



## North American Energy Standards Board

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December 12, 2012

### NAESB AT A GLANCE: MONTHLY UPDATE

**UPDATE ON GAS-ELECTRIC HARMONIZATION EFFORTS:** Mr. Booe delivered an update on the recent industry efforts surrounding gas-electric harmonization. The [NAESB Gas-Electric Harmonization Committee Report](#) was approved by the board on September 20, 2012. Since that time, the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors adopted the report on November 13, 2012 and the NARUC Committee of the Whole adopted the report on November 14, 2012. Ms. McQuade thanked the committee members who took part in the nine month effort to draft the report. Mr. Booe stated that NAESB would like to give personal thanks to Commissioner Timothy Simon of the California Public Utilities Commission and Commissioner Wayne Gardner of the Pennsylvania Public Utility Commission. He explained that the Federal Energy Regulatory Commission (the Commission) had announced during their November 15, 2012 open session that it would hold two additional conferences to elicit input to information sharing and communications issues between natural gas and electric power industry entities. The announcement, released on December 7, 2012 in Docket AD12-12-000, explained that the comments responding to this notice should be submitted on or before January 7, 2013 and will form the basis of the first conference to be held on February 13, 2012.

**UPDATE ON THE ELECTRIC INDUSTRY REGISTRY (EIR) TRANSITION:** Mr. Booe delivered the update on the EIR transition. As scheduled and announced by NAESB, NERC and OATI- the EIR, also known as OATI's webRegistry, was put into production and published on November 13, 2012 at 12:00am Central. At that time the EIR became the official industry registry and registry publication and its predecessor, the NERC TSIN Registry, was decommissioned. This decision was made by NAESB and NERC at the conclusion of the cutover test which took place from November 6, 2012 through November 12, 2012. During that time period, no changes were allowed in either the NERC TSIN or the webRegistry systems except as requested and manually entered by OATI as authorized by NAESB. To date, the EIR has over 1,200 registered entity roles, over 200 points of receipt (POR) and points of delivery (POD) roles, and over 5,800 source/sink points. NAESB is now working to streamline the emergency publication process. Mr. Booe stated that the December 5, 2012 WEQ Leadership meeting addressed the development of improvements and future maintenance process. He thanked OATI and NERC for their efforts in making the transition to EIR a success.

**UPDATE ON SMART GRID DATA PRIVACY REQUEST:** Mr. Booe delivered the update on the Smart Grid Data Privacy Request. He stated that The Smart Grid Interoperability Panel (SGIP) Cyber Security Working Group (CSWG) submitted a request to NAESB in August that proposed enhancements to the NAESB Retail Data Privacy Standard in four areas: adding cyber security requirements, improving utility privacy requests, improving customer education, and enhancing the identity verification process. The SGIP CSWG identified the enhancements during the vetting of the standard for consideration in the SGIP Catalog of Standards. The vote to accept the Data Privacy Standard into the catalog will be held during the SGIP January meeting. In response, the Smart Grid Data Privacy Task Force has been reactivated at the request of the chair of the REQ Executive Committee. Christine Wright of the Texas PUC has agreed to chair the effort on behalf of the task force. The first meeting of the Smart Grid Data Privacy Task Force took place on November 30, 2012 and the participants were pleased to hear from members of the SGIP CSWG. Mr. Booe noted that the SGIP had held a meeting on December 4-6, 2012 which included an assembly of a Priority Action Plan (PAP) 20 committee, dedicated to the Green Button and the evolution of the ESPI standard, which provides an effective mechanism for making energy usage information available to consumers. The PAP participants originally proposed two requirements. First, to make the schema contained in the ESPI standard freely available without restriction, a plan of action that falls outside NAESB's current business structure and, secondly, to internationalize the ESPI standard by publication through an international standards body. Mr. Booe explained that the SGIP is in the process of making a formal request to NAESB to consider the two requirements. Commissioner Simon emphasized that President Jones of NARUC had recently made cyber security the number one issue for the upcoming year. The Commissioner stated that he expected NARUC and NAESB to



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collaborate on this issue. Mr. Booe replied that the commission staff members of several states have provided input on the efforts and that President Jones would be contacted and kept informed of NAESB developments.

**UPDATE ON DODD-FRANK ACT IMPLICATIONS TO CONTRACTS:** Mr. Sappenfield, chair of the WGQ Contracts Subcommittee, delivered the presentation on the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) implications to NAESB contracts. He referred to two work papers posted on the NAESB web site. The [first work paper](#) contained an update, delivered during the December 6, 2012 Board of Directors meeting, on Dodd-Frank developments, including the background of the act, major final rules affecting End-Users, other final rules affecting End-Users, and other information for non-financial End-Users. The [second work paper](#) addressed the WGQ Contracts Subcommittee recent efforts regarding WGQ 2012 Annual Plan Item 13 – Final Rules published by the Commodity Futures Trading Commission (CFTC) and implications to the NAESB contracts. Mr. Sappenfield informed the participants that the WGQ Contracts Subcommittee would be on a hiatus until the CFTC released a final rule providing more information regarding the issues identified by the subcommittee. Mr. Booe informed the participants that the WGQ Contracts Subcommittee meetings on this subject had included participation from over one hundred industry parties.

**UPDATE ON PUBLIC KEY INFRASTRUCTURE (PKI)/CERTIFICATION EFFORTS:** Mr. Buccigross, chair of the WGQ Executive Committee and the PKI Subcommittee, provided an update on the PKI Subcommittee activities. He stated that the PKI Subcommittee had completed two annual plan items during the late summer that had already been modified by the NAESB membership: WEQ 2012 Annual Plan Item 4.c.i – Authorized Certification Authority Standard and Credentialing Practice and WEQ 2012 Annual Plan Item 4.c.ii – Technology Review and Upgrade for NAESB Public Key Infrastructure Standard WEQ-012. These standards impacted two other subcommittees, the Joint Electric Scheduling Subcommittee and the OASIS Subcommittee who developed ancillary standards to accompany the modifications to WEQ-012. NAESB anticipates a supplemental filing to the NAESB Wholesale Electric Quadrant Version 003 standards report, which will include the updated WEQ-000, WEQ-002, WEQ-004 and WEQ-012 sets of business practice standards, early next year. Mr. Booe stated that NAESB would begin accepting affidavits from Authorized Certification Authorities for the current version of standards as amended by the final actions. He stated that the program would not apply retroactively to WEQ Business Practice Standards, Version 2.1. On November 20, 2012, NAESB filed a [status report to the Commission](#) regarding the NAESB PKI standards.

**UPDATE ON CYBER SECURITY EFFORTS:** Ms. McQuade delivered the update on cyber security efforts. She stated that NAESB had recently met with Senators Reid, Collins, and Lieberman regarding cyber security development issues. As a result of these meetings, the NAESB Managing Committee has supported the creation of an ad hoc group to work with Ms. McQuade in the development of two fact sheets that describe the NAESB cybersecurity related standards, how they are used, to which transactions they apply, and how they affect the markets for both natural gas and electricity markets. These fact sheets will be developed into white papers that will be used to synchronize development efforts with NARUC and other organizations. Mr. Booe explained that he had recently attended cyber security conferences hosted by the Department of Energy and the Department of Homeland Security. During the presentations, the Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) discussed cyber security mitigation and tactics.

**UPDATE ON TRANSMISSION LOAD RELIEF (TLR) - PARALLEL FLOW VISUALIZATION (PFV):** Mr. Skiba, chair of the WEQ Business Practices Subcommittee (BPS), delivered the update on transmission load relief (TLR) and parallel flow visualization (PFV). He stated that the WEQ BPS continues to work on the PFV project which addresses some key issues with the TLR process in the Eastern Interconnection. NAESB is responsible for improving the reporting of firm/non-firm priorities to be used by the Interchange Distribution Calculator (IDC) which is the tool used for determining relief obligations when a TLR request is issued. Mr. Skiba explained that the BPS looked at multiple possible solutions for determining priorities including requiring all point-to-point and network service to be tagged between Balancing Authorities, which is required today, and within Balancing Authorities, which is not required today, and a flowgate allocation process. The WEQ BPS settled on a hybrid approach and then developed a whitepaper that laid out the general process. Mr. Skiba noted that NAESB standards are just one piece of the puzzle and that the whitepaper included assumptions for coordinating standards



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development with NERC, as well as changes to the IDC. Throughout the entire PFV process, the BPS has been coordinating activities with the IDC Working Group. During October, additional discussions addressed the level of detail necessary in the IDC documents (technical/application processing requirements) versus what belonged in the NAESB Business Practices. Mr. Skiba explained that review and modifications of WEQ-000, WEQ-003, and WEQ-013 were approaching completion. He noted that extensive modifications have also been made to WEQ-008, TLR – Eastern Interconnection. The next steps for the WEQ BPS are to post the NAESB Standards, the IDC User Manual, and the NERC coordinated changes to the industry for an informal comment period. After the posting, NAESB will schedule a review session on the PFV business practice standards to assist those entities who wish to submit informal comments.

**UPDATE ON 2013 ANNUAL PLANS:** Mr. Buccigross delivered the update for the 2013 WGQ Annual Plan. He stated that the NAESB Master Agreement for Purchase, Sale or Exchange of Liquid Hydrocarbons had been ratified by the NAESB membership and presented to the industry for use. During 2013, the WGQ Contracts Subcommittee will continue to review final rules published by the CFTC and implications to NAESB contracts. Other 2013 WGQ Annual Plan Items included the review of the appendices of the WGQ Electronic Delivery Mechanisms Manual, EBB, and an update of the reference tool developed for Version 2.0 to reflect modifications applicable to Version 2.1. Mr. Buccigross thanked the members of the WGQ for their efforts.

Ms. York, chair of the WEQ Executive Committee, delivered the update for the 2013 WEQ Annual Plan. She stated that the NAESB WEQ continues to coordinate closely with NERC on several issues, including PFV. The WEQ Standards Review Subcommittee (SRS) has completed a review of the 2013-2015 NERC Standards Development proposals and the WEQ 2013 Annual Plan to ensure the organizations move in lock step. She stated that the 2013 WEQ Annual Plan had added an item calling for coordination with NERC on changes to the definition of Bulk Electric System and that 2013 WEQ Annual Plan Item 2 consisted of the remaining issues from FERC Order Nos. 890 and 890-A. Ms. York noted that other 2013 WEQ Annual Plan Items included efforts to maintain the EIR, support PKI and cyber security, and complete preemption and competition in the third quarter of 2013.

Mr. Jones, chair of the RGQ, delivered an update on the activities of the Retail Gas and Retail Electric Quadrants.. He stated that a process flow outlining the development of NAESB Model Business Practices was scheduled to be completed in the first quarter of 2013 and that the quadrants were also working on the Retail Customer Authorization Form, harmonizing Demand Response, and Energy Efficiency and Smart Grid standards, among other projects.

**UPDATE ON DECEMBER 2013 BOARD ACTIONS:** Mr. Booe delivered the update on the December 2013 board actions which included setting the budget for 2013, Managing Committee activities, proposed revisions to the NAESB Bylaws, proposed restructuring of the REQ and RGQ, the NAESB copyright policy, and the numerous issues discussed above.

**NEXT CONFERENCE CALL:** The next Monthly Update conference call is scheduled for January 23, 2013 from 1:00pm- 2:00PM Central. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website: [http://www.naesb.org/monthly\\_update.asp](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 would like to receive additional information, please contact the NAESB Office (713)356-0060, [naesb@naesb.org](mailto:naesb@naesb.org).



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| <b>NAESB Monthly Update Conference Call, Participant List</b> |   |
|---|---|
| <b>December 12, 2012 1:00 PM Central</b>                      |   |
| <b>Name</b>   | <b>Organization</b>                         |
| Brenda Anderson   | Bonneville Power Administration             |
| Jeff Anderson   | OATI  |
| Diane Barney  | New York State Department of Public Service |
| Jonathan Booe   | NAESB                                       |
| Jim Buccigross  | 8760  |
| Ellen Burns   | North Carolina Utilities Commission         |
| Bishu Chatterjee  | CPUC  |
| Elise Cort  | Enbridge                                    |
| Valerie Crockett  | TVA   |
| Megan Doss  | Spectra Energy                              |
| Dave Eichenlaub   | VA State Corporation Commission             |
| Brian Fields  | Calpine Corporation                         |
| Marilyn Franz   | NV Energy                                   |
| Mike Gildea   | NERC  |
| Bill Griffith   | El Paso                                     |
| Cleve Hogarth   | Quorum Business Solutions, Inc.             |
| Ashton Holderbaum   | Not Specified                               |
| Linda Horn  | We Energies (Wisconsin Electric)            |
| Rebecca Johnson   | Not Specified                               |
| Dan Jones   | Duke Energy                                 |
| Kathy Lewis   | Not Specified                               |
| Dina Magner   | Louis Dreyfus Highbridge Energy             |
| Elizabeth Mallett   | NAESB                                       |
| Diana Marks   | Florida Staff                               |
| Sarah Martin  | Not Specified                               |
| Gail McKaig   | Tampa Electric Company                      |
| Rae McQuade   | NAESB                                       |
| Cindy Miller  | Not Specified                               |
| Mickey Moon   | CenterPoint Energy Services Inc.            |
| Susan Munson  | ERCOT                                       |
| Kevin Ogrady  | Not Specified                               |
| Karen Pierce  | Not Specified                               |
| Keith Pierce  | Not Specified                               |
| Ken Quimby  | SPP   |
| Judy Ray  | Alabama Power                               |
| Keith Sappenfield   | Encana                                      |
| Christina Schaffer  | Public Utilities Commission of Ohio         |
| Karen Short   | West Virginia Commission                    |
| Commissioner Timothy Alan Simon                               | CPUC  |
| Ed Skiba  | MISO  |
| Jordan Sligar   | Williams Midstream                          |
| Todd Snitchler  | Not Specified                               |
| Steven Theroux  | Maryland PSC                                |
| Lou Ann Westerfield   | Idaho PUC                                   |
| JT Wood   | Southern Company                            |
| Matt Wurst  | PA Public Utility Commission                |
| Kathy York  | TVA   |