##### April 23, 2024

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE: WEQ Coordinate Activities with NERC**

Coordination between NAESB and NERC helps ensure the complementary nature of NAESB WEQ Business Practice Standards and the NERC Reliability Standards. To help promote coordination, NAESB and NERC staff are in frequent communication, and the NAESB WEQ Standards Review Subcommittee (SRS) reviews all new NERC projects for standards development to determine any potential areas of coordination between the organizations. Recent topics of discussions between staff have included revisions to the NERC Glossary of Terms used in NERC Reliability Standards, gas-electric coordination and the development of cold-weather related reliability standards, and proposed revisions to the NERC Rules of Procedure in response to FERC directives.

In March, NERC submitted Standards Request R24002, proposing NAESB review NERC’s proposed revisions to defined terms used in the reliability standards and evaluate whether similar revisions to the NAESB WEQ Business Practice Standards are commercially applicable. Where possible, NAESB and NERC align defined terms used in both the business practices and reliability standards to support consistency and clarity for the industry. The NAESB WEQ SRS has scheduled a meeting for April 23, 2024 to begin discussions. The request identifies twenty-nine revisions to defined terms, two new defined terms, and four defined terms retirements.

As you may recall, in support of coordination between NAESB and NERC, the 2024 WEQ Annual Plan includes several assignments for standards development. Later this year, related to the development of cold-weather reliability standards, the NAESB WEQ Business Practices Subcommittee (BPS) will be reviewing reliability standards developed as part of NERC Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination and creating, as needed, complementary business practice standards. NERC staff has indicated that the final revisions to the reliability standards proposed as part of this project have been filed with the FERC. The NAESB WEQ BPS will initiate its effort following any FERC action.

Additionally, in support of coordination with NERC, the 2024 WEQ Annual Plan includes an assignment for the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) to develop modifications to the NAESB WEQ Business Practice Standards, as needed, to complement modifications to the NERC Rules of Procedure in support of the inclusion of inverter-based resources (IBRs) in the NERC Compliance Registry. Per NERC staff, the proposed modifications were filed with the Commission in March 2024. The NAESB WEQ CISS has held several meetings to discuss any potential impact of NERC’s changes on the commercial and business processes of the industry. Based on preliminary discussion, subcommittee participants have not identified a need, at this time, to modify the business practice standards and are considering the development of a no action recommendation.