

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

June 19, 2019

NAESB MONTHLY UPDATE CONFERENCE CALL

WEQ/WGQ/RMQ SANDIA NATIONAL LABORATORIES SURETY ASSESSMENT: Mr. Burks, Chair of the Board Critical Infrastructure Committee (Board CIC), stated that the Sandia National Laboratories (Sandia) surety assessment, sponsored by the Department of Energy (DoE), is nearing completion. He explained that, in response to the DoE request that NAESB expedite the standards, the Board CIC will meet in mid-June to review the reports, assign the actionable items to the appropriate subcommittees, and begin the standards development efforts. Ms. Trum noted that the Sandia staff will participate in the meeting and receive feedback on the reports.

RMQ ENERGY SERVICES PROVIDER INTERFACE (ESPI) ACTIVITIES: Mr. Howse, Ontario Ministry of Energy, provided the update. Ontario became involved in the Green Button effort in 2012 and worked to bring pilot programs to utilities and app development contests to Ontarians. The REQ.21 ESPI Model Business Practices is the basis of Green Button, as it provides a standardized XML and data exchange protocols. In April, the NAESB ESPI Task Force updated the model business practices to incorporate industry practices, and update OAuth to OAuth 2.0, among other modifications. Mr. Booe thanked Mr. Howse for the update and his participation in the effort.

RENEWABLE ENERGY CERTIFICATE (RECS) UPDATE: Ms. McKeever, Co-Chair of the RMQ/WEQ Executive Committee Distributed Ledger Task Force, delivered the update. During the February Executive Committee meetings, the committee agreed to form a task force to review whether the RMQ and WEQ quadrants should jointly draft standards to address the REC processes. During the first meeting, TVA gave a presentation of manual areas of the voluntary REC process that could benefit from the standardization of data enabling the use of technologies like distributed ledger. Also, during that meeting, Mr. Burks of Big Data Energy provided an overview of distributed ledger technology and its potential applications. Mr. Booe thanked Ms. McKeever for her work on the task force and for providing the update.

WEQ COORDINATION WITH NERC AND EIDSN: Mr. True, Chair of the WEQ, delivered the update. Two Standards Requests, R19007 and R19008, have been submitted from NERC to NAESB to begin a review of retirements to the INT and MOD reliability standards that were recently adopted by the NERC Board of Trustees. Additionally, last month, NERC submitted a Minor Correction proposing that NAESB remove references to a retired NERC standard found in the WEQ-003 OASIS Business Practice Standards. That minor correction is set to become effective on July 3. NAESB is also coordinating with external entities, such as Peak RC to ensure that the retirement of the reliability coordinator for the Western Interconnection in the EIR transitions smoothly to other entities in that region. Finally, NAESB and NERC continue to coordinate on cybersecurity, with the WEQ CSS monitoring several NERC Critical Infrastructure Protection (CIP) standards development efforts, as well as related FERC Orders.

PARALLEL FLOW VISUALIZATION (PFV) UPDATE: Ms. Trum, NAESB Deputy Director, delivered the update. She stated the IDC Working Group recently completed a final report on the data received from the testing of the standards. The IDC Steering Committee will meet tomorrow to officially vote to conclude the field trial. The EIDSN will continue to run parallel operations after the completion of the field trial in an effort to continue to collect data. Once the report is submitted, the NAESB PFV Business Practice Standards that have been held in abeyance will be reviewed and by the WEQ BPS and any needed modifications will be drafted. NAESB will work with the EIDSN to provide the final report to the FERC. Also, the NERC ORS will meet to evaluate the reliability metrics, although no adverse impacts to reliability are expected. If ratified, the standards will be incorporated into the next version of the NAESB WEQ Business Practice Standards and filed with the Commission.

WEQ OASIS SUBCOMMITTEE ACTIVITIES: Mr. Wood, Co-Chair of the WEQ OASIS Subcommittee, delivered the update. He stated that the WEQ OASIS and WEQ Business Practices Subcommittee (BPS) are holding joint meetings to close out <u>FERC Order No. 890</u>. The WEQ OASIS Subcommittee work on WEQ Annual



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

Plan Items 3.a through 3.g continues. These include modifications to the NITS standards, addressing dynamic notifications, and other items. Mr. Booe thanked JT for his leadership and work on the subcommittee.

BLOCKCHAIN STANDARDS DEVELOPMENT EFFORTS: Mr. Burks, Chair of the Board Critical Infrastructure Committee (Board CIC), provided the update. He explained that Standards Request R18007 requests that NAESB consider the development of standards to support a smart contract for the NAESB Base Contract for Sale and Purchase of Natural Gas as it applies to the gas settlement process. Currently, the WGQ Subcommittees are beginning with a use case concerning the natural gas settlement process. A project, led by TVA, will take place outside of NAESB to test any standards developed. Mr. Booe thanked Mr. Burks and noted that the conference calls are well-attended by interested industry participants and have generated a lot of interest.

BOARD OF DIRECTORS AND REGULATORY UPDATES: Mr. Booe, Executive Vice-President and Chief Administrative Officer of NAESB, provided the board and regulatory update. He stated that a NOPR was issued on Version 3.2 of the WEQ Business Practice Standards and that NAESB recently filed comments regarding the NERC retirements. The Board Digital Committee recently held a kick off meeting to evaluate the digital technology landscape and determine whether standards development may benefit the industry in any particular areas. The Parliamentary Committee met to continue the process of updating the NAESB governance documents and the Board Revenue Committee will soon meet to discuss revenue generation and review the communication activities, along with other standing agenda items. The next NAESB Board of Directors meting will take place on September 5 and include the Meeting of the Members and a Strategic Session.

NEXT CONFERENCE CALL: The next NAESB Update conference call is scheduled for August 28, 2019 from 1:00 PM-2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update page: 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 if you would like to receive additional information, please contact the NAESB Office by phone at (713) 356-0060 or email at naesb@naesb.org.



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

| NAESB Monthly Update Conference Call Participant List June 19, 2019 1:00 PM Central | | |
|--|--|---|
| | | |
| Leonard Ashley | Midcontinent Independent System Operator | |
| Jonathan Booe | North American Energy Standards Board | |
| Dick Brooks | Reliable Energy Analytics | |
| Cade Burks | Big Data Energy | |
| David Busby | Southern Company Services | |
| Zach Buus | Bonneville Power Administration | |
| Pete Connor | Representing American Gas Association | |
| Michelle Coon | OATI | |
| Charles Couch | Dauphin Island | |
| David Crabtree | Tampa Electric Company | |
| Valerie Crockett | Tennessee Valley Authority | |
| Connor Curson | Powerex Corp. | |
| David Darnell | Systrends | |
| Doug Field | Southern Star Central Gas Pipeline | |
| Blair Fink | Georgia Public Services Commission | |
| John Fitzgerald | Tennessee Valley Authority | |
| Marilyn Franz | NV Energy | |
| Lindsay Fritz | Sabine Pass Liquefaction, LLC | |
| Bob Harshbarger | Puget Sound Energy | |
| Bill Hebenstreit | SWN Energy Services Company, LLC | _ |
| Sheila Hollis | Duane Morris, LLP | _ |
| Linda Horn | We Energies | |
| Andrew Howse | Ontario Ministry of Energy | |
| Debbie Kupczyk | National Fuel Gas Supply Corporation | |
| Elizabeth Mallett | North American Energy Standards Board | |
| James Manning | North Caroline Electric Membership Corp. | |
| Steve McCord | Columbia Gas Transmission Corporation | |
| Paul McCurley | NRECA | |



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

| NAESB Monthly Update Conference Call Participant List June 19, 2019 1:00 PM Central | | |
|--|--|--|
| | | |
| Debbie McKeever | Oncor Electric Delivery Company LLC | |
| Phillip Moeller | Edison Electric Institute | |
| Brian Owens | WEC Energy Group | |
| Sheldon Perry | OATI | |
| Joshua Phillips | Southwest Power Pool | |
| Denise Rager | North American Energy Standards Board | |
| Keith Sappenfield | Corpus Christi Liquefaction, LLC | |
| Lisa Simpkins | Exelon Generation Company LLC | |
| Carolyn Stone | Cascade Natural Gas Corporation | |
| Richard Taylor | Southern Company Services, Inc. | |
| Roy True | Alliance for Cooperative Energy Services Power Marketing LLC | |
| Caroline Trum | North American Energy Standards Board | |
| Megan Vetula | Edison Electric Institute | |
| Angela Weber | Midcontinent Independent System Operator | |
| JT Wood | Southern Company Services, Inc. | |