wholesale Gas Quadrant (WGQ) Executive Committee, provided the update on the gas-electric harmonization activities. An informal group was created during the Executive Committee meetings to support the FERC Notice of Proposed Rulemaking (NOPR), “*Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*,” Docket No. RM13-17-000, issued on July 18, 2013.² This group will review the aspects of the communication standards and return a recommendation to the Executive Committee. On August 26-27, 2013, Ms. McQuade, President of NAESB, moderated a gas-electric harmonization panel for the Eastern Interconnection States’ Planning Council (EISPC) meeting in Chicago, IL. During that same meeting, Ms. Crockett, Chair of the NAESB WGQ Executive Committee, represented NAESB on the EISPC panel which sought to examine, at a high level, ongoing or previous analyses of gas-electric harmonization issues. During the September 19, 2013 FERC open session, the FERC staff will present the quarterly update to the Commission on gas-electric harmonization activities. Ms. Hill asked whether Ms. Crockett had any insight towards the nature of the comments on the NOPR. Ms. Crockett stated that many of the comments focused on the nature of the No-Conduit Rule and emphasized the level of confidentiality in the proposed communications.

UPDATE ON TECHNICAL STANDARDS TO SUPPORT NET METERING: Mr. Booe delivered the update regarding the technical standards to support net metering. During the August 21, 2013 Retail Energy Quadrant (REQ) Executive Committee meeting, the participants discussed the development of technical standards to support EDI transactions related to net metering. Rather than addressing all net metering issues, the REQ Executive Committee voted that 2013 Retail Annual Plan Item 9(a)-(c) should focus on the development of technical model business practices for EDI communications. The annual plan item is divided into three sections. In the first section, the Glossary Subcommittee will define “Net Metering,” as it applies to NAESB. The second portion requires the Retail BPS to develop model business practices describing how net metering is used in competitive energy markets and to identify the required business elements. The Information Requirements/Technical Electronic Implementation Subcommittee will complete the third portion of the annual plan item by developing the required modifications to the data dictionaries and technical implementation documents. Mr. Booe stated that NAESB is solely focusing on the technical aspects of net metering model business practices in order to support states that may choose to implement net metering.

NAESB BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETINGS: Mr. Booe delivered the update for the August 20-22, 2013 Executive Committee and the upcoming September 5, 2013 NAESB Board of Directors meetings in Houston, Texas. Two recommendations for no action related to NERC items and three minor corrections were approved during the August 20, 2013 WEQ Executive Committee meeting. On August 21, 2013, the REQ Executive Committee voted to approve a process flow chart depicting the NAESB model business practices development process. Five recommendations and numerous minor corrections focused on the maintenance of WGQ standards were approved during the August 22, 2013 WGQ Executive Committee meeting. An informal group was created during the Executive Committee meetings to support the FERC NOPR, “*Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*,” Docket No. RM13-17-000, issued on July 18, 2013.³ The September 5, 2013 NAESB Board of Directors meeting will focus on strategic planning for the organization. A panel of guests, including Pat Wood, Timothy Simon, Marc Spitzer, Bob Gee, Terry Thorn, Gerry Cauley, Ravi Anne, Emil Pena, Christine Tezak, Sheila Hollis and Annie McIntyre, will deliver recommendations for the board to consider. Their remarks on the direction of our organization and our efforts to support policy and market needs through standards development should provide a strong basis from which we can begin to develop our 2014 annual plans.

² The July 18, 2013 FERC NOPR, “*Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*,” Docket No. RM13-17-000, is available at: http://www.naesb.org/pdf4/ferc071813_nopr_geh.pdf.

³ Id.



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REGULATORY UPDATES: Mr. Booe explained that the FERC NOPR, “*Standards for Business Practices and Communication Protocols for Public Utilities*,” Docket No. RM05-5-022, was issued on July 18, 2013⁴ and proposes to incorporate by reference into its regulations Version 003 of the NAESB WEQ Business Practice Standards. The proposal includes the adoption of the PKI and Smart Grid Standards. Comments on the NOPR are due September 24, 2013. Additionally, NAESB has recently sent correspondence to nonmember regulated entities that have not purchased the standards to provide information about procedures to access the NAESB WEQ Standards during the comment period. The NAESB WGQ Version 2.1 Business Practice Standards have been ratified by the WGQ membership and were published on April 30, 2013. The WGQ Version 2.1 Standards were submitted to the FERC on July 23, 2013⁵ in Docket No. RM96-1 et al, and were followed by a July 24, 2013⁶ errata notice filing in the same docket.

NEXT CONFERENCE CALL: The next Monthly Update conference call is scheduled for October 16, 2013 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the Monthly Update 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.

⁴ The July 18, 2013 FERC NOPR, “*Standards for Business Practices and Communication Protocols for Public Utilities*,” Docket No. RM05-5-022, is available at: http://www.naesb.org/pdf4/ferc_nopr_071813_weq_v003.docx.

⁵ The July 23, 2013 NAESB Report to FERC, “*Standards for Business Practices of Interstate Natural Gas Pipelines*,” Docket No. RM96-1 et al, is available at: http://www.naesb.org/pdf4/ferc072313_wgq_version_2.1_filing.pdf.

⁶ The July 24, 2013 NAESB Errata Notice to FERC, “*Errata Notice - Standards for Business Practices of Interstate Natural Gas Pipelines*,” Docket No. RM96-1 et al, is available at: http://www.naesb.org/pdf4/errata_ferc072413_wgq_version_2.1_filing.pdf.



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NAESB Monthly Update Conference Call, Participant List

August 28, 2013 1:00 PM Central

Name	Organization
Steve Abbey	Anadarko Energy Services Company
Jonathan Booe	North American Energy Standards Board
Kathryn Burch	Spectra Energy Transmission
Bishu Chatterjee	California Public Utilities Commission
Valerie Crockett	Tennessee Valley Authority
Ericka DeCoursey	New Mexico Gas Company
Jeremy Durocher	Enbridge
Dave Eichenlaub	Virginia Corporation Commission
Phillip Ellis	Florida Public Service Commission Staff
Chuck Feagans	Tennessee Valley Authority
Marilyn Franz	NV Energy
Bob Harshbarger	Puget Sound Energy, Inc.
Denise Hill	BPA
Linda Horn	We Energies
Debbie Kupczyk	National Fuel Gas Supply Corporation
Elizabeth Mallett	North American Energy Standards Board
Joshua Phillips	Southwest Power Pool
Deborah Plattsmier	Chevron Pipe Line Company
Valerie Price	Enable Gas Transmission, LLC
Alan Pritchard	Duke Energy Corp.
Jonathan Pytka	PPL EnergyPlus, LLC
Deepak Raval	NiSource Inc.
Judy Ray	Alabama Power
Narinder Saini	Entergy
Susan Schumann	Florida Municipal Power Agency
Leonard Tillman	Southern Company Services
Caroline Trum	North American Energy Standards Board
Craig Williams	WECC



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Name	Organization
JT Wood	Southern Company
Kathy York	Tennessee Valley Authority