



North American Energy Standards Board

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March 14, 2013

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON SMART GRID DATA PRIVACY REQUEST: Ms. Wright, chair of the Smart Grid Data Privacy Task Force, delivered the update on the smart grid data privacy request. She reminded the participants that the Smart Grid Interoperability Panel (SGIP) Cyber Security Working Group (CSWG) submitted a request, R12008, to NAESB in August that proposed enhancements to the NAESB Retail Data Privacy Standard REQ.22 in four areas: adding cyber security requirements, improving utility privacy requests, improving customer education, and enhancing the identity verification process. In response, the Smart Grid Data Privacy Task Force had been reactivated at the request of the chair of the REQ Executive Committee. During the February 25, 2013 face-to-face meeting hosted by ERCOT in Austin, Texas, the task force continued work on its recommendation. Ms. Wright noted that Mr. Booe had attended a Department of Energy (DoE) meeting which addressed similar issues concerning data privacy on the federal level. Mr. Booe stated that NAESB would continue to monitor the DoE activities. Ms. McQuade inquired whether the efforts underway at the DoE were intended to apply to the wholesale markets. Mr. Booe replied that the work product would be a voluntary code of conduct and not necessarily federally jurisdictional work. Future meetings of the Smart Grid Data Privacy Task Force will be announced by the NAESB office.

UPDATE ON PUBLIC KEY INFRASTRUCTURE (PKI)/CERTIFICATION EFFORTS: Mr. Buccigross, chair of the WGQ Executive Committee and the PKI Subcommittee, provided the update on PKI activities. He reminded the participants that on November 30, 2012¹, NAESB filed a status report to the Commission regarding the NAESB PKI Standards development effort. At that time, the PKI Subcommittee had completed two annual plan items that had already been ratified by the NAESB membership. The NAESB WEQ-012 PKI Standards impacted two other subcommittees, the Joint Electric Scheduling Subcommittee and the OASIS Subcommittee who developed ancillary standards to accompany the modifications to the WEQ-012 PKI Standards. The final standards were ratified on December 27, 2012 and NAESB filed an update regarding modifications to the NAESB WEQ-012 PKI Standards and the related standards on January 29, 2013.² Mr. Buccigross explained that the PKI Subcommittee had met on March 7, 2013 to address 2013 WEQ Annual Plan Item 4.a.ii which calls for review of the August 27, 2012 Federal Energy Regulatory Commission (FERC) report, "*Report on Use of North American Energy Standards Board Public Key Infrastructure Standards*" (Docket No. EL12-86-000).³ The subcommittee began their review of which standards changes were needed to be responsive to suggestions made by the FERC. The subcommittee is also reviewing the NAESB Accreditation Requirement for Authorized Certification Authorities and discussing the recommendation of the Commission concerning the lifespan of root keys. As part of 2013 WEQ Annual Plan Item 4.a.i., the PKI Subcommittee will also undertake a review of standards to support adequate session encryption [Secure Socket Layer/Transport Layer Security (SSL/TLS)]. The next PKI Subcommittee meeting will take place on April 4, 2013 and all interested parties are welcome to attend. Mr. Booe informed the participants that on February 28, 2013 and March 4, 2013, NAESB hosted two two-hour sessions, led by Dick Brooks from ISO New England, to review the PKI and related standards. He stated that participation on the PKI Standards review calls was driven by state commissions who were currently holding regional meetings on how to support cyber security on the state level.

¹ The November 30, 2012 NAESB report is available at: http://www.naesb.org/pdf4/ferc113012_naesb_pki.pdf.

² The January 29, 2013 NAESB report is available at: http://www.naesb.org/pdf4/ferc012913_pki_standards_report.pdf.

³ The August 27, 2012 FERC report, "*Report on Use of North American Energy Standards Board Public Key Infrastructure Standards*," may be accessed at the following link: <http://www.ferc.gov/EventCalendar/Files/20120827175825-EL12-86-000.pdf>.



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UPDATE ON CYBERSECURITY EFFORTS: Ms. McQuade, President of NAESB, provided the update on recent cybersecurity efforts. She informed the participants that NAESB had completed and posted two fact sheets- *NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet*⁴ and the *NAESB Wholesale Natural Gas Market Cybersecurity Standards Fact Sheet*.⁵ The fact sheets describe, in simplified terms, the NAESB cybersecurity related standards, how they are used, and how they affect the wholesale markets for both natural gas and electricity. Ms. McQuade thanked Annie McIntyre, Annabelle Lee, Dick Brooks, Leigh Spangler, Jim Buccigross, and others who contributed to the project.

UPDATE ON THE OPEN ACCESS SAME-TIME INFORMATION SYSTEMS (OASIS) STANDARDS: Mr. Wood, co-chair of the WEQ OASIS Subcommittee, delivered the update on the OASIS Standards development efforts. He explained that the OASIS Subcommittee was currently working on the NAESB 2013 WEQ Annual Plan Items 2(a)(i) 1-2 and 5(c)- Preemption and Competition. During previous meetings, the subcommittee identified 125 issues and requirements including the following questions: “What is a Challenger?”, “What is a Defender?”, “What is Preemption and Competition?”, and “Which entity has the Right of First Refusal?” To date, the subcommittee has voted on 45 motions and worked through 84 of the 125 issues and requirements. The aggressive third quarter 2013 completion date for the Preemption and Competition annual plan items will result in revisions to WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013 sets of business practice standards. He invited interested parties to participate in the March 26-28, 2013 face-to-face WEQ OASIS Subcommittee meeting with web conferencing hosted by Seattle City Light in Seattle, WA. Mr. Booe inquired about meeting participation. Mr. Wood responded that participants from numerous companies were contributing regularly and expressing interest in the standard. Ms. McQuade replied that the high number of attendees in the meeting reflected the broad impact the standards would have on the industry. She expressed appreciation for the work that the OASIS Subcommittee had put into the project and the broad industry support received in fully vetting the standards.

UPDATE ON COORDINATION WITH NERC ON NEW PROJECTS: Ms. York, Chair of the WEQ Executive Committee, began the update with an acknowledgement of over ten years of NAESB and NERC coordination. Recent monthly update calls between NAESB and NERC have focused on the Interchange Distribution Calculator (IDC) which is especially important to the NAESB Parallel Flow Visualization (PFV) project. The PFV test will be administered by the association of Eastern Interconnect reliability coordinators who administer and manage the IDC. She thanked the NAESB WEQ Standards Review Subcommittee (SRS), whose monitoring of NERC activity has been ongoing and thorough. The WEQ SRS reviewed the NERC 2013-2015 Reliability Standards Development Plan during the drafting of the 2013 WEQ Annual Plan. Since the SRS review, NERC has taken a more aggressive approach to standards development and accelerated the expected completion dates of many projects to 2013 and 2014. In response, the NAESB WEQ Executive Committee moved many NERC project-related provisional items onto the active plan during their February 19, 2013 meeting. Ms. McQuade noted that the updated 2013 WEQ Annual Plan⁶ had been posted for the call. Ms. York informed the participants that NAESB will begin to hold monthly calls with the NERC Standards Director to achieve a closer monitoring process. Mr. Booe stated that he is maintaining ongoing contact with Valerie Agnew, Howard Gugel, and Laura Hussy, to ensure that NAESB and NERC remain in lock step.

UPDATE ON MODIFICATIONS TO FERC ORDER NO. 587-V: Mr. Buccigross, chair of the WGQ Executive Committee, delivered the update on FERC Order No. 587-V⁷, issued July 19, 2012 (Docket No. RM96-1-037). He stated that the FERC Notice of Proposed Rulemaking, issued February 16, 2012, adopted the NAESB WGQ Business Practice Standards Version 2.0, excluding NAESB WGQ Standards 0.3.19 and 0.3.21. The WGQ Business Practice Subcommittee (BPS) and Information Requirements (IR) /Technical Subcommittees have modified Standard Nos. 0.3.19 and 0.3.21, regarding location level and timing of operationally available reports by pipelines and the standards were subsequently adopted by the Commission in FERC Order No. 587-V. During its

⁴NAESB Wholesale Electric Market Cybersecurity Standards Fact Sheet: <http://www.naesb.org/pdf4/update031413w3.docx>.

⁵NAESB Wholesale Natural Gas Market Cybersecurity Standards Fact Sheet: <http://www.naesb.org/pdf4/update031413w4.docx>.

⁶The updated NAESB 2013 WEQ Annual Plan may be found at the following link: <http://www.naesb.org/pdf4/update031413w6.docx>.

⁷FERC Order No. 587-V can be accessed at the following link: <http://www.ferc.gov/whats-new/comm-meet/2012/071912/G-1.pdf>.



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August 23, 2012 meeting, the WGQ Executive Committee revised the NAESB 2012 WGQ Annual Plan to include 2012 WGQ Annual Plan Item 14a and 14b. The NAESB 2012 WGQ Annual Plan Item 14a addresses issues other than design capacity and called for the modification of standards, as needed. The WGQ BPS recommendation for this annual plan item was considered by the WGQ Executive Committee during their February 21, 2013 meeting and remanded back to the WGQ BPS for further review. The WGQ BPS is currently reviewing the recommendation. The purpose of 2012 Annual Plan Item 14b was to respond to the design capacity issues present in Paragraph 30 of FERC Order No. 587-V and to remove the disconnect between the NAESB standards and the FERC posting requirements. The recommendation was approved by the WGQ Executive Committee and the ratification ballot period will end on March 28, 2013. Mr. Buccigross explained that the NAESB WGQ Interpretations, the formal written responses to questions submitted to NAESB, are not true standards and are not considered determinative by the Commission. For this reason, the WGQ BPS is continuing work on 2012 Annual Plan Item 12, now 2013 Annual Plan Item 5, calling for a determination of whether each interpretation should be implemented as a standard or receive an alternative treatment. The subcommittee will continue to address this issue on their March 28, 2013 conference call. Ms. McQuade extended her thanks to Mr. Buccigross for delivering the updates on both the gas and electric markets.

UPDATE ON THE BOARD RETAIL STRUCTURE REVIEW COMMITTEE (RSRC) ACTIVITIES: The Board Retail Structure Review Committee (RSRC) has completed Part Two of its two-part report, "*North American Energy Standards Board Retail Structure Review Committee Report*."⁸ Ms. McKeever stated that Part One of the RSRC report and the direction of the RSRC was considered and approved by the NAESB Board of Directors during its December 6, 2013 meeting. Part Two of the report represents the implementation of the restructuring project. The new structure, delineated by the RSRC in the second report, would allow all members and existing roles to continue their membership with NAESB. The RSRC will ask the Board of Directors during its April 4, 2013 meeting to approve the implementation recommended and to reconfirm that the plan is a two year interim solution. During the interim period, the RSRC will deliver retail membership progress reports during each BOD meeting. Ms. McQuade urged the participants to review the report which had been forwarded to all Board members, Advisory Council members, and members of the retail quadrants.

REGULATORY UPDATES: Ms. Crockett delivered the updates on the NAESB regulatory activities. She stated that "*North American Energy Standards Board Gas-Electric Harmonization Committee Report*" had been adopted by the NAESB Board of Directors at their September 29, 2013 meeting. Since that time, the document has been distributed to FERC, NERC, DoE, and adopted by NARUC. During its December 6, 2013 meeting, the Board of Directors added three provisional items to the annual plans based on the findings of the report. Ms. Crockett thanked Greg Lander of Skipping Stone for delivering a presentation concerning gas-electric harmonization during the February Advisory Council meeting. She reminded the participants that MIT will be hosting an energy initiative focused on gas-electric interdependence in April. Additionally, FERC will hold a technical conference on April 25, 2013 addressing gas and electric scheduling issues. Ms. McQuade noted that the FERC Order No. 676-G, issued on February 21, 2013 (Docket No. RM05-5-020), adopted the NAESB Phase II Demand Response Measurement and Verification Standards, as they apply to the wholesale electric market.⁹

NEXT CONFERENCE CALL: The next Monthly Update conference call is scheduled for May 15, 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 would like to receive additional information, please contact the NAESB Office at (713)356-0060 or naesb@naesb.org.

⁸ *North American Energy Standards Board Retail Structure Review Committee Report*: <http://www.naesb.org/pdf4/rsrc022213a1.docx>.

⁹ FERC Order No. 676-G can be accessed at the following link: <http://www.ferc.gov/whats-new/comm-meet/2013/022113/E-3.pdf>.



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NAESB Monthly Update Conference Call, Participant List

March 14, 2013 1:00 PM Central

Name	Organization
Neal Allen	Southern Company Services
Rebecca Berdahl	Bonneville Power Administration
Jonathan Booe	North American Energy Standards Board
Jim Buccigross	Group 8760 LLC
Diana Caradad	Not Specified
Christina Cody	Not Specified
Valerie Crockett	Tennessee Valley Authority
Blake Flowers	Boardwalk Pipeline
Bill Gallagher	Vermont Public Power Supply Authority
Mike Gildea	North American Electric Reliability Corporation
Michele Greening	PPL Energy Plus
Michael Harrington	New Hampshire PUC
Bob Harshbarger	Puget Sound Energy, Inc.
Sherry Hill	TransCanada
Patrick Hudson	Not Specified
Shametha Jones	Not Specified
Frank Koza	PJM
Elizabeth Mallett	North American Energy Standards Board
Sarah Martin	Not specified
Vanessa Mathieu	Noble Americas Corp
Richard McCall	North Carolina Electric Membership Corporation
Debbie McKeever	Oncor
Rae McQuade	North American Energy Standards Board
Cindy Miller	Not Specified
Lori Myerchin	WBI Energy Transmission, Inc.
Pam Patton	Colorado PUC
Thom Pearce	Public Utilities Commission of Ohio Staff
John Quagenbush	Michigan Public Service Commission
Ken Quimby	Southwest Power Pool
David Roundtree	Not Specified



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Name	Organization
Tom Scanton	Not Specified
Matt Shilling	PUC of Ohio
Ed Skiba	MISO
Kathy Thornton	Enbridge
Caroline Trum	North American Energy Standards Board
Chris Villareal	California PUC
John Walker	PGE
Lou Ann Westerfield	NARUC
JT Wood	Southern Company
Christine Wright	Public Utility Commission of Texas
Randy Young	Boardwalk Pipeline
Kathy York	Tennessee Valley Authority