

801 Travis, Suite 1675, Houston, Texas 77002 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org Home Page: <u>www.naesb.org</u>

June 16, 2021

NAESB UPDATE CONFERENCE CALL

PRESENTATION ON THE NIST ACTIONS IN RESPONSE TO EXECUTIVE ORDER 14028: Mr. Stine from the National Institute of Standards and Technology (NIST) provided the presentation. He explained that trust is at the root of the work done at NIST, and the organization cultivates that trust in technology by advancing cybersecurity and privacy standards, technology, and measurement science. Mr. Stine stated that, as NIST responds to the May 12, 2021 Executive Order No. 14028 Improving the Nation's Cybersecurity, the organization will engender collaboration, trust, openness, and transparency. He reviewed the anticipated timeline for the NIST response to the Executive Order, including the publication of the definition for "critical software" on June 26; the publication of guidance outlining security measures for critical software and the release of minimum standards for vendor testing of software source code in mid-July; and the completion of pilot projects and publication of additional guidelines throughout February and May of 2022. Mr. Booe stated that the Executive Order is for government entities and can be considered as guidance for the public sector. He asked whether any guidance developed by NIST will be sector-specific. Mr. Stine stated that the guidance is voluntary for industries across sectors and can be used as a basis for their own work. Mr. Booe stated that NAESB has two cybersecurity efforts that will review of the Executive Order. First, the Wholesale Electric Quadrant (WEQ) Cybersecurity Subcommittee (CSS) met to review the order as part of their annual cybersecurity review. Later in the week, a Wholesale Gas Quadrant (WGQ) and a Retail Markets Quadrant (RMQ) subcommittee will hold a joint meeting to begin discussion on the order. Mr. Brooks stated that the WEQ CSS recently identified the need to improve identification of software signing parties which led to the development of proposed updates to the NAESB Accreditation Requirements for Authorized Certification Authorities in order to verify the trust relationship between suppliers and third parties.

WEQ ENERGY STORAGE & DISTRIBUTED ENERGY RESOURCES ACTIVITIES: Mr. Brooks, chair of the WEQ Business Practices Subcommittee (BPS), delivered the update on the efforts to respond to the Federal Energy Regulatory Commission (FERC) Order Nos. 841 and 2222. Discussion has focused on the development of use cases, along with information and reporting requirements. Additionally, the development of an index, or registry, of energy storage and distributed energy resources has been considered. Recently, the participants developed a work paper containing common terms used in energy storage, distributed energy resources, and distributed energy resource aggregations. The WEQ BPS will continue discussion during its June 17, 2021 meeting. Mr. Booe stated that NAESB will an informational status report to the FERC outlining the energy storage activities.

WEQ COORDINATION ACTIVITIES WITH NERC: Mr. Phillips, chair of the WEQ Coordinate Interchange Scheduling Subcommittee (CISS), provided the update which highlighted numerous areas of coordination between NAESB and NERC. He noted that on May 20, 2021, the FERC issued FERC Order No. 676-J, incorporating by reference Version 003.3 of the NAESB WEQ Business Practice Standards into its regulations. Mr. Philips stated that the version includes several standards that were the focus of coordination between the two organizations, including Parallel Flow Visualization and standards to support the retirement of certain NERC reliability standards. He stated that the WEQ Standards Review Subcommittee (WEQ SRS) will review the updated NERC Reliability Standards Development Plan when it is released later this summer.

RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Do, chair of the Retail Markets Quadrant (RMQ) Executive Committee, provided the update on the joint WEQ and RMQ effort to develop a contract for renewable energy certificates (RECs) in the voluntary market. She stated that, since the kick off meeting in December of 2019, the WEQ and RMQ Business Practices Subcommittees have held 25 meetings to analyze common terms used in the voluntary REC market, draft the General Terms and Conditions, Transaction Confirmation, and Attestation Document sections of the contract. The subcommittees will begin drafting accompanying technical implementation during an extended meeting that has been scheduled for June 21, 2021. Ms. Do noted that the contract is expected to be presented to the WEQ and RMQ Executive Committees during their October meetings.



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RENEWBLE NATURAL GAS CONTRACT ACTIVITIES: Mr. Sappenfield, chair of the NAESB WGQ Contracts Subcommittee, provided the update on the renewable natural gas (RNG) addendum development effort. He stated that the subcommittee is leveraging the work currently underway on the NAESB REC contract, along with a list of terms and conditions submitted from the Coalition for Renewable Natural Gas, to develop the addendum for the NAESB Base Contract. Mr. Sappenfield explained that, to date, the subcommittee has held five meetings which focused on organization, and discussions on the current state of the voluntary and compliance markets. He stated that a draft of the RNG addendum will be available for industry comments within the fourth quarter of 2021.

REGULATORY ACTIVITIES AND BOARD OF DIRECTORS MEETING UPDATES: Mr. Booe delivered the update on recent regulatory activities. He stated that a gas-electric harmonization meeting was scheduled immediately after the instant meeting. He noted the May 20, 2021 FERC Order No. 676-J which incorporated Version 003.3 of the NAESB WEQ Business Practice Standards into the FERC Regulations. Also, the Board Strategy Committee, the Parliamentary Committee, and the Board Revenue Committee met in May and those meeting notes have been posted.

OTHER BUSINESS: No other business was discussed.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for August 25, 2021 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update Conference Calls 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 16, 2021 1:00 PM Central		
Name	Organization	
Jason Adams	Tennessee Valley Authority	
Matthew Agen	American Gas Association	
Jonathan Booe	North American Energy Standards Board	
Jana Bordenkircher	Arizona Public Service Electric	
Michelle Brocklesby	Latitude Technologies	
Dick Brooks	Reliable Energy Analytics	
Rebecca Carroll	PJM Interconnection	
Charles Couch	DCP Midstream	
David Crabtree	TECO Energy	
Valerie Crockett	Tennessee Valley Authority	
Mary Do	Agility CIS	
Blair Fink	Georgia Public Service	
Tomislav Fischbach	Sacramento Municipal Utility District	
Patrick Foley	NV Energy	
Mark Gracey	Kinder Morgan	
Tom Gwilliam	Iroquois Gas	
Roy Hiller	Southern Company	
Bryan Kelly	Power Costs, Inc.	
Mike Kraft	Basin Electric Power Cooperative	
Vanessa Kruz	NV Energy	
Tara Liscombe	Castleton Commodities International	
Nichole Lopez	Kinder Morgan	
Trinh Ly	TECO Energy	
Elizabeth Mallett	North American Energy Standards Board	
Melissa McGoogan	NW Natural Gas	
Megan Miller	Enbridge (U.S.) Inc.	
Ralph Painter	TECO Energy	
Joshua Phillips	Southwest Power Pool	



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Name	Organization	
Patrick Pluard	Nisource	
Farrokh Rahimi	OATI	
Anne Reed	El Paso Electric	
Keith Sappenfield	Corpus Christi Liquefaction	
Sarah Shaffer	Equitrans Midstream	
Kevin Stine	National Institute of Standards and Technology	
Carolyn Stone	Cascade Natural Gas Corporation	
Harold Taylor	Seminole Electric	
Caroline Trum	North American Energy Standards Board	
Bobbi Welch	Midcontinent Independent System Operator	
Jason Williams	Southern Company	
Ken Yagelski	Southern Company	