

# NAESB Bulletin

March - July 2018

Volume 11, Issue 1

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## 2018 Calendar:

### August

- 8/2 - Energy Services Provider Interface Task Force Conf. Call
- 8/7 - WEQ/WGQ FERC Forms Subcommittee Conf. Call
- 8/8 - Joint WEQ OASIS and WEQ BPS Conf. Call
- 8/14 - WGQ BPS Conf. Call
- 8/14 - WEQ CSS Conf. Call
- 8/15 - WEQ CISS Conf. Call
- 8/17 - Board Strategic Plan Task Force Conf. Call
- 8/17 - WEQ SRS Conf. Call
- 8/21 - WEQ Executive Committee Meeting (Dallas, TX)
- 8/22-23 - WEQ OASIS Meeting (Dallas, TX)
- 8/23 - WGQ Executive Committee Conf. Call
- 8/24 - Retail Structure Review Committee Conf. Call
- 8/29 - Board Revenue Committee Conf. Call
- 8/29 - NAESB Monthly Update Conf. Call
- 8/30 - WEQ CSS Conf. Call

### September

- 9/3 - Holiday - Labor Day (NAESB Closed)
- 9/4-5 - WGQ IR/Technical Meeting (Houston, TX)
- 9/5 - Leadership Meeting (Houston, TX)
- 9/5 - NAESB Board Reception & Dinner with Guest Speaker (Houston, TX)
- 9/6 - NAESB Board of Directors Meeting - Meeting of the Members and Strategic Session (Houston, TX)
- 9/10 - WEQ CISS Conf. Call
- 9/12 - Understanding the NAESB WGQ Contracts Web Cast Course
- 9/13 - Board Parliamentary Committee Conf. Call
- 9/13 - WEQ SRS Conf. Call
- 9/18-19 - WEQ OASIS Meeting (Chattanooga, TN)
- 9/20 - Joint WEQ OASIS and WEQ BPS Meeting (Chattanooga, TN)

### October

- 10/4 - WGQ 2019 Annual Plan Subcommittee Conf. Call
- 10/4 - RMQ 2019 Annual Plan Subcommittee Conf. Call
- 10/4 - WEQ 2019 Annual Plan Subcommittee Conf. Call
- 10/9 - WEQ Executive Committee Meeting (Richmond, VA)
- 10/10 - RMQ Executive Committee Meeting (Richmond, VA)
- 10/11 - WGQ Executive Committee Meeting (Richmond, VA)
- 10/16-18 - WEQ OASIS Meeting (Houston, TX)
- 10/17 - NAESB Monthly Update Conf. Call

**Blockchain Standards Request:** In mid-July, Standards Request R18007 was submitted to the NAESB Office by Big Data Energy Services, Adjoint Inc., Pariveda, American Electric Power Service, Tennessee Valley Authority, and JKM Energy & Environmental Consulting. The requestors ask that NAESB develop a standard digital representation of natural gas trade events, consistent with NAESB WGQ Standard No. 6.3.1 – NAESB Base Contract for Sale and Purchase of Natural Gas, in order to capitalize on smart contract and distributed ledger technologies, or blockchain.

At the beginning of this year, NAESB received increased interest from several blockchain companies regarding potential standards development efforts. Additionally, the Board Revenue Committee and the Strategic Plan Task Force have held discussions that have turned to the potential utilization of blockchain technology within NAESB.

During the February Advisory Council meeting, blockchain was a main topic of discussion and an item identified by the Advisory Council as something NAESB should be acting upon in 2018. Specifically, the members of the Advisory Council proposed that NAESB consider standards development to support the integration of blockchain technology into energy transactions, including how blockchain can improve resilience and supply chain integrity. Further, the Advisory Council recommended that NAESB monitor customer-to-customer transactions and how blockchain technology supports those transactions.

In April, Somil Goyal of Adjoint Inc., a new NAESB member, led a discussion at the board dinner on how blockchain will change the energy industry. His presentation highlighted the efficiency that automated smart contracts on blockchains could bring to processes that are currently performed manually. The presentation also explained potential value propositions for using blockchain, including disintermediation, certainty, efficiency, and automation. R18007 is currently in the triage process, expected to conclude on August 17, 2018, and has a recommended disposition that the request be found in scope, assigned to the WGQ and, assigned to the WGQ Executive Committee for further assignment.

For more information, please go to [Standards Request R18007](#), [August 2, 2018 Triage Agenda](#), and [2018 WGQ Annual Plan](#).

**NAESB Standards Development Survey:** On July 16, NAESB received 87 responses to the NAESB Standards Development Projects Survey that was distributed to the industry on June 15. During its August 17 conference call, the NAESB Board Strategic Plan Task Force will utilize the information obtained from the biennial survey to prepare a report for the Board of Directors concerning the organization's future direction and activities. In order to ensure that the overall direction of the organization is aligned to meet the goals of the NAESB mission, the NAESB Board of Directors will determine if any new areas of standards development or supportive activities are appropriate.

This year, the survey focused on short and long-term potential standards development areas rather than the current projects underway at NAESB. For example, recipients were asked to indicate whether NAESB should consider standards development or standards supportive activities in several areas within the next 18 to 24 months. Those areas included distributed generation, blockchain, Mexican energy market reformation, and liquefied natural gas (LNG), among others. The survey responses and the report will be presented during the September 6 annual Meeting of the Members and Strategic Session and will serve as a basis for the development of the 2019 annual plans and the strategic planning efforts of the organization.

For more information, please go to [2018 NAESB Standards Development Survey](#), [Press Release for 2018 NAESB Standards Development Survey](#), [2018 WEQ Annual Plan](#), [2018 WGQ Annual Plan](#), and [2018 RMQ Annual Plan](#).

**Non-member Access/Participation:** For our participants who are non-members, from the NAESB Home Page you can access one of the four quadrant squares – wholesale electric, retail electric, wholesale gas and retail gas, you are directed to the "[NAESB Non-member Access: NAESB Committees, Subcommittees and Task Forces](#)" web page, For more information, please go to [NAESB Current Committee Activities](#) or contact Denise Rager ([drager@naesb.org](mailto:drager@naesb.org)) for additional information.

STANDARDS DEVELOPMENT *(continued)*

**Parallel Flow Visualization-Transmission Loading Relief (PFV-TLR):** As noted in the Filings section of this newsletter, NAESB anticipates filing a status report in the coming months to update the FERC regarding the PFV timeline and development efforts. As with previous PFV filings to the Commission, NAESB will coordinate with NERC and the EIDSN on the upcoming status report.

In 2010, the WEQ BPS efforts to develop a recommendation for the PFV project began with the intent of improving the congestion management process of the Eastern Interconnection by increasing the Reliability Coordinator's real-time visibility of the source and magnitude of parallel flows in the bulk electric system. Specifically, the recommendation seeks to support and complement the NERC Reliability Standards by proposing modifications to the current WEQ-008 Transmission Loading Relief (TLR) – Eastern Interconnection Standards in order to support the submittal of near real-time data to the Interchange Distribution Calculator (IDC). Additional proposed modifications to the standards will determine priorities and sub-priorities for curtailment and the current TLR procedures.

In 2014, the WEQ Executive Committee determined that it would utilize the NAESB full-staffing process for the project – with the standards held in abeyance until the completion of a field trial conducted by the EIDSN, the organization that manages the IDC tool, through its IDC Working Group (IDCWG). On September 28, 2017, the field trial began and is expected to last for a duration of eighteen months.

Looking ahead, the IDCWG will provide a report detailing the outcome of the commercial metrics once the field trial concludes. Next, the WEQ BPS will determine whether any changes should be made to the NAESB standards, and, subsequently, the WEQ Executive Committee will vote on the resulting recommendation developed by the WEQ BPS. As always, NAESB staff continues to maintain coordination with NERC and the EIDSN in order to ensure that the organizations move in lockstep as the project moves forward.

*For more information, please go to [2018 WEQ Annual Plan](#), [October 2, 2017 PFV Status Report to FERC](#), [October 17, 2016 PFV Status Report to FERC](#), [January 29, 2016 PFV Status Report to FERC](#), [March 25, 2015 NAESB PFV Report to FERC](#), [January 28, 2015 PFV Status Report to FERC](#), [July 11, 2014 PFV Status Report to FERC](#), [Recommendation approved by the NAESB WEQ Executive Committee on February 24, 2015 to initiate the full staffing process \(Redline\)](#), and [February 24, 2015 WEQ Executive Committee Meeting Notes](#).*

**Electronic Filing Protocols for Commission Forms (eForms):** On August 7, the WEQ/WGQ FERC Forms Subcommittee will hold a conference call to hear a presentation on eXtensible Business Reporting Language (XBRL). During its June meeting, an initial presentation was made by FERC staff on XBRL and the subcommittee also discussed feedback regarding the development of the FERC Forms. In preparation for these conference calls, NAESB requested input regarding FERC's effort to update its form collection system along with questions regarding XBRL and custom extensible markup language (XML). The request both informed the industry that work has been done on a custom XML solution for specific FERC Forms and noted that the Commission is currently evaluating whether to adopt an XBRL standard instead of XML for the effort. The five sets of questions presented were: (1) What would be the difference in burden to your organization between implementing an XBRL data collection standard versus a custom XML solution?; (2) From your experience, is one solution significantly easier/less burdensome to implement and maintain than the other? Why (e.g., open source tools, resource availability, etc.)?; (3) Are there efficiency gains if your organization already uses XBRL to report data to other agencies or organizations?; (4) What are the short-term and long-term benefits of one solution over the other? Which benefits are most valuable to your organization? What would be the biggest challenge to implementing either solution?; and (5) Do you prefer to implement an XBRL standard or a custom XML solution and why?

Leigh Spangler and Dick Brooks, the Chairs of the WEQ/WGQ FERC Forms Subcommittee, requested that written feedback on the five questions be submitted by June 18, 2018. Three written comments were received from BP, Links Technology, and Washington Utilities Transportation Commission, and were considered by the subcommittee during its August 7, 2018 conference call.

As you may remember, the eForms effort began with the April 2015 FERC order, *Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms*, issued by the Commission in Docket No. AD15-11-000. In the Order, the Commission explained that Microsoft is no longer supporting Visual FoxPro and requested that the industry consider the transition of certain forms from Visual FoxPro to XML, Forms 1, 1-F, 2, 2-A, 3-Q electric, 3-Q gas, 6, 6-Q, FERC-60 and FERC-714. The WEQ/WGQ FERC Forms Subcommittee conference call is open to all interest industry parties.

*For more information, please go to [2018 WEQ Annual Plan](#), [2018 WGQ Annual Plan](#), [FERC Staff XBRL Presentation](#), [Subcommittee Feedback Questions](#), [Comments Submitted by BP](#), [Comments Submitted by Links Technology](#), [Comments Submitted by Washington Utilities and transportation Commission](#), [April 16, 2015 FERC Order Instituting Proceeding to Develop Electronic Filing Protocols for Commission Forms](#), [May 1, 2015 Notice of Conference with NAESB](#), [May 29, 2015 Supplemental Notice of Conference with NAESB](#), [June 10, 2015 Technical Conference Transcript](#), and [July 16, 2015 FERC Notice of NAESB Meeting](#).*

**Cybersecurity:** During its August 14 conference call, the WEQ CSS will continue to discuss two annual plan items. First, 2018 WEQ Annual Plan Item 4.a tasks the subcommittee with an annual review of the NAESB WEQ-012 and the accreditation requirements for Authorized Certification Authorities to determine if any changes are needed to meet market conditions. Next, under 2018 WEQ Annual Plan Item 4.b, the subcommittee will evaluate and modify standards as needed to support the current version of the NERC Critical Infrastructure Protection (CIP) Standards and any other activities of NERC and the FERC related to cybersecurity.

As part of 2018 WEQ Annual Plan Item 4.b, the WEQ CSS continues to monitor the January 18, 2018 FERC NOPR, *Supply Chain Risk Management Reliability Standards*. As the Commission explained in its press release, the standards proposed for incorporation by reference in the NOPR were adopted “to bolster supply chain risk management protections from the bulk electric system.” Additionally, on July 19, 2018, the Commission issued FERC Order No. 848 *Cyber Security Incident Reporting Reliability Standards* in Docket No. RM18-2-000. That order directs NERC to develop and submit modifications to its standards to “augment the mandatory reporting of Cyber Security Incidents, including incidents that might facilitate subsequent efforts to harm the reliable operation of the [Bulk Electric System].” NAESB will continue to monitor these cybersecurity efforts.

Also, under 2018 WEQ Annual Plan Item 4.b, the subcommittee will review the April 19, 2018 FERC Order No. 843, *Revised Critical Infrastructure Protection Reliability Standard CIP-003-7 – Cyber Security – Security Management Controls*. The order approves the NERC Reliability Standard CIP-003-7 and directs NERC to develop modifications to the CIP Reliability Standards to mitigate the risk of malicious code that could result from third-party transient electronic devices. As always, the August 14 WEQ CSS conference call will be open to any interested parties.

*For more information, please go to [2018 WEQ Annual Plan, July 10, 2018 WEQ CSS Agenda, August 14, 2018 WEQ CSS Agenda, January 18, 2018 FERC NOPR, December 21, 2017 FERC NOPR, FERC Order No. 848, and April 19, 2018 FERC Order No. 843.](#)*

**Green Button Update:** On August 2, the RMQ Energy Services Provider Interface (ESPI) Task Force unanimously voted out revisions to the REQ.21 ESPI Model Business Practices. As the basis for the Green Button, ESPI describes an interface enabling the retail customer authorization for the exchange of energy usage information from data custodians to third parties. The task force held a kick off call back in April to begin discussion on the efforts. Now, four months later, the resulting draft recommendation has been posted for a thirty-day formal industry comment period from August 6, 2018 through September 4, 2018. Upon conclusion of the comment period, the RMQ Executive Committee will meet in October to consider the recommendation and any comments received. If approved by the RMQ Executive Committee, the recommendation will be posted for membership ratification.

Since the Green Button Initiative started in the United States in 2011, over 150 utilities and service providers have committed to providing more than 60 million US households with access to their energy usage information. Beginning as a response to the White House call to action challenging utilities to provide their customers with access to their energy usage information via a “Green Button” on their websites, the Green Button Initiative has now expanded beyond the borders of the United States. In Canada, more than half of the Ontario-based consumers, totaling 3 million residences and businesses, now have access to their Green Button data.

Recently, NAESB staff met with the staff of the Ontario Ministry of Energy regarding the Ministry’s *Regulatory Proposal for Province-Wide Implementation of Green Button*. The regulation will require Ontarian electric and natural gas utilities to implement Green Button Download My Data and Connect My Data programs.

*For more information, please go to [2018 RMQ Annual Plan, REQ.21 ESPI Model Business Practices, Achieving Balance Ontario’s 2013 Long-Term Energy Plan, Ontario’s Five Year Climate Change Action Plan 2016-2020, and Green Button Page.](#)*



**NAESB Board and Executive Committee Presentations and Upcoming NAESB Web Courses:** On September 12, 2018, NAESB will offer a webcast course, *Understanding the NAESB WGQ Contracts*. Designed to review the components of the NAESB Base Contract for the Sale and Purchase of Natural Gas (WGQ Standard No. 6.3.1), the course will also provide the attendees with a detailed understanding of the supporting Canadian and Mexican Addendums. Additionally, the agenda will include a review of the Trading Partner Agreement as well as an overview of each of the other six WGQ contracts.

On July 12, 2018, William Boswell, the General Counsel of NAESB presented a webcast orientation for new members of the Board of Directors. Later that day, Elizabeth Mallett and Caroline Trum presented an orientation for new and existing Executive Committee members. Both orientations were well attended and provided the basic knowledge necessary for effective participation on the two governing bodies of the organization. Dependent upon events within the industry, the *NAESB WEQ Business Practices Standards Webcast Course* and the *NAESB WGQ Business Practice Standards Webcast Course* may be offered this year.

This fall, Elizabeth Mallett will present the annual NAESB 101 Webinar to the National Association of Regulatory Utility Commissioners (NARUC). The presentation will highlight, for new and existing Commissioners, the basics of NAESB, the NAESB standards development process, and any current efforts underway.

*For more information, please go to [NAESB Primers and Training Courses Page.](#)*

STANDARDS DEVELOPMENT *(continued)*

***WEQ Open Access Same-time Information Systems (OASIS) Subcommittee:*** During the upcoming August WEQ Executive Committee meeting, two recommendations developed by the WEQ OASIS Subcommittee will be considered – 2018 WEQ Annual Plan Item 3.b and 2018 WEQ Annual Plan Item 3.e. Voted out of OASIS during its June 19-20, 2018 meeting, the recommendation for 2018 WEQ Annual Plan Item 3.b modifies WEQ-002 and WEQ-003 to add new data elements to the query templates in order to provide the flexibility to specify a list of transmission service requests or reservations to be returned in a single query response. One comment from Southern Company was submitted during the thirty-day formal comment period which concluded on July 23, 2018.

Under 2018 Annual Plan Item 3.e, the OASIS Subcommittee proposes modifications to WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013 to establish a mechanism allowing the documentation of those encumbrances to unconditional firm transmission services that are not normally established through OASIS or the e-Tagging processes. During an informal comment period, held from June 21 to July 10, eight informal comments on the draft recommendation were received. During its July 17-18 meeting, the subcommittee reviewed the informal comments and the group plans to vote out the recommendation for a thirty-day industry comment period during its face-to-face meeting in Dallas, Texas on August 22-23, 2018.

At the end of May, the NAESB WEQ membership ratified the joint WEQ OASIS and WEQ Business Practices Subcommittee (BPS) recommendation for 2018 WEQ Annual Plan Item 2.a.i.2. The annual plan item was created to address a directive in Paragraph 1139 of FERC Order No. 890 by establishing two new OASIS templates for the purpose of supporting the optional posting of third party offers of planning redispatch service. One OASIS template will be used to capture generator information that may be used in a planning redispatch offer. The second OASIS template provides the actual redispatch offer parameters. Two comments, from Southern Company and the WEQ BPS/WEQ OASIS Subcommittee, were received during the thirty-day formal comment period that concluded at the end of February. Prompted by the industry comments reviewed during its April meeting, the WEQ Executive Committee first revised and then approved the recommendation.

As a last initiative to close out FERC Order No. 890, the WEQ OASIS Subcommittee and the WEQ BPS will develop a joint recommendation for 2018 WEQ Annual Plan Item 2.a.i.1. In Paragraph 1627 of the Order, the Commission asked that “transmission providers, working through NAESB, [] develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments.” The effort is slated for completion by the end of the fourth quarter of 2018.

In recent meetings, the WEQ OASIS Subcommittee has set up individual assignments to efficiently address the remaining 2018 WEQ Annual Plan Items in upcoming meetings. Those items include 2018 WEQ Annual Plan Items 3.c, 3.d, 3.a, and 3.f. The next 2018 WEQ OASIS Subcommittee meeting will be hosted by Oncor in Dallas, Texas on August 22-23, 2018.

*For more information, please go to [2018 WEQ Annual Plan](#), [FERC Order No. 890](#), [Recommendation for 2018 WEQ Annual Plan Item 3.b](#), [Request for Comments on 2018 Annual Plan Item 3.b](#), [Comments Submitted by JT Wood, Southern Company](#), [Comments Submitted by J. Phillips on behalf of SPP and MISO](#), [June 19-20, 2018 OASIS Subcommittee Draft Meeting Minutes](#), [Request for Informal Comments on Recommendation for 2018 Annual Plan Item 3.e](#), [Comments Submitted by R. Kelley, BPA](#), [Comments Submitted by A. Pritchard, Duke Energy](#), [Comments Submitted by J. Manning, NCEMC](#), [Comments Submitted by JT Wood, Southern Company](#), [Comments Submitted by R. Robinson, TVA](#), [Comments Submitted by E. Skiba, MISO](#), [Comments Submitted by C. Norton, American Municipal Power, Inc.](#), [Late Comments Submitted by C. Pacella, PJM](#), [Recommendation for 2018 WEQ Annual Plan Item 2.a.i.2 as Revised During the April WEQ Executive Committee Meeting](#), [Request for Comments on 2018 WEQ Annual Plan Item 2.a.i.2](#), [Comments Submitted by JT Wood of Southern Company](#), and [Late Comments from WEQ OASIS and WEQ BPS](#).*

***Copyright/NAESB Standards Access:*** As everyone should be aware, NAESB copyrights its work products – a practice used by most standards organizations. The copyrights are considered a subset of intellectual property law, and NAESB retains the rights to publication, reproduction, display and distribution. NAESB members may obtain materials free of charge as part of their benefits, but these benefits do not extend to their agents, affiliates or subsidiaries without prior approval and waivers from the NAESB office. Damages for copyright infringement can be significant, including penalties of \$100,000+, injunction, impounding of materials, seizure of property, and award of punitive damages. At the same time, NAESB is very liberal in its policies towards sharing information and has granted waivers to regulators and educational institutions depending on the intended use. There is also a process by which anyone can request a three-day waiver to review the work products, as they consider whether they should purchase them. Waivers for longer periods can also be granted depending on use. NAESB’s control of copyrighted material provides a small revenue stream which offsets some of its standards development expenses and thus those of its members in the creation of the work products. More importantly, as entities must come to NAESB for its standards material, it assures that they will have access to the most current version.

*For more information, please go to [Copyright, NAESB Materials Order Form](#) or contact Denise Rager ([drager@naesb.org](mailto:drager@naesb.org)) for additional information.*

**Update on the Electric Industry Registry (EIR) and e-Tagging Specification:** As you may know, the NAESB EIR serves as the central repository for information utilized by the electric industry. In 2012, the NAESB EIR replaced the NERC Transmission System Information Network (TSIN) as the industry registry tool. Now, in order to increase the efficiency and user experience of the NAESB EIR tool, NAESB works with OATI, the system administrator, to perform periodic enhancements and updates. As announced in a May EIR distribution to the industry, one such update occurred on June 11, 2018. Included in the June update were changes to optimize the upload process for transmission paths, corrections to display errors, and additional safeguards to prevent duplicate records from being created.

There were also two modifications related to the pseudo-tie functionality included in the update. First, a new validation was implemented to prevent the registration of a pseudo-tie with an effective start or stop date beyond the bounds of the effective start and stop date of associated data objects, such as source and sink points. With this change, users cannot register a pseudo-tie if its effective start and stop dates do not align with those of the associated data objects. Second, moving forward, the effective stop date of a pseudo-tie will automatically be updated should the effective stop date of an associated data object be changed to a shorter duration than the life of the pseudo-tie. The new effective stop date of the pseudo-tie will reflect the earliest effective stop date of the data objects associated with the pseudo-tie. Any entity associated with the pseudo-tie that has registered to receive expiration alarms will receive a notification when the pseudo-tie is thirty days and seven days from the new expiration date. As part of the implementation of this modification, a one-time update to all existing pseudo-ties occurred to change the effective stop date of the pseudo-tie to the effective stop date of the associated data object of shortest duration. In preparation for this update, OATI identified the impacted pseudo-ties and contacted the registering entities.

In the coming weeks, the WEQ CISS will hold a conference call to continue discussion on Enhancement Request ER18001. Submitted by Southwest Power Pool on June 1, 2018, ER18001 requests modifications to system functionality regarding subscription renewals. Specifically, it suggests that entities be allowed to renew their subscriptions prior to the start of the renewal period. Per the NAESB EIR Enhancement Request Process, this request was assigned to the WEQ CISS for evaluation and the subcommittee began discussing ER18001 during its June 25 and July 13 conference calls.

Recent WEQ CISS agendas have also included discussion on potential issues regarding tag timing rules in WEQ-004 Appendix D – Commercial Timing Tables. Additionally, after a review, the subcommittee determined that no additional modifications are needed to Version 1.8.3 of the eTag Functional Specification that was implemented by the industry last November.

*For more information, please go to [2018 WEQ Annual Plan, EIR Page, May 24, 2018 EIR Update Announcement, July 30, 2018 WEQ CISS Agenda, June 25, 2018 WEQ CISS Draft Meeting Minutes, July 13, 2018 WEQ CISS Agenda,](#)*

*[WEQ EIR Enhancement Requests Page, ER18001, and NAESB WEQ Electronic Tagging Functional Specification, Version 1.8.3 \(as approved by the WEQ Executive Committee\).](#)*

**NAESB and NERC Continuing Coordination:** NERC and NAESB staff, with the support of the WEQ leadership, continue to hold ongoing calls to ensure harmonization on industry priorities. One such priority is the NERC 2018 Reliability Standards Efficiency Review. In mid-June, the WEQ Standards Review Subcommittee (SRS) reviewed the draft NERC Standards Authorization Request (SAR) for the project and noted that some of the proposed retirements from the draft SAR may have an impact on the NAESB WEQ standards. The NERC effort began in February when multiple NERC review teams began to hold biweekly meetings until reconvening in May to develop the draft SAR. NAESB staff and WEQ leadership have remained in close contact with NERC staff throughout the review process to ensure coordination between the organizations.

In late 2017, NERC initiated Project 2017-04, a periodic review of selected INT Reliability Standards. A number of industry comments on the review recommended that NERC coordinate the retirement of several of the INT standards with NAESB to allow for the development of related business practice standards. Project 2017-04 has been placed on hold pending the NERC Reliability Standards Efficiency Review team’s recommendations. Other discussion topics between the staff of NERC and NAESB include cybersecurity, the parallel flow visualization efforts, the NERC Reliability Standards Development Plan, and eTagging, among others.

*For more information, please go to [2018 WEQ Annual Plan, October 2, 2017 NAESB PFV Report to FERC, December 21, 2017 FERC NOPR, and December 21, 2017 FERC NOPR.](#)*

<b>NAESB Quadrant Membership Analysis:</b>	
Wholesale Gas Quadrant	123
Retail Markets Quadrant	42
Wholesale Electric Quadrant	137
<b>Total Membership</b>	<b>302 Members</b>
<b>NAESB New Members</b>	
<b>Retail Markets Quadrant (Segment):</b>	
Brilliant Energy, LLC (Retail Electric Service Providers/Suppliers)	
<b>Wholesale Electric Quadrant (Segment):</b>	
Adjoint Inc. and SSL.com (Technology & Services) Monitoring Analytics, LLC (IGO/Planners) NERC (End Users)	
<b>Wholesale Gas Quadrant (Segment):</b>	
Emera Energy Services, Inc. (Services)	

**Sandia National Laboratories:** In June and July, the NAESB Board Critical Infrastructure Committee (Board CIC) held two conference calls to discuss the revised draft surety assessment report provided by Sandia National Laboratories (Sandia). During the July call, the committee began to develop a second letter containing feedback on the draft report. Sandia undertook efforts to revise the initial draft surety assessment report based on the first feedback letter provided by the Board CIC in March of 2018. While the Board CIC expressed appreciation for the revisions provided by Sandia, the consensus of the committee was that additional revisions would be helpful to provide NAESB with the necessary information to evaluate any findings and recommendations contained within the finalized report.

Similar to the written feedback provided by the Board CIC in March, the committee recommended that the finalized report more closely resemble the previous 2006 surety assessment. The Board CIC noted that a vulnerability-based assessment – focused on evaluating individual standards and recommending actions or steps to mitigate potential vulnerabilities – will better assist NAESB to ensure that the standards contain robust cybersecurity best practices to address both the current and future needs of the gas and electric industries.

Divided into findings and recommendations, the revised draft surety assessment report provided by Sandia seeks to: (1) assess the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Standards; (2) assess the NAESB Certification Program for Accredited Certification Authorities, including the WEQ Public Key Infrastructure Standards, the NAESB Accreditation Requirements for Authorized Certificate Authorities, and the Authorized Certification Authority Process; (3) assess the WEQ Open Access Same-time Information Standards; and (4) conduct a high-level dependency analysis between the gas and electric markets.

In February, after Sandia requested that NAESB conduct a review of the initial draft surety assessment report, it was noted by the Board CIC that additional granularity behind the findings and recommendations in the draft report would be helpful as NAESB determines how best to address the finalized report. As a result of that February call, the Board CIC prepared a letter in response to the draft report to assist in the development of the final report and suggested that Sandia consider modifications related to the structure and format and the level of detail provided in the draft report.

The Board CIC will continue to coordinate with Sandia National Laboratories throughout the development of the final report. As always, the Board CIC conference calls are open to all interested parties.

*For more information, please go to [Board CIC Members Roster](#), [February 26, 2018 Board CIC Agenda](#), [February 26, 2018 Board CIC Meeting Notes](#), [Initial Draft Sandia Surety Assessment Report](#), [February Board CIC Chair's Work Paper](#), [February Board CIC Feedback to Sandia](#), [June 18, 2018 Board CIC Agenda](#), [June 18, 2018 Board CIC Meeting Notes](#).*

*[Updated Draft Sandia Surety Assessment Report](#), [June Board CIC Chair's Work Paper](#), [July 12, 2018 Board CIC Agenda](#), [July Board CIC Draft Feedback to Sandia](#), [July Board CIC Chair's Work Paper](#), [2018 WEQ Annual Plan](#), [2018 WGO Annual Plan](#), and [2018 RMQ Annual Plan](#).*

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**Filings:** This Fall, NAESB will submit a status report regarding the Parallel Flow Visualization (PFV) efforts to the Federal Energy Regulatory Commission (FERC). As discussed above, on September 28, 2017, the PFV field trial began and is expected to last for a duration of eighteen months. The filing will detail aspects of the field trial and outline the timeline for the effort. As was done in the last PFV report, submitted on October 2, 2017, NAESB will coordinate the filing with the North American Electric Reliability Corporation (NERC) and the Eastern Interconnection Data Sharing Network (EIDSN).

As you know, currently, two NAESB publications are pending in front of FERC – Version 003.2 of the NAESB WEQ Business Practice Standards and Version 3.1 of the NAESB WGQ Business Practice Standards. Although Version 003.1 of the WEQ standards was filed with the Commission on October 26, 2015 and a Notice of Proposed Rulemaking for that version was subsequently issued by the FERC on July 21, 2016, no final action has been issued from the Commission. Last December, NAESB published a new version of standards, Version 003.2, and filed a report with the Commission in Docket No. RM05-5-000. Version 003.2 incorporates action items from October 1, 2015 through December 8, 2017, including all of the modifications and additions in the Version 003.1 publication.

As stated above, the second publication that is pending in front of the Commission is Version 3.1 of the NAESB WGQ Business Practice Standards. Submitted to the Commission on September 29, 2017, the publication incorporates action items from November 2014 to September 2017. The final actions and the minor corrections that make up the changes reflected in both WEQ Version 003.2 and WGQ Version 3.1 are now available on the NAESB website for members and for nonmember purchase.

*For more information, please go to [2018 WEQ Annual Plan](#), [2018 RMQ Annual Plan](#), [2018 WGO Annual Plan](#), [October 26, 2015 NAESB Filing for WEQ Version 003.1](#), [July 21, 2016 FERC NOPR on WEQ Version 003.1](#), [December 8, 2017 NAESB Filing for WEQ Version 003.2](#), and [September 29, 2017 NAESB Report to FERC for WGQ Version 3.1](#).*

**NAESB Board Committees Update:** Scheduled to take place on September 6 at the Houston Marriot Marquis, the NAESB Board of Directors meeting will include the annual Meeting of the Members and Strategic Session. As this board meeting is focused on strategic directions for NAESB, the organization is very fortunate to have the participation of two industry thought leaders that will provide the Board of Directors with their insights concerning the current and future state of the energy industry. Branko Terzic will provide remarks during the September 5<sup>th</sup> board dinner, and Jay Costan will participate as a speaker during the board meeting on the following morning. Their perspectives along with the observations and discussions of other participants should be valuable as the organization looks ahead to development of the 2019 annual plans. Also, during the meeting, the Board Strategic Plan Task Force will present a report to the Board of Directors resulting from the *NAESB Standards Development Survey* that was distributed to the industry in mid-June. Additionally, on September 5, 2018, the combined quadrant NAESB Leadership Meeting will take place from 4:00 to 5:30 Central. In preparation for these meetings, board committees are holding conference calls to address several agenda items.

At the end of July, the NAESB Parliamentary Committee held a conference call to discuss its ongoing efforts to update the NAESB governance documents. During the meeting, the committee focused on the NAESB Certificate of Incorporation, ensuring that it is consistent with (1) Delaware General Corporation Law; (2) itself and other NAESB governance documents; and (3) the original intent of each adopted provisions/procedure.

As explained in the Sandia National Laboratories Surety Assessment section of this newsletter, the Board Critical Infrastructure Committee held a conference call in mid-July to draft feedback to Sandia National Laboratories on the second version of the draft surety assessment. The next conference call will be announced by the NAESB office in the coming weeks.

During its August 17 conference call, the Board Strategic Plan Task Force will review the responses received from the *NAESB Standards Development Projects Survey*. After the collation of the results, the task force will begin to develop a report to be presented during the September Board Meeting.

On August 24, the Board Retail Structure Review Committee (Board RSRC) will hold its next conference call. As membership within the RMQ has continued to hover just above the forty-member requirement defined in the NAESB Bylaws, the Board RSRC has initiated discussions concerning the membership levels in the RMQ and the future direction of the quadrant’s activities. Along with hearing updates on the Open Field Message Bus (OpenFMB) and ESPI Task Force efforts, the Board RSRC has focused on the possibility of an alternate fee structure for new members, the possibility of a NAESB patent policy, and monitoring the activities of several state Electronic Data Interchange (EDI) working groups. During the September Board meeting, the Board RSRC will also deliver an update on its activities.

Additionally, during its August 29, 2018 conference call, the Board Revenue Committee will meet to review any items in preparation for the September Board of Directors meeting. These conference calls, as all NAESB meetings and conference calls, are open to any interested participants.

*For more information, please go to [2018 WEO Annual Plan](#), [2018 RMO Annual Plan](#), [2018 WGO Annual Plan](#), [February 26, 2018 Board CIC Agenda](#), [December 4, 2017 Board CIC Meeting Notes](#), [May 16, 2017 Board CIC Meeting Notes](#), [Draft Sandia National Laboratories Surety Assessment Report](#), [Sandia National Laboratories Surety Assessment Tasking Document](#), [NAESB Operating Practices](#), [NAESB By-Laws](#), and [NAESB Certificate of Incorporation](#).*



**2019 Annual Plan Subcommittee Calls:** The 2019 annual planning process has begun with the announcement of a set of calls to take place on October 4, 2014. As always, a request for industry comments on the annual plans will be sent to the industry ahead of the call. The conference calls are open to NAESB members and interested industry participants to propose and discuss items that should be included on the 2019 annual plans for the wholesale electric, wholesale gas, and retail market quadrants. The drafts of the 2019 annual plans will be considered by the quadrant Executive Committees during their October 9-10, 2018 meetings hosted by Dominion in Richmond, VA. All annual plans, as adopted by the Executive Committees, will be considered for adoption by the Board of Directors during its December 13, 2018 meeting.

*For more information, please go to [2018 WEO Annual Plan](#), [2018 RMO Annual Plan](#), and [2018 WGO Annual Plan](#).*