

North American Energy Standards Board

Update of Activities to NARUC Electricity Subcommittee

North American Regulatory Utility Commissioners

Report to the Electricity Subcommittee

February 13, 2005

North American Energy Standards Board

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Recent NAESB Activities - WEQ

- ❖ Version 0 Business Practices Completed and Ratified
- ❖ OASIS 1A Business Practice Changes Adopted
- ❖ Standards of Conduct Business Practice Changes Adopted
- ❖ FERC Filing made January 18, 2005
- ❖ 2005 Annual Plan Approved by the NAESB Board of Directors
- ❖ OASIS II Efforts Continuing and more OASIS 1A modifications underway
- ❖ Energy Day and related business practices being developed
- ❖ Version 1 Business Practices being developed with a high priority

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NAESB WEQ Standards Completed

- ❖ Version 0 Business Practices Completed and Ratified
 - ❖ 5 Areas: **Coordinate Interchange, ACE equation special cases , manual time error correction, inadvertent interchange payback and TLR**
- ❖ OASIS 1A Business Practice Changes Adopted
 - ❖ 3 Areas: **Multiple Submissions, Redirects, Large Generator Interconnection Order**
- ❖ Standards of Conduct Business Practice Changes Adopted
 - ❖ **Addresses FERC Order Nos. 2004, 2004-A and 2004-B**
 - ❖ **May require some changes in the next few months to address Order No. 2004-C**
 - ❖ **Similar changes already addressed on the wholesale gas side**

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First WEQ FERC Filing – January 18, 2005

- ❖ Inaugural Filing of NAESB for WEQ, coordinated with FERC staff
- ❖ Filing noted in **December 15 FERC meeting** and in **FERC correspondence** with NAESB
- ❖ Filing includes all NAESB WEQ standards except:
 - ❖ FTAA – not federally jurisdictional
 - ❖ Coordinate Interchange, Version 1, developed prior to Version 0
 - ❖ TLR, duplicate of NERC
- ❖ Filing represents **~4,500 man-hours** in **57 NAESB meetings and conference calls**, multiple informal and formal comment periods with **more than 100 organizations** providing input.

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2005 Annual Plan Approved by the NAESB Board Defines Activities for NAESB WEQ

- ❖ The key aspects of the plan are to develop business practices to:
 - ❖ Complement reliability standards (underway)
 - ❖ Support ATC calculations
 - ❖ Enhance OASIS electronic scheduling (underway)
 - ❖ Support current operation of wholesale electric market
 - ❖ Support gas-electric coordination (underway)

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Activities Underway Now

- ❖ **Complement reliability standards**
 - ❖ **Version 1 changes to reflect today's market conditions and waivers in place**
 - ❖ **The separation of TLR into NAESB business practices and NERC reliability standards**
 - ❖ **Version 1 of Coordinate Interchange and Inadvertent Interchange Payback**

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Activities Underway Now

- ❖ Enhance OASIS electronic scheduling
 - ❖ Clarification of definitions and terminology in OASIS Business Practices
 - ❖ Resale or reassignment of transmission service
 - ❖ "Release" mechanism in the OASIS S&CP to complement non-firm redirects
 - ❖ Determination of whether business practice standards or other support is needed to support use of OASIS for Network Service transactions and registry functions.
 - ❖ OASIS 2 Development

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Energy Day Efforts

The umbrella is: Support Gas-Electric Market Coordination



It covers development of business practices for:

- Energy Day
- Gas Scheduling and Market Timelines
- Electric Scheduling and Market Timelines
- Generation facility/gas pipeline communications
- Board activities to identify other needed standards efforts

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- ❖ **Energy Day Efforts began as an outgrowth of the Gas-Electric coordination Task Force**
 - ❖ The GECTF was established in December 2003 with co-chairs representing the Wholesale Gas, Wholesale Electric, Retail Gas and Retail Electric Quadrants to address specific issues related to its mission
 - ❖ The Gas and Electric Coordination Task Force (GECTF) was an ad hoc task force reporting to the four quadrant Executive Committees. The GECTF is tasked with reviewing and investigating possible standards creation and/or modifications related to additional coordination of the interaction between the scheduling of electric and gas transactions .

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- ❖ **It prepared two reports and provided them to the FERC**
 - ❖ An Interim Status Report on March 16, 2004, which was subsequently approved by the Executive Committees of all four NAESB quadrants on April 5, 2004 and distributed to interested industry stakeholders on April 16, 2004
 - ❖ A Final Report on July 1, 2004 which was prepared and forwarded to the FERC and addressed industry discussion in 14 broad categories.
 - ❖ The focus of the group was on the education of gas and electric industry participants and identification of discussion points that could provide opportunities to improve gas/electric scheduling and transactional coordination, and grouped those points into broad categories.

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- ❖ **The Task Force Accomplishments and Deliverables**
- ❖ The task force did not develop any standards or requests for standards.
- ❖ Much of the discussion would probably not lead to a standards development solution.
- ❖ The discussion points (DPL) were categorized into: energy day; communications; gas nominations timelines; electric market timelines; gas contracts/service portfolios of electric companies; electric generation gas supply verification; available transportation service provider services; natural gas industry infrastructure; electric market rules; natural gas supply real time flexibility; electric industry infrastructure; electric industry organization; energy reliability; and information

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- ❖ **The Task Force Accomplishments and Deliverables**
- ❖ The DPL provides a starting point for industry stakeholders interested in submitting standards requests or pursuing resolution in forums other than NAESB to address gas and electric coordination.
- ❖ Any requests for standards submitted as a result of the DPL will be processed in accordance with established NAESB procedures.
- ❖ For the items that may ultimately be submitted to NAESB for standards development, some points may need to be addressed in other forums prior to consideration of standards development in NAESB.
- ❖ Out of the report there were three requests that are now governing our work on gas-electric coordination.

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- ❖ **R04016** – Energy Day, submitted by KeySpan and Duke Energy Gas Transmission, WGQ members.
 - ❖ Request that NAESB develop a standard energy day that would apply to both the natural gas and electric industries. Request that the energy day be standardized as midnight to midnight central time. Make any conforming changes to existing WGQ NAESB Standards.
 - ❖ Work began on this request in December jointly with the WGQ and the WEQ Business Practices Subcommittees. Several excellent presentations are posted on the web site.
 - ❖ Work was suspended pending the efforts underway on the communication standards envisioned in request R04021.

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- ❖ **R04020** – Electric Scheduling, submitted by Tennessee Valley Authority, WGQ and WEQ members
 - ❖ Establish business standards relating to electric transaction scheduling and timelines which will address the following:
 - ❖ Interchange schedule coordination including ramp times (Seams issue #41 & GECTF Discussion Point List item D.)
 - ❖ Standardize Interchange Scheduling components of Day Ahead Market Design. Identify possible tools that can accommodate different interchange requirement rules. Include other scheduling components of Day Ahead Market Design to accommodate inter-RTO transactions. This has been assigned to the WEQ Business Practices Subcommittee but no date has yet been set for the first meeting. It will begin shortly.
 - ❖ A scoping document has been prepared by the submitters to augment the request.

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- ❖ **R04021** – Communications between pipelines and electric entities regarding power generation
 - ❖ The request was submitted by Cross Country Pipelines, Natural Gas Pipeline of America and Salt River Project – all WGQ members.
 - ❖ The request description is: Develop standards for the daily operational communications between pipelines and power plants. These communications standards would include anticipated power generation fuel requirements for the upcoming day as well as notification anytime plans change. Likewise standards for pipeline communications for any operating problems that might hinder power plants from receiving required contractual quantities when needed would be developed.
 - ❖ The request was assigned jointly to the WGQ and WEQ Business Practices Subcommittees, work began in January

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- ❖ **R04021** – Communications between pipelines and electric entities regarding power generation
 - ❖ Efforts are underway to draft proposed standards for:
 - ❖ Communications between pipelines and power generation facilities for scheduled flow of gas (Submitted by NGPL).
 - ❖ Communications between pipelines and power generation facilities for unscheduled flow of gas (Submitted by TVA).
 - ❖ Communications between pipelines and power generation facilities for unscheduled flow of gas in extreme conditions (Prepared from a ISO-NE presentation).

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- ❖ **R04021** – A further breakdown of these proposed standards are:
 - ❖ Generic TSP-PPO communications principle
 - ❖ TSP-PPO communications for scheduled flows
 - ❖ TSP-PPO communications for unscheduled flows
 - ❖ Notifications from the PPO to the TSP when scheduling of gas is needed outside the standard nomination cycles.
 - ❖ Communications procedures for TSPs and PPOs, where the TSPs support non-uniform hourly flows
 - ❖ Communications procedures for TSPs and PPOs in unanticipated extreme demand conditions.

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❖ Status

- ❖ Working on drafting communication standards now
- ❖ All parts of the industry are present – both wholesale gas and wholesale electric segments as well as ISOs, RROs, trade associations, state regulatory staff, FERC
- ❖ A prototype set of standards is being redlined for discussion at the next scheduled Energy Day meetings – March 1-2, Houston
- ❖ Two day meetings scheduled every two weeks until late April to accommodate a June 1 deadline
- ❖ All meetings are accessible via conference calling and web casting

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❖ Schedule

- ❖ March 1-2 Houston, NAESB Office
- ❖ March 21-22 Richmond, Dominion hosted
- ❖ April 6-7 Washington DC, AGA Hosted
- ❖ April 18-19 Houston, NAESB Office
- ❖ April 25 Recommendation of Energy Day Standards out for comment
- ❖ May 10 WEQ Executive Committee Meeting, Houston

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❖ Schedule (Continued)

- ❖ May 12 WGQ Executive Committee Meeting, Houston
- ❖ May 24 Comments returned on recommendation of Energy Day Standards
- ❖ May 26 WGQ and WEQ Joint EC meeting to vote on recommendation, TBD
- ❖ May 27 Ratification Ballot sent out to WEQ and WGQ members on recommendation approved by the WEQ and WGQ ECs
- ❖ June 1 Report to the FERC on Energy Day Standards
- ❖ June 27 Ratification results tallied
- ❖ June 30 Follow up report to the FERC with ratification results

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How to find out more

How to find out more information on NAESB

How to Participate

- ❖ Join the distribution lists on the NAESB Web Site : www.naesb.org
- ❖ All meetings are open and accessible via telephone
- ❖ Join the Monthly At A Glance Calls
- ❖ All materials are posted on the NAESB web site
- ❖ Your comments are welcome and will be posted on any NAESB standards issues
- ❖ If you are not a member, but are interested in membership, please call the NAESB Office: 713-356-0060

How to Find Out More Information

- ❖ **Web Site : www.naesb.org**
 - ❖ **Quadrant Procedures, Bylaws, Certificate for NAESB**
 - ❖ **Calendar of Meetings, Agendas, Work Papers, Comments**
 - ❖ **Board minutes, EC Minutes, How to order Transcripts**
 - ❖ **Standards and Related Work Products**
 - ❖ **Membership Information**

- ❖ **Contact Information**
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