



North American Energy Standards Board

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

January 3, 2025

NAESB UPDATE CONFERENCE CALL

WEQ OASIS SUBCOMMITTEE ACTIVITIES: Mr. Wood, Co-Chair of the Wholesale Electric Quadrant (WEQ) OASIS Subcommittee, provided an update. The WEQ OASIS Subcommittee is evaluating an industry request for revisions to improve transparency in the designation of an agent by transmission customers. During the October 21, 2024 meeting, the subcommittee discussed the scope of the request and how existing language for Network Integration Transmission Services (NITS) could be applied. The next meeting is scheduled for January 14, 2025 to continue discussions. Additionally, the WEQ Executive Committee approved a no action recommendation from the WEQ OASIS Subcommittee on October 23, 2024, in response to a review of WEQ Version 003.3. The subcommittee decided to address consistency changes through the minor correction process, which was adopted and finalized after the public comment period, with corrections becoming effective on November 25, 2024.

WEQ NERC COORDINATION: Mr. Phillips, Co-Chair of the Business Practices Subcommittee, provided the update. On November 25, 2024, the WEQ ratified updates to align terminology in the WEQ Business Practice Standards with NERC Reliability Standards, including adding one term, removing two, and modifying six existing terms. Changes were also made to WEQ-004, WEQ-005, and WEQ-023, with these revisions to be included in the next version of the standards. NAESB and NERC continue to coordinate on standards development, with recent efforts covering DERs, gas-electric market coordination, and cybersecurity. As part of the 2025 WEQ Annual Plan, assignments include reviewing NERC's Critical Infrastructure Protection Standards, the NAESB Electronic Tagging Functional Specification, and addressing Standards Request R24005 for congestion management in the Western Interconnection.

WEQ/RMQ DER UPDATE: Mr. Brooks of Business Cyber Guardian, provided the update. The NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from DER Aggregations, developed at the request of the U.S. Department of Energy (DoE), has been ratified and is now available for industry use. This contract includes standard terms and flexible provisions to facilitate transactions for DER aggregation services across the country, addressing the market barrier created by the lack of a standard contract in this area. The RMQ Executive Committee revised the contract in response to industry comments, clarifying that it applies only to transactions under the jurisdiction of applicable retail regulatory authorities. Two supporting documents were also approved: the NAESB Conditions Precedent Addendum, designed to aid in contract negotiations before a DER aggregator completes registration with the utility, and a Frequently Asked Questions (FAQ) document outlining how to use the contract and addendum. With this effort completed, the WEQ and RMQ have resumed work on DER-related cybersecurity standards, focusing on electronic communication protocols and necessary cybersecurity protections. The 2025 Annual Plans for both quadrants also include initiatives to improve interoperability in DER management systems and other tools for accessing DER data.

WEQ/RMQ/WGQ CYBERSECURITY ACTIVITIES: Ms. Trum, Director of the Wholesale Electric Quadrant, provided the update. The WEQ, RMQ, and WGQ continue to refine their business practice standards to address the security of commercial transactions and communications. Recent updates have reorganized existing requirements into market-specific suites of standards. FERC Orders 676-K and 587-AA incorporated Version 004 of WEQ and Version 4.0 of WGQ standards, including WEQ-024 and WGQ Cybersecurity Related Standards. The RMQ and WEQ are working together to develop standards for communication protocols between DER aggregators and distribution utilities. After pausing earlier to focus on the NAESB Base Contract for Distribution Grid Services, the effort resumed with meetings on October 30, 2024, and November 20, 2024. The next meeting is set for January 2025 to discuss business processes and protocols for data exchanges.

WGQ STANDARD CONTRACT FOR THE SALE AND PURCHASE OF HYDROGEN: Mr. Sappenfield, chair of the WGQ Contracts Subcommittee, provided the update. The WGQ Contracts Subcommittee continues to work on developing a standardized contract for the sale and purchase of hydrogen. The subcommittee held an informal comment period on the initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen, which incorporates terms from the NAESB Base Contract for Natural Gas, provisions from the NAESB Certified



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Gas Addendum for certificate tracking and Energy Attribute Certificates (EAC), and elements from the NAESB Master Agreement for Liquid Hydrocarbons related to hydrogen transportation methods. The draft also includes a placeholder for carbon intensity value tracking. The informal comment period, which closed on September 6, 2024, received seven sets of comments. The subcommittee met on September 12, 2024, and October 17, 2024, to review the feedback and refine the draft. The subcommittee leadership expects to complete a recommendation by the first quarter of 2025.

ANNUAL PLAN UPDATE: Ms. Nagi, Staff Attorney, reviewed the highlights of each of the quadrant annual plans.

REGULATORY AND BOARD ACTIVITIES UPDATE: Ms. Nagi, Staff Attorney, provided the update. The Revenue Committee met on December 4, 2024, to review agenda items ahead of the December 12 Board meeting. Topics included external communications, standards publication cycles, and revenue and membership reports. The Committee also endorsed the proposed 2025 budget for Board approval. The Strategy Committee held meetings on November 12 and December 4, 2024, to discuss the National Petroleum Council's GHG Emissions Reduction and Hydrogen studies. The Committee decided to continue exploring support for certified natural gas contracting and monitor developments in the hydrogen market. Additionally, the Committee reviewed the process for updating the Strategic Plan, with a draft expected for Board adoption in April 2025. The final Board meeting of the year will take place on December 12, 2024, from 9:00 AM to 1:00 PM Central. Camilo Serna from NERC will present on gas and electric market coordination, while Joe Paladino from the DOE's Office of Electricity will discuss distributed energy resources. On the regulatory front, FERC issued Final Orders adopting the latest WEQ and WGQ business practice standards. The cybersecurity standards in Version 004 of the WEQ will be implemented in 12 months, with the remaining standards and the WGQ standards following in 18 months. Finally, on December 3, NAESB filed a report with FERC regarding the ratification of WGQ standards developed in response to the 2023 Winter Storm Elliott Report.

NEXT CONFERENCE CALL: The next NAESB Update Conference Call is scheduled for February 19, 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: 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	
December 11, 2024 1:00 PM Central	
Name	Organization
Dick Brooks	Business Cyber Guardian
Zachary Buus	BPA
Kate Daley	American Electric Power Service Corp.
Karen Frank	MISO
Ronnie Hensley	Southern Star
Rachel Hogge	Eastern Gas Transmission & Storage, Inc.
Jo Johnson	Portland General Electric
Tom Kraft	ONEOK
Debbie Kupczyk	National Fuel
Tomasz Lange	Tenaska, Inc.
Paul Mattingly	Southern Star
Leif Mattson	WBI Energy
Steven McCord	TC Energy
Amrit Nagi	NAESB
Jeff Page	ONEOK
Joshua Phillips	Southwest Power Pool
Jessie Rice	WAPA
Lisa Russo	National Fuel
Keith Sappenfield	Corpus Christi Liquefaction
Sara Shepard	Northwestern
Carolyn Stone	Cascade Natural Gas
Caroline Trum	NAESB
Kimberly Van Pelt	Kinder Morgan
Sandy Walker	TVA
Jeremy West	OATI
Jason Williams	Southern Company
JT Wood	Southern Company
Barbie Zankpah	PJM



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