

1415 Louisiana Street, Suite 3460, Houston, Texas 77002 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org Home Page: www.naesb.org

September 15, 2025

### NAESB UPDATE CONFERENCE CALL

PRESENTATION FROM JASON CAUDLE ON FIRST PUBLIC HYDROGEN AUTHORITY: Mr. Caudle, CEO of First Public Hydrogen Authority, provided an overview of the entity's formation and current efforts to support municipal-scale hydrogen deployment. He explained that the Authority was created by local governments to address procurement and infrastructure challenges facing smaller hydrogen users, such as cities, transit agencies, and public fleets, by aggregating demand and enabling access to competitively priced, zero-emission hydrogen. Structured as a Joint Powers Authority (JPA), the First Public Hydrogen Authority currently includes the cities of Lancaster, Industry, and Fresno, with additional members, such as Shafter and Montebello, in process. The model draws on successful municipal energy collaborations and is designed to facilitate collective purchasing, accelerate infrastructure development, and optimize logistics through coordinated delivery strategies. Mr. Caudle emphasized that by pooling demand, the Authority aims to reduce risk for hydrogen producers and create a more efficient, scalable pathway for project development. In response to a question from Mr. Booe regarding corporate backers or partners, Mr. Caudle noted that the Authority has partnered with multiple suppliers through an RFP process and currently holds MOUs with ten hydrogen producers. Additionally, a separate RFP for logistics providers is underway. He clarified that while only cities and special districts can become formal members of the Authority, the organization actively engages with private sector partners, including producers, trucking companies, and ports, through transparent and federally compliant procurement processes designed to reduce burdens on both suppliers and off-takers. Mr. Caudle also highlighted the Authority's independent governance structure, which includes a diverse board composed of municipal leaders, former legislators, environmental advocates, labor representatives, and technical experts. The board is intentionally non-political, focused on technical implementation, and supported by advisory groups to facilitate coordination among member agencies. He concluded by emphasizing the Authority's commitment to cost transparency, public-private collaboration, and expanding access to clean hydrogen as a public good.

WEQ NERC COORDINATION: Mr. Robinson, Chair of the WEQ Standards Review Subcommittee, provided the update. He stated that NAESB and NERC continue to coordinate on efforts impacting DERs, IBRs, and congestion management in the Western Interconnection. WEQ and RMQ activities on DER registry integration are leveraging guidance from the NERC SPIDERWG. WEQ congestion management efforts remain aligned with the UFMP, with WECC engagement and regular updates to NERC. He noted continued coordination through NAESB and NERC standards planning processes. On August 22, 2025, the WEQ SRS reviewed the Draft NERC 2026–2028 Reliability Standards Development Plan, identifying areas for alignment and submitting feedback to NERC. The WEQ Executive Committee will consider two no action recommendations from the CISS, related to cybersecurity in the Electronic Tagging Specification and bidirectional resource tagging, both developed under the 2025 Annual Plan following stakeholder review. The WEQ SRS continues to monitor key NERC initiatives, including projects on cybersecurity, modeling, and extreme weather, for potential alignment with WEQ Business Practice Standards.

WEQ CISS: Mr. Browning, Co-Chair of the WEQ Coordinate Interchange Scheduling Subcommittee (CISS), provided the update. Mr. Browning, Co-Chair of the WEQ Coordinate Interchange Scheduling Subcommittee (CISS), provided the update. He reported that the subcommittee has completed its 2025 annual plan assignments related to the review of the NAESB Electronic Tagging Functional Specification and consideration of standards to support bi-directional resource transactions. For the annual review, the subcommittee confirmed that the current version of the tagging specification remains consistent with NERC Reliability Standards, NAESB WEQ Business Practice Standards, and cybersecurity best practices. A no action recommendation was approved on June 25, 2025, with the comment period closing on July 24, 2025. No comments were received. During the review, the subcommittee identified areas for potential future standards development, including clarification around loss calculation terminology such as "in-kind losses" and "concurrent losses." Under Annual Plan Item 2.b, CISS also evaluated whether new standards or a new e-Tag transaction type could support bi-directional resources like batteries. Based on current industry practices and product availability, the subcommittee determined that new standards are not needed at this time. A no action recommendation was approved, with the comment period closing



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on July 3, 2025, and no comments received. Both recommendations will be considered by the WEQ Executive Committee at its October 22, 2025 meeting.

WEQ BPS/ WESTERN INTERCONNECTION CONGESTION MANAGEMENT WORKING GROUP ACTIVITIES: Mr. Phillips, Co-Chair of the WEQ Business Practices Subcommittee, provided the update. He reported that the Western Interconnection Congestion Management Working Group (WICMWG) continues to advance its 2025 Annual Plan assignment under Item 1.b to develop new Western Interconnection Loading Relief (WLR) Business Practice Standards in response to Standards Request R24005. The proposed standards aim to establish an interconnection-wide congestion management process that complements the WIUFMP and enhances coordination, transparency, and efficiency. Developed with active participation from WECC and coordination with NERC, the draft includes new WLR standards and revisions to WEQ-000. The proposed methodology applies prorata curtailments and relief obligations across all materially impacting transactions, with implementation expected through enhancements to the Enhanced Curtailment Calculator (ECC). The second informal comment period is open through August 27, 2025, following revisions based on feedback from the first round. Key areas under review include transaction prioritization, Generation-to-Load (GTL) relief, jointly owned facilities, and clarifications around on-path vs. off-path service. The working group is also considering whether to include supporting examples or implementation guidance. The WICMWG plans to finalize its recommendation at the September 12, 2025 BPS meeting for consideration by the WEQ Executive Committee on October 22, 2025.

WEQ/RMQ BPS: DISTRIBUTED ENERGY RESOURCES ACTVITIES: Mr. Phillips, Co-Chair of the WEQ Business Practices Subcommittee, provided the update. He reported that the WEQ and RMQ subcommittees are continuing efforts under their 2025 annual plan to explore business practices supporting DER and DER aggregation registries. Recent discussions, with input from NERC staff and materials from the System Planning Impacts from Distributed Energy Resources Working Group (SPIDERWG), have focused on a potential registry framework leveraging the IEC Common Information Model to enhance coordination, interoperability, and data accuracy. The subcommittees are considering how such a registry could support FERC Orders No. 901 and 2222, address data validation, and mitigate concerns around double counting. Potential standards development areas include registry data categories, alignment with NERC MOD-032-2, business processes for data ownership and confidentiality, and registry design considerations, whether static or dynamic. These discussions build on prior presentations from CAISO, MISO, NYISO, and others, which highlighted existing registry models, aggregation approaches, and operational challenges. The subcommittees will continue refining the scope in upcoming meetings.

WEQ/RMQ/WGQ CYBERSECURITY ACTIVITIES: Ms. Trum, NAESB Director of Wholesale Electric Activities, provided the update on the WEQ Cybersecurity Activities and Mr. Burden, Co-Chair of the WGQ Electronic Delivery Mechanism (EDM) Subcommittee provided the update for the WGQ and RMQ Cybersecurity Activities. The WGQ EDM and RMQ IR/TEIS subcommittees completed their annual review of cybersecurity and technical standards, updating references, correcting minor issues, and confirming current encryption methods remain adequate. They added cross-references to improve guidance and plan to review all manual sections annually to keep standards current. The formal comment period runs from August 13 to September 12, 2025. Meanwhile, the WEQ Cybersecurity Subcommittee reviewed WEQ Business Practice Standards and ACA accreditation requirements, finding no changes needed now but continuing to monitor NERC CIP and FERC developments. They proposed updates to clarify ACA applicability, align with NIST guidance on key sizes, phase out the Digital Signature Algorithm, and address post-quantum encryption recommendations. A vote on these revisions and a no-action recommendation on other items is scheduled for August 27, 2025.

RMQ BPS: DISTRIBUTED LEDGER TECHNOLOGIES ACTIVITIES: Ms. Sieg, Co-Chair of the WEQ Business Practices Subcommittee (BPS), provided the update. Ms. Sieg reported that the RMQ BPS completed its 2025 assignment to develop DLT model business practices for automating the NAESB Distribution Grid Services Base Contract. The subcommittee approved key contracts and transaction datasets at its August 8 meeting. The recommendation is open for comment until September 8, with final approval expected in October. This builds on earlier work applying DLT to renewable energy contracts, with refinements made to support grid services. The focus now is on gathering feedback and finalizing the standards.



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WGQ CONTRACT ACTIVITIES: Ms. Nagi provided the update. The WGQ Executive Committee approved revisions to the Renewable Natural Gas (RNG) Addendum to align with the EPA's Biogas Regulatory Reform Rule (BRRR). Updates include enhanced tracking and Renewable Identification Number (RIN) generation tied to RNG producers at biogas conversion, use of the EPA's Moderated Transaction System (EMTS) to reduce manual processes, and greater flexibility in RIN transfers. Definitions were updated, outdated storage requirements removed, and optional carbon intensity terms added. This recommendation was finalized on July 28, 2025. At the same meeting, the WGQ Executive Committee remanded the proposed NAESB Base Contract for Sale and Purchase of Hydrogen back to the Contracts Subcommittee for further review. The subcommittee is addressing requests to develop an FAQ document, create a Canadian market addendum, and revise terms based on public comments. Three meetings have been held to clarify contract terms, draft the FAQ, and explore Canadian-specific provisions. A revised recommendation is expected by September 16, 2025, for the October Executive Committee meeting.

REGULATORY AND BOARD ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and Chief Operating Officer, provided the update. He reported that no new regulatory actions or filings have occurred since our December submission on the gas-electric standard. The Board Strategy Committee met on July 25, 2025 to discuss the National Petroleum Council's Greenhouse Gas report and whether NAESB should develop related standards. No consensus has emerged, so further action is on hold. The committee also began updating the 2025–2027 strategic plan, reviewing NAESB's core responsibilities and planning to propose changes at the December Board meeting. The Revenue Committee reviewed communication efforts, revenue through June 2025, and publication schedules. The upcoming Board Meeting and Strategic Session will be held on September 4, 2025 in Houston, Texas, with virtual attendance available. Speakers include the former EU Commissioner for Energy on methane regulations and an ICF presentation on rising electricity demand. This meeting will also launch the annual planning process. On October 8, all three quadrants will draft the 2026 annual plan, with a call for comments in mid-September. Final plans will be reviewed by committees and approved by the Board in December. Members are encouraged to submit ideas for standards development during this process.

**NEXT CONFERENCE CALL:** The next NAESB Update Conference Call is scheduled for October 15, 2025, from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the NAESB Update page of the NAESB website, accessible at the following link: <a href="http://www.naesb.org/monthly\_update.asp">http://www.naesb.org/monthly\_update.asp</a>. 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 <a href="maesb@naesb.org">naesb@naesb.org</a>.



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	NAESB Update Conference Call, Participant List	
August 27, 2025 1:00 PM Central		
Name	Organization	
Matthew Agen	American Gas Association	
Damon Allen-Skondin	Tucson Electric Power	
Inna Belza	PacfiCorp	
Jonathan Booe	NAESB	
Christopher Burden	Enbridge (U.S.), Inc.	
Zachary Buus	BPA Transmission	
Jason Caudle	First Public Hydrogen Authority	
Pete Connor	American Gas Association	
Katie Davis	BPA Transmission	
Jay Dibble	Chevron	
Steven Fiorella	Southern Company Gas	
John Flory	The Alliance Risk Group	
Mike Fones	Manitoba Hydro	
Karen Frank	MISO	
Bret Giles	Southern Company Gas	
April Gregory	Northern Natural Gas Company	
Cory Herbolsheimer	NV Energy	
Tom Kraft	ONEOK	
Darren Lamb	California ISO	
Leif Mattson	WBI Energy Transmission	
Paulus Mau	BC Hydro	
Steven McCord	TC Energy Corporation	
Ryan Millard	Portland General Electric Company	
Amrit Nagi	NAESB	
Chris Norton	American Municipal Power, Inc.	
Joshua Phillips	Southwest Power Pool	
Jessie Rice	WAPA	
Jeremy J. Roberts	Green Button Alliance	



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Name	Organization	
Ron Robinson	TVA	
Kirsten Rowley	MISO	
Lisa Russo	National Fuel Gas Supply Corporation	
Lindsey Saunders	Quorum Software	
Sarah Shaffer	Equitrans, L.P.	
Lisa Sieg	LG&E and KU Energy Services Company	
Danielle Smith	Sacramento Municipal Utility District	
Carolyn Stone	Cascade Natural Gas Corporation	
Caroline Trum	NAESB	
Kim Van Pelt	Kinder Morgan Inc.	
Jeremy West	OATI	
Kenneth Yagelski	Southern Company Gas	