##### August 16, 2018

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director and Elizabeth Mallett, NAESB Deputy Director

**RE: Update to the Board of Directors – Coordination with External Entities**

This year, NAESB has continued its coordination with external entities, including the Eastern Interconnection Data Sharing Network (EIDSN), NERC, the Department of Energy, Sandia National Laboratories, the Green Button Alliance, the Ontario Ministry of Energy, the United Nations, and Mexico’s Comisión Reguladora de Energía (CRE) Centro Nacional de Control del Gas Natural (CENAGAS) and Centro Nacional de Control de Energía (CENACE).

NAESB staff continues to coordinate with NERC and the EIDSN regarding the Parallel Flow Visualization (PFV) effort – a wholesale electric industry-initiated effort to enhance the Eastern Interconnection congestion management procedures by improving the availability of real-time data. Currently, the EIDSN is conducting an eighteen-month field trial on the PFV related modifications to the NAESB WEQ Business Practice Standards. NAESB staff recently met with EIDSN leadership, who indicated that the organization will make available to NAESB in September a report overviewing the PFV effort and progress of the field trial. Once received, NAESB staff will coordinate with EIDSN and NERC to draft a status report to update the Commission on the progress of the PFV effort.

NAESB also coordinates with NERC on various standards development activities impacting commercial and reliability aspects of the wholesale electric market. To effectuate this coordination, NAESB staff, WEQ leadership, and NERC staff participate in monthly coordination calls, and NAESB and NERC staff engage in continuous discussions regarding ongoing and forthcoming standard development activities. Most recently, NAESB and NERC have discussed the 2018 NERC Reliability Standards Efficiency Review, NERC Project 2017-04 Periodic Review of Interchange Scheduling and Coordination (INT) Reliability Standards, the draft 2019 – 2021 NERC Reliability Standards Development Plan, and cybersecurity.

Regarding the surety assessment, NAESB is engaging with both the Department of Energy and Sandia National Laboratories. This is the third surety assessment sponsored by the Department of Energy through its Office of Oil and Natural Gas and conducted by Sandia National Laboratories on the NAESB Business Practice Standards. This assessment focuses on reviewing several NAESB Business Practice Standards (the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Standards, the NAESB Certification Program for Accredited Certification Authorities, including the WEQ Public Key Infrastructure Standards, the NAESB Accreditation Requirements for Authorized Certificate Authorities, and the Authorized Certification Authority Process, and the WEQ OASIS Suite of Business Practice Standards) as well as conducting a high-level dependency analysis between the gas and electric markets. In late May, Sandia National Laboratories provided a second iteration of the draft report on the surety assessment. The Board Critical Infrastructure Committee met to review the draft report and provide additional written feedback to assist with the development of a final report.

NAESB and the Green Button Alliance (GBA) continue to coordinate efforts regarding the Green Button Initiative. Voted out of the ESPI Task Force in early August, the revised REQ.21 Energy Services Provider Interface (ESPI) Model Business Practices serve as the critical foundation to Green Button. Last year, NAESB and the GBA executed a memorandum of understanding (MOU) to define the relationship the two organizations will share concerning ESPI and the Green Button Certified Download My Data, Connect My Data, and other future GBA certification programs. Also related to the Green Button, NAESB is working closely with the Ontario Ministry of Energy to support its rulemaking process for the adoption of the NAESB REQ.21 ESPI Model Business Practices.

This year, NAESB again sought and was granted status as a non-governmental observer (NGO) in the United Nations Framework Convention on Climate Change. NAESB sought this status last year at the recommendation of NAESB Advisory Council Members, and Lorraine Cross, on behalf of NAESB, participated in the 23rd Session of the Conference of the Parties (COP) in Bonn, Germany.

In April, NAESB staff met with representatives of CENAGAS, which oversees Mexico’s pipelines and natural gas storage system and operates Sistrangas, Mexico’s main natural gas pipeline network. The purpose of the meeting was to provide CENAGAS with information on the NAESB process and standards and continue discussions with the CRE regarding how NAESB can be supportive of ongoing activities and reformations of Mexico’s energy market. Additionally, at the recommendation of NAESB Advisory Council members, NAESB is in the process of reaching out to CENACE to better understand any areas of standards coordination that may benefit their market. CENACE serves as the independent system operator for Mexico’s electric grid.