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June 14, 2023

NAESB UPDATE CONFERENCE CALL

PRESENTATION BY CONNOR DOLAN ON HYDROGEN DEVELOPMENTS: Mr. Dolan from Fuel Cell and Hydrogen Energy Association presented on recent hydrogen developments. He reviewed the uses of hydrogen for transportation, power generation and grid balancing, feedstock, and for residential and commercial buildings. Mr. Dolan stated that the US economy would benefit through emissions reduction, jobs, and use of domestic energy resources. He reviewed several national policies that support clean hydrogen, including the Department of Energy's Hydrogen Energy Earthshot, the 2021 Infrastructure Act, 2022 Inflation Reduction Act, and the President's budget request for fiscal year 2024 reflects strong support for hydrogen programs within the Department of Energy. He explained that the industry can look forward to building demand-side credits, tax implementation, increases in securing funding in federal budgets, and an expanded regulatory framework that ensures safe operations and secure commercial growth.

WEQ COORDINATION ACTIVITIES WITH NERC: Ms. Trum, NAESB Director of the Wholesale Electric Quadrant (WEQ), provided the presentation on recent NAESB and NERC coordination efforts. Important topics of discussion in NERC and NAESB calls include the modeling standards, distributed energy resources, and gas/electric harmonization (GEH) efforts. Recently the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) met to review the Electronic Tagging (e-Tag) Specification to consider potential updates to the document. The WEQ Cybersecurity Subcommittee is also moving forward with its annual review of the NERC Critical Infrastructure Protection (CIP) reliability standards and other cybersecurity activities within NERC and FERC. The WEQ Standards Review Subcommittee (SRS) reviews all of the NERC projects under development to flag any opportunities for coordination between NERC and NAESB. As part of these activities, the WEQ SRS also reviews the NERC Glossary of Terms for potential alignment with NAESB definitions and terms.

WEQ BUSINESS PRACTICES SUBCOMMITTEE ACTIVITIES: Mr. Phillips, Co-Chair of the WEQ BPS, provided the update. He stated that the WEQ BPS approved a no action recommendation in response to FERC Order No. 881 after a review of the current WEQ business practice standards. Next, the subcommittee will circle back to its review of FERC Order Nos. 841 and 2222 and make modifications to the business practice standards, if needed. Mr. Phillips stated that, in an effort to standardize market interactions and communication exchange between distributed energy resources, Version 004 of the NAESB WEQ Business Practice Standards will include a new book, WEQ-025 Grid Services Supporting Wholesale Electric Interactions Business Practice Standards. He stated that the standards may assist in the identification of the types of market services a resource may be able to provide, as well as support communications between market participants offering services and system operators.

WEQ DISTRIBUTED ENERGY RESOURCES (DERS) EFFORTS: Ms. McKeever, Chair of the RMQ Executive Committee, provided the update. In April, the RMQ Business Practices Subcommittee (RMQ BPS) held a planning meeting to begin discussion on Standards Request R22001, a request submitted by the U.S. Department of Energy (DoE), Lawrence Berkeley National Laboratory, and Pacific Northwest National Laboratory to support a part of the DoE's Grid Modernization Laboratory Consortium (GMLC). Specifically, R22001 proposes a common terminology – to apply to distribution-level services in the retail electric market and the system operators' terminology in the wholesale electric market – that will build a foundation to support greater consistency in the integration of grid-edge resources. The request was jointly assigned to the WEQ and RMQ, and, following twelve WEQ BPS meetings, the WEQ standards were approved by the WEQ Executive Committee in March and subsequently ratified in April. Looking ahead, the language of the WEQ standards will be leveraged as a template to expedite the efforts within the RMQ BPS meetings.



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RMQ ENERGY SERVICES PROVIDER INTERFACE (ESPI) UPDATE: Ms. Mallett, Director of the Wholesale Gas Quadrant and Retail Markets Quadrant, provided the ESPI update. She explained that the Green Button Initiative is an industry-led effort that strives to provide utility customers with easy and secure access to their own energy usage data. ESPI makes this possible by providing both a standardized XML format for the customer's energy usage data and an exchange protocol that allows for the automatic transfer of that data from a utility to a third-party that has been authorized by the customer. ESPI was first published in the fall of 2011 and is enhanced from time-to-time through the NAESB standards development process to meet gas, electric, and water industry needs. This month, the NAESB ESPI Task Force, chaired by Don Coffin of the Green Button Alliance, met to continue its review of the cybersecurity aspects within ESPI. The ESPI Task Force held two previous meetings to discuss this item and made initial revisions - they deleted references to the TLS 1.2 cryptographic protocol, updated hyperlinks, and updated the version of the Federal Information Processing Standards, or FIPS, publication referenced. During its last meeting, the ESPI task force participants delayed voting on the draft recommendation in order to seek additional clarification from cybersecurity subject matter experts on certain cipher suites that are compatible with TLS 1.3.

WGQ CONTRACTS SUBCOMMITTEE ACTIVITIES: Mr. Sappenfield, Chair of the WGQ Contracts Subcommittee, delivered the update on the WGQ Contracts Subcommittee activities. On July 25, 2023, the subcommittee will hold the first meeting to address a new Standards Request, R23001. The request proposes revisions to the *NAESB Base Contract for Sale and Purchase of Natural Gas* (NAESB Base Contract) to improve the clarity associated with the Force Majeure provisions in the contract. In the meantime, several joint WGQ subcommittees will continue to discuss the technical implementation for the *NAESB Renewable Natural Gas Addendum* (NAESB RNG Addendum) for the NAESB Base Contract. To date, the subcommittees have held six joint meetings to develop the implementation that will allow for the use of the NAESB RNG Addendum on digital technologies, such as distributed ledger technologies. In early-February, the NAESB membership ratified two recommendations containing addendums to the NAESB Base Contract – the NAESB RNG Addendum and the *NAESB Certified Gas Addendum* (NAESB CG Addendum).

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe provided the Regulatory and Board activities update. He stated that the Gas Electric Harmonization Forum Chairs developed a strawman work paper containing recommendations for the forum discussions over the next three meetings. He stated that the Board Revenue Committee recently met to discuss the publication dates and determined that the WEQ could publish on July 31, 2023, the WGQ on September 29, 2023, and the RMQ publication will be released within the fourth quarter. During its meeting, the Board Revenue Committee also discussed potential changes to the NAESB non member meeting policies. The Board Strategy Committee will also meet to review the NAESB Strategic Plan which will be presented to the Board of Directors during their September meeting.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for August 23, 2023 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update Call page of the NAESB website, accessible at the following link: <u>http://www.naesb.org/monthly_update.asp</u>. 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 <u>naesb@naesb.org</u>.



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	NAESB Update Conference Call, Participant List	
June 14, 2023 1:00 PM Central		
Name	Organization	
Matthew Agen	American Gas Association	
Karl Almquist	Tallgrass Energy	
Demi Arenas	United Energy Trading, LLC.	
Rebecca Berdahl	Bonneville Power Administration	
Jon Bernstein	National Grid	
Jonathan Booe	North American Energy Standards Board	
Todd Breece	Duke Energy	
Christopher Burden	Enbridge (U.S.) Inc.	
Pete Connor	American Gas Association	
Michelle Coon	OATI	
Valerie Crockett	Tennessee Valley Authority	
Paul Davis	PCI Energy Solutions	
Jay Dibble	Calpine	
Connor Dolan	Fuel Cell Hydrogen Energy Association	
Brandon Gimper	Puget Sound Energy	
Peter Jenkins	Tallgrass Energy	
Bryan Kelly	PCI Energy Solutions	
Tom Kraft	ONEOK, Inc.	
Renée Lani	American Public Gas Association	
Nichole Lopez	Kinder Morgan Inc.	
Elizabeth Mallett	North American Energy Standards Board	
Leif Mattson	WBI Energy	
Derek Mauzy	NRG	
Steven McCord	TC Energy	
Fadoua McCray	ONEOK, Inc.	
Melissa McGoogan	NW Natural	
Deborah McKeever	Oncor Electric	
Patti Metro	National Rural Electric Cooperative Association	



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Nichole Moore	Spire Energy	
Ryan Moyle	Tallgrass Energy	
Darryl Patrick	Tallgrass Energy	
Sheldan Perry	OATI	
Joshua Phillips	Southwest Power Pool	
L. Glenise Pike	ONEOK, Inc.	
Jeremy Roberts	Green Button Alliance	
Nichole Russell	Trading Counsel Solutions	
Lisa Russo	National Fuel Gas Supply Corporation	
Suzanne Samano	Energy Transfer	
Keith Sappenfield	Corpus Christi Liquefaction	
Lisa Sieg	LG&E and KU	
Carolyn Stone	Cascade Natural Gas Corporation	
Baskaran Susaimanickam	ONEOK, Inc.	
Sarah Tomalty	BP	
Caroline Trum	North American Energy Standards Board	
Karen Utt	Tennessee Valley Authority	
Kimberely Van Pelt	Boardwalk Pipelines	
Kelsie Vaughan	Tallgrass Energy	
Charles Yeung	Southwest Power Pool	
Barbie Zankpah	PJM Interconnection	