



North American Energy Standards Board

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

August 25, 2021

NAESB UPDATE CONFERENCE CALL

PRESENTATION ON RECENT CYBERSECURITY DEVELOPMENTS: Ms. McIntyre, President of Ardua Strategies, delivered a presentation on recent cybersecurity developments. She stated that flexibility is required in the changing threat landscape as the industry considers the OT-IT bridge, competitive versus regulated security, and the new directives that are taking a more applied focus. In critical infrastructure, the regulation of cybersecurity focused mainly in two areas: bulk electricity (NERC Critical Infrastructure Protection Standards) and pipeline security information handling (49 CFR Part 1520). Ms. McIntyre reviewed the federal guidelines and industry standards that comprise the compliance landscape, the 2021 events, and new regulations and directives. Mr. Booe explained that NAESB is currently analyzing the cybersecurity standards development process with an eye towards possibly expediting the timeline. He asked whether other industries have standards setting bodies that may be facing the same questions. Ms. McIntyre stated that the timeline is a struggle, as it may take regulators some time to publish orders. Mr. Sappenfield asked about the human element of cybersecurity. Ms. McIntyre stated that training and engagement will be ongoing because someone will click a malicious link or take similar actions. She added that employees should be subject to monitoring and certain regulations do have background check requirements, but in-house policies are ideal.

WGQ: FERC ORDER NO. 587-Z UPDATE: Mr. Buccigross, Chair of the Wholesale Gas Quadrant (WGQ), delivered the update on FERC Order No. 587-Z. On July 15, 2021, the Federal Energy Regulatory Commission (FERC) incorporated by reference Version 3.2 of the NAESB WGQ Business Practice Standards into its regulations. The new version of standards includes updates to cybersecurity standards in response to the Sandia National Laboratories Surety Assessment, a digitalization of the *NAESB Base Contract for Sale and Purchase of Natural Gas*, and many other efforts. Mr. Booe noted that NAESB posted and distributed a press release announcing the incorporation by reference of the new version. He thanked all of the companies involved in the drafting of the standards in the new version.

WGQ: RENEWABLE NATURAL GAS CONTRACT ACTIVITIES: Mr. Sappenfield, Chair of the WGQ Contracts Subcommittee provided the update. He stated that the WGQ Contracts Subcommittee meetings to develop a Renewable Natural Gas Addendum to the *NAESB Base Contract for Sale and Purchase of Natural Gas* have been well attended. Recently, the Coalition for Renewable Natural Gas submitted a work paper that was utilized by the subcommittee to further the process. Ms. Sappenfield noted that the addendum will address both the voluntary and regulatory markets. The next two meetings have been scheduled for September 9th and September 30th. Mr. Booe stated that he appreciates Mr. Sappenfield's leadership of the subcommittee and on this standards development effort.

WGQ/WEQ BOARD GAS-ELECTRIC HARMONIZATION ACTIVITIES: Mr. Booe, NAESB Executive Vice President and Chief Administrative Operator, provided the update. NAESB has a history of gas-electric harmonization efforts, including the development of the NAESB Gas Electric Coordination Business Practice Standards which define critical notices and establish communications between pipelines and gas-fired generators. Recently, the Board Gas-Electric Harmonization Committee was reconvened to consider recent outages and the FERC and NERC Joint Inquiry into 2021 Cold Weather Grid Operations. In June, the Committee held its first meeting and solicited comments that were reviewed during the July meeting. During the August 26, 2021 Board Gas Electric Harmonization Committee meeting, the participants will review and discuss a work paper containing a summary of considerations and proposals from the comments and previous discussions.

WEQ ENERGY STORAGE & DISTRIBUTED ENERGY RESOURCES ACTIVITIES: Ms. Trum, NAESB Deputy Director, provided the update. The WEQ Business Practices Subcommittee (BPS) continues to address the development and/or modification of standards to support battery storage and, more broadly, distributed energy resources both in front and behind the meter supportive of the wholesale electric industry's effort to implement



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FERC Order Nos. 841 and 2222. As part of this effort the WEQ BPS has been tasked with developing standards in three areas: to define an index or registry for these resource types participating in the wholesale market, to create information and reporting requirements, and to establish performance metrics. On June 21, NAESB submitted an informational status update to the FERC regarding this effort. The report provided a high-level overview of the activities that led to NAESB undertaking standards development in this area as well as a description of the subcommittee's current efforts.

WEQ COORDINATION ACTIVITIES WITH NERC: Mr. Phillips, Co-Chair of the WEQ Coordinate Interchange Scheduling Subcommittee (CISS), provided the update. Recent topics of coordination between NAESB and NERC have included changes to the NERC Glossary, cybersecurity, battery storage/distributed energy resources, the WEQ-005 Business Practice Standards, and the draft NERC 2022-2024 Reliability Standards Development Plan. NERC submitted Standards Request R21002 to NAESB proposing that NAESB consider revisions to the definition for the term System Operating Limit following NERC efforts to revise the definition for the same term in the NERC Glossary. The resulting recommendation that will be considered by the Executive Committee in October proposes revisions to the NAESB definition to achieve consistency with the NERC definition. NAESB and NERC staff have also engaged in coordination activities regarding revisions to the WEQ-005 Area Control Error (ACE) Equation Special Cases Business Practice Standards to support recent updates made as part of Version 4 of the NERC Dynamic Transfer Reference Document.

WEQ/RMQ RENEWABLE ENERGY CERTIFICATE ACTIVITIES: Ms. Do, Chair of the RMQ Business Practices Subcommittee provided the update. On August 3, 2021, the WEQ and RMQ Business Practices Subcommittee (BPS) voted out a joint recommendation to adopt the *NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates* (NAESB REC Base Contract). This recommendation is the first of a two-part annual plan item. First, the completed recommendation contains the contract and the NAESB REC Base Contract FAQ document. Next, and currently underway within the subcommittees, is the drafting of a second recommendation providing technical implementation that facilitates the digital use of the contract. The NAESB REC Base Contract and its technical implementation focuses on transactions and manual tracking methods in the voluntary market, tracking RECs from creation, through transfer between entities, and to retirement. The next WEQ and RMQ BPS meeting to address the technical implementation has been scheduled for August 31st. Ms. Do noted that Dick Brooks would be stepping down as Chair of the WEQ BPS and thanked him for his contributions to the subcommittee work. Mr. Booe thanked Ms. Do for the update and echoed thanks to Mr. Brooks for his work in NAESB and on the NAESB REC Base Contract.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe delivered the Regulatory and Board Activities update. He stated that the next Board of Directors meeting is scheduled for September 2 and will include the Meeting of Members and Strategic Session. Commissioners Norman Bay and Mark Spitzer have accepted an invitation to speak during the meeting. The Board Gas Electric Coordination Committee will meet on August 26, 2021 to continue discussion on recent outages and to review submitted comments.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for October 20, 2021 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: 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.



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NAESB Update Conference Call, Participant List	
August 25, 2021 1:00 PM Central	
Name	Organization
Denise Adams	ONE OK
Rashimi Agrawal	Trellis Energy
Karl Almquist	Tallgrass Energy LP
Jennifer Anthony	Tallgrass Energy LP
Rebecca Berdahl	Bonneville Power Administration
Martine Blaire	San Diego Gas & Electric
Jonathan Booe	North American Energy Standards Board
Jana Bordenkircher	Arizona Public Services
Michelle Brocklesby	Latitude Technologies
Scott Brown	Southwest Power Pool
Jim Buccigross	8760
Christopher Burden	Enbridge
Zachary Buus	Bonneville Power Administration
Rebecca Carroll	PJM Interconnection
Marcellin Christian	Hydro-Québec
Chuck Cook	Chevron
Michelle Coon	OATI
Charles Couch	Dauphin Island Gathering Partners
David Crabtree	TECO Energy
Jay Dibble	Calpine
Mary Do	Zynaltics
Patrick Foley	NV Energy
Karen Frank	MISO
Bret Galbraith	Seminole Electric
Brandon Hajek	Northern Natural Gas
Courtney Harmon	Quorum Software
Micki Hoffee	Northern Natural Gas
Brenda Horton	Kern River Gas



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Name	Organization
Jessie Jack	Williams
Barry Jones	Western Area Power Administration
Mike Kraft	Basin Electric Power Cooperative
Thomasz Lange	Tenaska
Lynn Lindblom	WBI Energy
Tara Liscombe	Castleton Commodities International
Nichole Lopez	Kinder Morgan
Trinh Ly	TECO Energy
Andrew MacBride	National Grid
Lisa MacKay	Puget Sound Energy
Elizabeth Mallett	North American Energy Standards Board
Annie McIntyre	Ardua Strategies
Debbie McKeever	Oncor
Sheldan Perry	OATI
Joshua Phillips	Southwest Power Pool
Nicholas Quinata	Bonneville Power Administration
Farrokh Rahimi	OATI
Byron Reischl	Arizona Public Service
Keith Sappenfield	Cheniere Corpus Christi Liquefaction
Kevin Sarkinen	OATI
Sarah Shaffer	Equitrans Midstream
Lisa Sieg	LG&E and KU Services Company
Danielle Smith	Sacramento Municipal Utility District
Carolyn Stone	Cascade Natural Gas Corporation
Caroline Trum	North American Energy Standards Board
Carol Vogel	Southwest Gas
Jason Williams	Southern Company
David Wollman	National Institute of Standards and Technology
Mary Wolosek	Southern Company



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Name	Organization
Mike Word	Ardua Strategies
Ken Yagelski	Southern Company Gas