

North American Energy Standards Board

North American Energy Standards Board

3rd Annual Meeting of the Members

September 2004

North American Energy Standards Board

Activities Underway

Action on the 2004 Annual Plans

Jim Buccigross

Chairman, Executive Committee

North American Energy Standards Board

Standards Development Process

❖ Standards Development Process

- ❖ The process begins with an approved annual plan from the Board of Directors
- ❖ It can also begin with a request – which can come from a member, an interested industry participant, a government agency or commission, an ISO or RTO, or a NAESB subcommittee.
- ❖ The process followed is ANSI accredited -- ANSI accredits organizations as Standards Development Organizations (“SDO”) based on their adherence to ANSI’s cardinal principles of standards-setting.
- ❖ The process is open and any interested party can participate and contribute to the standards development regardless of membership in NAESB.

North American Energy Standards Board

Standards Development Process

ANSI Principles of Standards Development

- ❖ Open. Any materially affected and interested party has the ability to participate.
- ❖ Balance and Lack of Dominance. The consensus body shall be balanced and shall not be dominated by any single interest category or organization.
- ❖ Due Process. All objections shall have an attempt made towards their resolution. Interests who believe they have been treated unfairly shall have a right to appeal.
- ❖ Consensus. More than a majority but not necessarily unanimity.
- ❖ Voluntary. Standards are not binding unless adopted by a governmental entity as part of a code or set of regulations.

North American Energy Standards Board

Standards Development Process

❖ Voluntary Standards

- ❖ From the organization's perspective, all standards are voluntary and may be provided to regulatory agencies as status reports as they are published.
- ❖ Regulatory agencies may choose to adopt standards or model business practices, but NAESB will not advocate such action.
- ❖ The organization will not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- ❖ The organization will not advocate before any regulatory body.

North American Energy Standards Board

Annual Plans

❖ What is an Annual Plan?

- ❖ It is a roadmap of standards development activities for each quadrant to undertake
- ❖ The four plans (one for each quadrant) include high level topics for standards development and reflect requests from state and federal agencies
- ❖ Quarterly progress is reported to the Board from the EC chair. This update is detailed in the Board minutes.
- ❖ Each month, the annual plans and status of activities are reviewed by state commission staff and other government agency representatives in the monthly At A Glance calls

North American Energy Standards Board

2004 WEQ Efforts

We have 5 major development areas for WEQ:

- ❖ **Area 1:** Business practices standards as needed to complement reliability standards as reflected in today's reliability policies – development of version 0 – to be done by yearend.
- ❖ **Area 2:** Long term plan to create OASIS 2 over the next several years.
- ❖ **Area 3:** Business practices standards to Improve the Current Operation of the Wholesale Electric Market as reflected in changes to OASIS – which we have called OASIS 1A, many of which will be filed with the FERC by or near yearend

North American Energy Standards Board

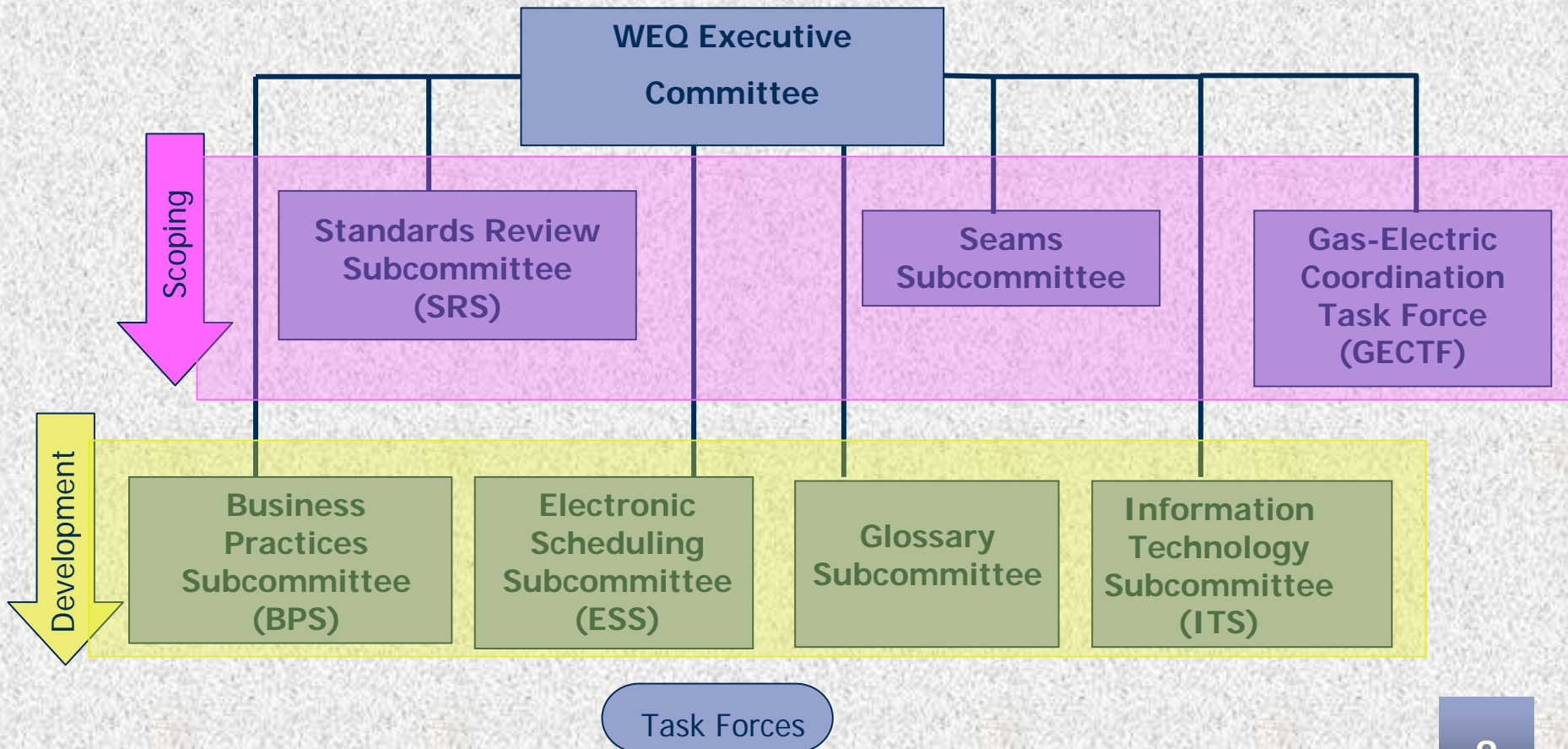
2004 WEQ Efforts

- ❖ **We have 5 major development areas for WEQ:**
- ❖ **Area 4:** Work with the Wholesale Gas Quadrant to support gas-electric interdependencies and identify areas of joint standards development – such as Energy Day
- ❖ **Area 5:** Identification of seams issues where NAESB can develop business practice standards – again we have three requests in development that should be acted on by 2005

North American Energy Standards Board

2004 WEQ Efforts

Subcommittee structure to address the workload identified in the annual plan:



North American Energy Standards Board

2004 Retail Efforts

❖ Joint Activities

- ❖ Almost all efforts for the retail gas and electric quadrants are performed jointly
- ❖ The subcommittees meet jointly and indeed have the same structure
- ❖ While it is feasible to have separate retail standards, so far the body of work has been developed jointly and is commodity neutral
- ❖ The subcommittees used as their initial platform the work done by the Coalition of Uniform Business Rules
- ❖ The retail annual plans are extensive and cover multi-year efforts

North American Energy Standards Board

2004 Retail Efforts

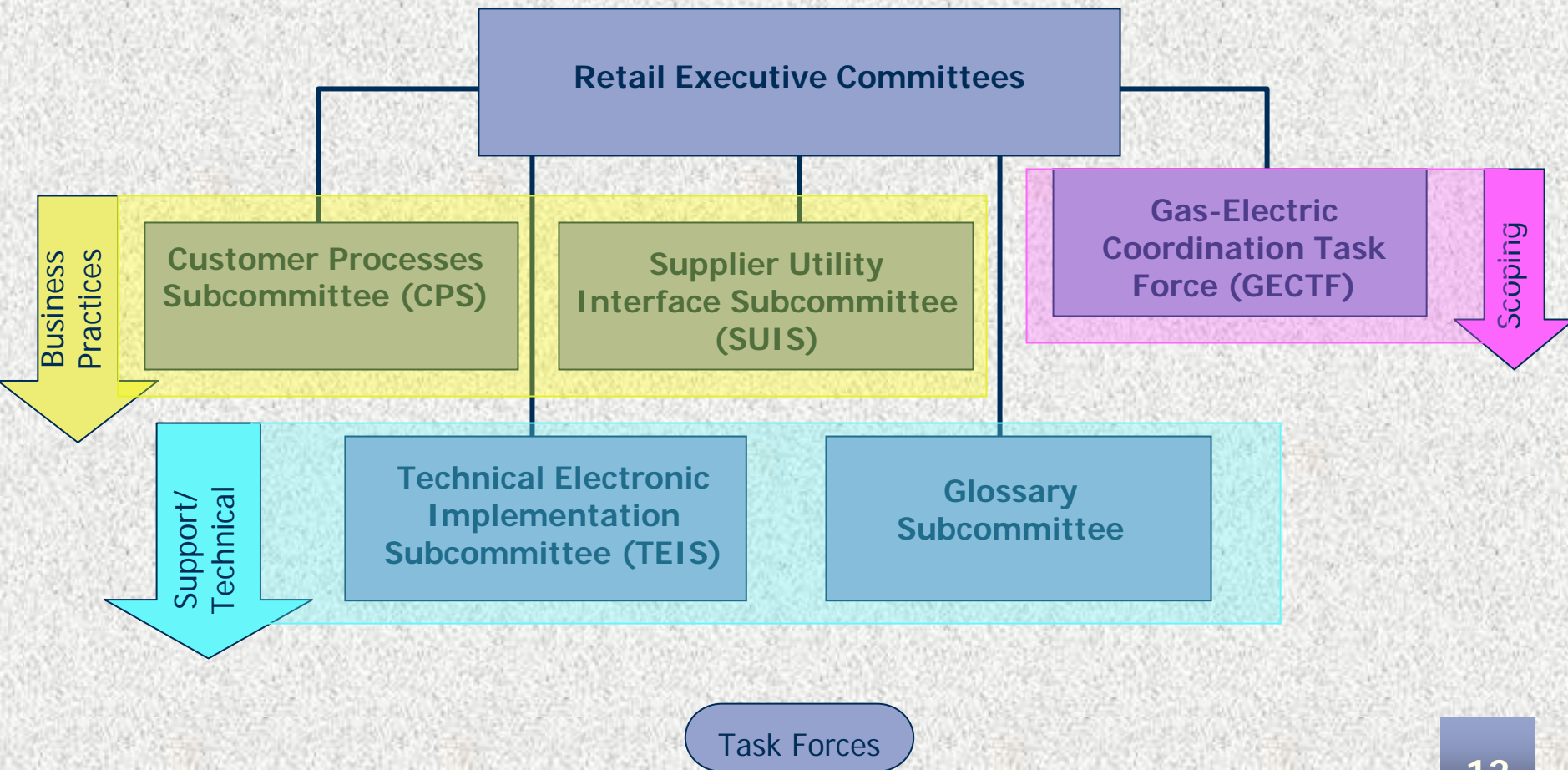
❖ Several key areas of development for 2004

- ❖ Creditworthiness – MBPs complete
- ❖ Supplier Billing & Payment – MBPs complete
- ❖ Market Participant Interactions and non-disclosure agreements – complete by yearend
- ❖ Customer Information - underway
- ❖ Distribution Company – Supplier Disputes - underway
- ❖ Technical Electronic Implementation Standards - underway

North American Energy Standards Board

2004 Retail Efforts

Subcommittee Structure in the Retail Quadrants



North American Energy Standards Board

2004 WGQ Efforts

We have 6 major development areas for WGQ:

- ❖ **Area 1:** Status Report on Gas-Electric Scheduling Coordination Issues – completed and should be released shortly along with several new requests for standards development
- ❖ **Area 2:** Completed the review and developed necessary standards for FERC Order 2004 (Affiliate Order).
- ❖ **Area 3:** Electronic Delivery Mechanisms and Related Activities – these activities keep our technical standards up to date and we are working with the other quadrants to introduce uniformity where appropriate.

North American Energy Standards Board

2004 WGQ Efforts

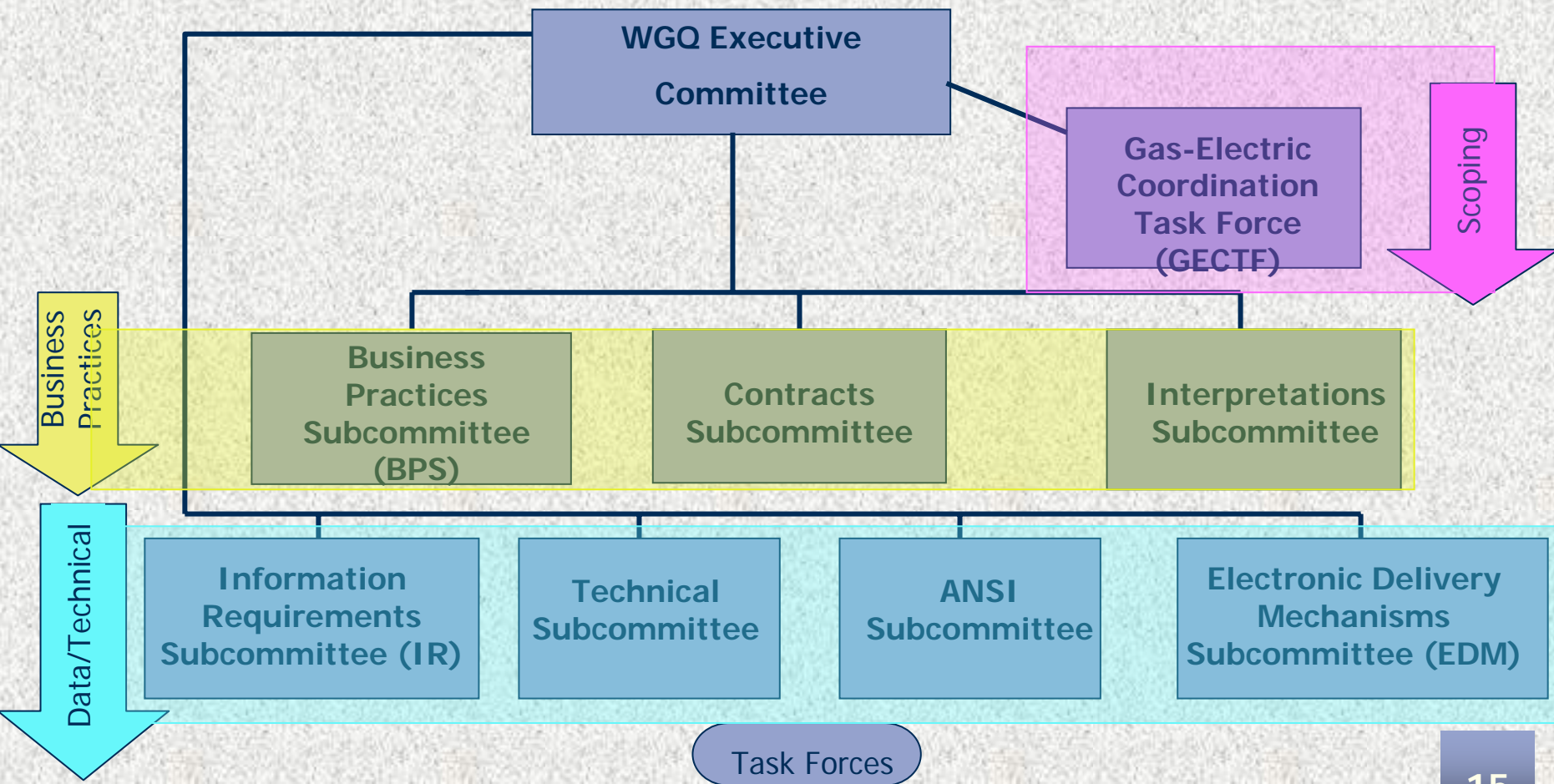
We have 6 major development areas for WGQ:

- ❖ **Area 4:** Gas Quality Reporting standards should be completed by yearend – to add to the transparency of the information and the ease of access
- ❖ **Area 5:** Contracts – we are developing a Gas Annex for the ISDA contract
- ❖ **Area 6:** Normal Maintenance of existing standards – the unsung heroes of NAESB – much needed but seldom given the recognition they deserve

North American Energy Standards Board

2004 WGQ Efforts

Subcommittee Structure in the Wholesale Gas Quadrant



North American Energy Standards Board

Wrapup

- ❖ **How Do I Participate?**
- ❖ **Join the distribution lists on the NAESB Web Site : www.naesb.org**
- ❖ **All meetings are open and accessible via telephone**
- ❖ **All materials are posted on the NAESB web site**
- ❖ **Your comments are welcome and will be posted on any NAESB standards issues**
- ❖ **If you are not a member, but are interested in membership, please call the NAESB Office: 713-356-0060**