



North American Energy Standards Board

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Home Page: www.naesb.org

October 15, 2025

NAESB UPDATE CONFERENCE CALL

PRESENTATION BY ERIC BARAN ON LOOP FLOWS WITHIN THE WESTERN INTERCONNECTION:

Mr. Baran, Senior Program Manager for Electric System Reliability at the Western Interstate Energy Board, delivered the presentation. The presentation provided a high-level explanation on loop flows, their effect on systems within the Western Interconnection, and why this matters from a reliability perspective. Mr. Baran explained that the Western Interconnection operates as single, synchronous system of interconnected generators and loads, meaning that power generated in one location affects flow patterns across the entire system. When a transmission line is overloaded or congested, the excess current seeks alternative routes through the path of least resistance on the interconnected grid. Loop flows are the unintended, unscheduled power flows that occur because electricity follows the path of least resistance, not the scheduled commercial contract path. Mr. Baran stated that the Western Interconnection currently uses the Unscheduled Flow Mitigation Plan (UFMP) to manage congestion. He explained that while a useful process, there are limitations in use as the UFMP and noted that the transition from a single, interconnection-wide reliability coordinator within the West along with the introduction of multiple, day-ahead and real-time markets adds complexities to the congestion management process that require greater coordination to effectively manage reliability risks. Mr. Baran stated that given the changes, congestion cannot be managed solely through UFMP and there is a need for an additional, interconnection-wide congestion management approach. He suggested that a real-time process utilizing the Enhanced Curtailment Calculator tool that accounts for all system and interconnection operating limits, designed to allocate relief on a pro-rata basis, based on actual power flow could help better address the congestion challenges and loop flows occurring at the new market seams. Ms. Satkiewicz stated that the presentation provided an excellent overview of the issues. She asked if the terms unscheduled flow and loop flow have the same meaning. Mr. Baran responded that the terms are nuanced but can be interchangeable, with loop flow referencing the physicality of electron movement and unscheduled flow referencing the flow of electricity in transmission scheduling. Mr. Fink asked if loop flows within one interconnection impact another. Mr. Baran responded that any impact would likely be minimal as the interconnection points are direct current interties.

WEQ NERC COORDINATION: Mr. Norton, Chair of the NAESB WEQ Standards Review Subcommittee (SRS), provided the update. On August 22, 2025, the WEQ SRS held a meeting to review the draft NERC 2026 – 2028 Reliability Standards Development Plan (RSDP) as part of the subcommittee's ongoing work to help support coordination efforts between NAESB and NERC. The participants identified thirteen NERC projects for reliability standards development in areas with potential overlapping commercial and reliability considerations for industry. The majority of these projects related to NERC development efforts to support inverter-based resources and distributed energy resources and cybersecurity. The feedback developed by the WEQ SRS was forwarded to the NAESB Managing Committee for consideration and subsequently provided to NERC staff. The WEQ SRS last met on October 9, 2025 and is planning to hold an additional meeting prior to the end of the year.

WEQ BPS/WICMG ACTIVITIES: Mr. Phillips, Co-Chair of the NAESB WEQ Business Practices Subcommittee (BPS), provided the update. On September 12, 2025, the WEQ BPS finalized and voted out a recommendation for new and revised WEQ Business Practice Standards to support an interconnection-wide congestion management process for the Western Interconnection. The proposed WEQ Western Interconnection Loading Relief (WLR) Business Practice Standards provide the framework for this process, establishing a standardized, flow-based methodology that uses real-time data to assign pro-rata curtailment and relief obligation priorities to relieve constraints on transmission facilities. The industry formal comment period on the recommendation closed on October 14, 2025, and the WEQ BPS will meet on October 17, 2025 to review the three sets of received formal comments. The WEQ Executive Committee will consider the recommendation at its next meeting, scheduled for October 22, 2025.

WEQ/RMQ BPS: DER ACTIVITIES: Ms. Sieg, Co-Chair of the NAESB WEQ BPS, provided the updated. The WEQ and RMQ BPS continue to meet jointly to consider the development of standards to support the industry's use of registries to facilitate access to DER and DER aggregation data, most recently on October 8, 2025. Since the kick-off meeting in April, the presentations and material shared have generated discussions around coordination and data



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sharing challenges and insights into how a registry could be used, potential tool functionality, data categories, and attributes and interoperability considerations, and where standards may help support integration of DERs or address gaps for industry. The subcommittees are now working to develop use cases that identify the market and operational processes a registry may support and the associated tool functionality, data categories, and attributes to help narrow in on the areas that would be of greatest benefit and priority for industry and set parameters for standard development.

WEQ/RMQ/WGQ CYBERSECURITY ACTIVITIES: Mr. Brooks with Business Cyber Guardian provided the update. The WGQ, RMQ, and WEQ Executive Committees will all be considering recommendations for cybersecurity related modifications to the NAESB Business Practice Standards identified as part of the annual reviews at their upcoming meetings. The industry formal comment period on the WGQ and RMQ recommendations closed on September 12, 2025 with no comments received. The industry formal comment period on the WEQ recommendations closed on September 26, 2025 with no comments received. The revisions proposed by the WEQ include changes to the Accreditation Requirements for Authorized Certification Authorities (ACAs), which supports the NAESB Certification Program for ACAs and the WEQ-012 Public Key Infrastructure (PKI) Business Practice Standards. These include the deprecation of an obsolete encryption methodology and outdated cryptographic modules used as part of digital certificate generation and are aligned with broader industry guidance from National Institute of Standards and Technology and the Certificate Authority/Browser Forum regarding the issuance of PKI digital certificates. The WEQ also reviews FERC and NERC cybersecurity activities each year to consider any impact to the WEQ Business Practices and need for complementary changes. While the participants determined that no new or revised WEQ standards were necessary based on this year's review, there was consensus to continue to monitor activities in this area, including a review of any final order from FERC on the NERC Supply Chain Risk Management Standards. There was thought that this could touch on some considerations related to the annual plan item for the consideration of standards for cybersecurity vulnerability disclosures, such as for software supply chain risks. Since the last meeting of the subcommittee, FERC took final action on the reliability requirements as part of FERC Order No. 912, and this item is on the proposed plan for next year's consideration

RMQ BPS: DLT ACTIVITIES: Ms. McKeever, Chair of the NAESB RMQ BPS, provided the update. At the upcoming meeting on October 23, 2025, the RMQ Executive Committee will consider the recommendation developed by the RMQ BPS proposing new Distributed Ledger Technology (DLT) model business practices to support the NAESB Distribution Grid Services Base Contract. This is the second phase of the contracting effort NAESB initially initiated in response to a request from the U.S. Department of Energy. The proposed DLT model business practices provide the technical implementation details to allow industry to create a digitized version of the standardized contract and conduct transactions on distributed ledgers. The RMQ BPS began in April 2025 and were able to leverage prior work to develop DLT standards, including those to support the NAESB Base Contract for Sale and Purchase of Voluntary RECs. As part of the industry formal comment period, one set of comments was received that propose minor, non-substantive revisions for consistency and clarity. The proposed modifications will be considered as part of the RMQ Executive Committee discussion on the recommended standards.

WGQ CONTRACTS ACTIVITIES: Mr. Sappenfield, Chair of the NAESB WGQ Contracts Subcommittee, provided the update. For the past several months, the WGQ Contracts Subcommittee worked to develop revisions to the proposed NAESB Base Contract for the Sale and Purchase of Hydrogen to address direction provided by the WGQ EC based on discussion during its meeting to consider the initial recommendation and in response to concerns raised as part of the formal comment period on the initial recommendation. The revised recommendation includes an FAQ document to help guide use of the contract, a new addendum to support transactions in the Canadian market, and modifications to enhance clarity and market applicability of the standardized terms and conditions. The formal industry comment period closed on October 3, 2025 with one set of comments received. The formal comments propose minor, non-substantive changes for consistency and will be considered by the WGQ Executive Committee alongside the revised recommendation at its meeting scheduled for October 23, 2025. Additionally, the WGQ Contracts Subcommittee held two meetings to begin discussions on Standards Request R25004 which proposed a change Section 2.31 Spot Price Publication of the NAESB Base Contract for the Sale and Purchase of Natural Gas and Canadian Addendum to include additional optionality. However, the request was subsequently withdrawn by the submitter. Mr. Brooks asked if the WGQ Contracts Subcommittee has discussed if changes to NAESB standardized



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contracts are needed to address tariffs on imported products. Mr. Sappenfield responded that the specific issue has not been discussed in recent meetings but that the standardized contracts are subject to applicable rules and regulations and have provisions to address taxes and fees.

BOARD AND REGULATORY ACTIVITIES UPDATE: Mr. Booe, NAESB Executive Vice President and COO, provide the update. On October 1, 2025, FERC issued Order No. 913 *Implementation of the Executive Order Entitled “Zero-Based Budgeting to Unleash American Energy”* in Docket No. RM25-14-000. The final rule inserts into the identified regulations a sunset provision that establishes a conditional sunset date one year after the effective date of the rule in response to Executive Order 14270 “Zero-Based Regulatory Budgeting to Unleash American Energy.” Included in the identified regulations are the incorporation by reference of the NAESB Smart Grid Standards, which were previously adopted as non-mandatory guidance. Mr. Booe noted that a FERC Open Meeting is scheduled for October 16, 2025, and action in Docket No. RM96-1-044 Standards for Business Practices of Interstate Natural Gas Pipelines was listed in the Sunshine Act Meeting Notice. On October 8, 2025, NAESB held meetings of the WEQ, WGQ, and RMQ Annual Plan Subcommittees to develop the proposed 2026 Annual Plans. These will be considered by the Executive Committees at their meetings scheduled for October 22 – 23, 2025 as well as the Board Strategy Committee. The proposed 2026 Annual Plans will be forwarded to the NAESB Board of Directors for its consideration and finalization during the December 11, 2025 meeting.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for December 10, 2025 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.

NAESB Update Conference Call Participant	
List October 15, 2025 1:00 PM Central	
Name	Organization
Eric Baran	Western Interstate Energy Board
Wes Barber	Southern Company
Inna Belza	PacifiCorp
Jonathan Booe	NAESB
Dick Brooks	Business Cyber Guardian
Donald Coffin	Green Button Alliance
Jeremiah Doyle	SSL.com
Blair Fink	Georgia Public Service Commission
Shawn Grant	CAISO
Robert Haggart	ConEd
Bob Hellrich-Dawson	FERC
Regina Jang	NAESB
Mike Kraft	Basin Electric Power Cooperative
Debbie Kupczyk	National Fuel Gas Supply Corporation
Grayson Lee	Quorum Software Solutions



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Leif Mattson	WBI Energy
Steven McCord	TC Energy Corporation
Deborah McKeever	Oncor
Marissa Moers	Western Interstate Energy Board
Chris Norton	American Municipal Partners
Sheldan Perry	OATI
Joshua Phillips	Southwest Power Pool
Laura Rennick	Western Interstate Energy Board
Jessie Rice	Western Area Power Administrators
TaShundra Robinson	Southern Company
Lisa Russo	National Fuel Gas Supply Corporation
Keith Sappenfield	KS Energy Consultant
Patty Satkiewicz	PacifiCorp
Lindsey Saunders	Quorum Software Solutions
Sarah Shaffer	Equitrans, LP
Sara Shepard	NorthWestern Energy
Lisa Sieg	LG&E and KU
Marie Simonds	SSL.com
Karen Stampfli	Tennessee Valley Authority
Carolyn Stone	Cascade Natural Gas Corporation
Anna Strange	Western Interstate Energy Board
Caroline Trum	NAESB
JT Wood	Southern Company