##### November 18, 2015

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Update to the Board of Directors – Gas-Electric Harmonization Activities Update**

**Update on the Gas-Electric Harmonization Activities –**

On September 17, 2015, the Commission issued an *Order on Rehearing* for FERC Order No. 809 in Docket No. RM14-2-000. In the Order, the Commission denied the Desert Southwest Pipeline Stakeholders request for rehearing and asked NAESB to begin work on the Commission’s request made in FERC Order No. 809 concerning the exploration of the potential for faster, computerized scheduling when shippers and confirming parties all submit electronic nominations and confirmations, including a streamlined confirmation process if necessary.[[1]](#footnote-1) The Commission specifically noted the August 4, 2015 report filed by NAESB which summarized the actions of the NAESB Board of Directors to consider modifications to the 2015 WEQ and WGQ Annual Plans and reactivate the Gas-Electric Harmonization Forum (Forum) in 2016 to initiate the effort[[2]](#footnote-2); however, the Commission requested that NAESB “begin considering the development of standards…and file such standards or a report on the development of standards…by October 17, 2016.” In response, the NAESB Managing Committee requested that the Board of Directors hold a conference call on November 5, 2015 to discuss how to respond to the Commission request through the 2015 and proposed 2016 annual plans. Due to a lack of attendance, the conference call was deemed a working session.

The comments of the board members participating not only focused on when NAESB should take action, but also on alternatives to the course of action determined by the Board of Directors in June of 2015 and communicated to the FERC in the August 4, 2015 report. Specifically, the participants highlighted the need for communication between the gas and electric industries and the engagement of both industries should comprehensive business practice standards be developed; the need for frequent communication with the Commission through the entire process and the need to balance industry resources for standards development with other industry deadlines. Through these discussions, there was general support for modifying the 2015 and 2016 WEQ and WGQ Annual Plans to replace the completion date of the efforts of the Forum from TBD to 2016. A notational ballot was distributed proposing these redlined modifications to 2015 WEQ Annual Plan Item 9.a and 2015 WGQ Annual Plan Item 3.b and proposed 2016 WEQ Annual Plan Item 7.a and proposed 2016 WGQ Annual Plan Item 3.a. The notational ballot voting period closed on November 13, 2015, with the modifications passing the necessary simple majority threshold.

NAESB will file a subsequent report to inform the Commission of the actions of the NAESB Board of Directors following the meeting on December 10, 2015.

1. FERC Order on Rehearing: <https://naesb.org/pdf4/ferc091715_order809_order_on_rehearing.docx> [↑](#footnote-ref-1)
2. NAESB August 4, 2015 Report to the FERC: <https://naesb.org/pdf4/ferc080415_naesb_update_report_order809.pdf> [↑](#footnote-ref-2)