May 21, 2021

Federal Energy Regulatory Commission Action on WEQ Version 003.3 Standards

Dear Members of the Wholesale Electric Quadrant,

As you may know, on May 20, 2021, the Federal Energy Regulatory Commission (Commission) issued FERC Order No. 676-J, *Standards for Business Practices and Communication Protocols for Public Utilities*, in Docket Nos. RM05-5-029 and RM05-5-030 (Order).[[1]](#footnote-1) The Order will become effective sixty days after publication in the Federal Register. In the Order, the Commission took action to adopt as part of its regulations, through the incorporation by reference process, the NAESB WEQ Version 003.3 Business Practice Standards (Standards), with certain enumerated exceptions, as proposed in the related Notice of Proposed Rulemaking (NOPR).[[2]](#footnote-2) Included as part of WEQ Version 003.3 are the final standards developed in response to directives from FERC Order No. 890, standards that support the calculation of Available Transfer Capability (ATC) and Available Flowgate Capability (AFC), Parallel Flow Visualization (PFV) standards that improve upon the congestion management process for the Eastern Interconnection as well as standards resulting from the recommendations of the Department of Energy sponsored cybersecurity surety assessment of the NAESB standards. This body of Standards marks a development period from December 2017 to March 2020 and is the result of a significant effort by the industry. NAESB would like to thank the numerous industry volunteers who contributed their time and resources to the development of these Standards.

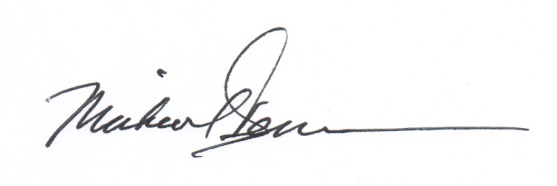
In moving to incorporate the Standards by reference, the Commission continued with precedence established in FERC Order No. 676-I and adopted Version 003.1 WEQ-006 Manual Time Error Correction Business Practice Standards as well as the definitions of Interconnection Time Monitor, Time Error, and Time Error Correction that appear in Version 003.1 WEQ-000 Abbreviations, Acronyms, and Definition of Terms Business Practice Standards. All other Standards adopted by the Commission as part of FERC Order No. 676-J are as they appear in their entirety in WEQ Version 003.3 (WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, WEQ-021, WEQ-022, and WEQ-023).

Similar to FERC Order Nos. 676-H and 676-I, the Commission continues to list NAESB’s Smart Grid Standards (WEQ-016, WEQ-017, WEQ-018, WEQ-019, and WEQ-020) as part of non-mandatory guidance in its regulations. Consistent with past actions, the Commission declined to adopt WEQ-009 Standards of Conduct for Electric Transmission Providers, WEQ-010 Contracts Related Business Practice Standards, and WEQ-014 WEQ/WGQ eTariff Related Business Practice Standards. NAESB previously reserved and redacted WEQ-009, WEQ-010 contains model contracts optional for industry use, and WEQ-014 serves as the basis for the Commission’s own standards and protocols for electronic tariff filings.

Under the Order, the Commission requires public utilities and those with reciprocity tariffs to make two compliance filings via eTariff as part of an identified schedule. For the WEQ cybersecurity standards and the PFV standards, compliance filings are to be made nine months after publication of the final rule in the Federal Register, with implementation required no sooner than three months after compliance filings are submitted. For all other Standards, the Commission requires compliance filings to be made twelve months after the implementation of the WEQ Version 003.2 Standards, or no earlier than October 27, 2022. The implementation date for these Standards will be no earlier than three months following compliance filing submission, January 27, 2023. Public utilities may seek waiver of the Standards for newly developed or newly revised Standards and for the renewal of existing waivers.

Finally, in the Order, the Commission stated that the industry, through the NAESB process, should continue to consider further refinement to standards addressing ATC and AFC to improve the accuracy of the calculations and urged NAESB to consider issues raised by commenters regarding two of the WEQ-023 Modeling Business Practice Standards, WEQ-023-1.4 and WEQ-023-1.4.1. NAESB has already taken steps via the 2021 WEQ Annual Plan to ensure that the WEQ Executive Committee and its subcommittees can take timely action in response to the Commission’s direction regarding these standards through the inclusion of Item 1.b (Revise as needed WEQ-023 Modeling Business Practice Standards to support any FERC directives or Final Orders, including in Docket Nos. RM05-5-029, RM05-5-030, RM19-16-000, RM19-17-000, and AD15-5-000).

Once again, many thanks to all of you for contributing to this major industry effort.

With Best Regards,

Michael Desselle, Chairman of the Board of Directors, North American Energy Standards Board

cc: Ms. Rae McQuade, President & COO, North American Energy Standards Board

Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. Jonathan Booe, Executive Vice President & CAO, North American Energy Standards Board

1. FERC Order No. 676-J, *Standards for Business Practices and Communication Protocols for Public Utilities*, was issued on May 20, 2021 in Docket Nos. RM05-5-029 and RM05-5-30. The order can be accessed at the following link: <https://www.naesb.org/pdf4/ferc052021_final_rule_order676J.pdf> [↑](#footnote-ref-1)
2. The NOPR regarding Version 003.3 of the WEQ Business Practice Standards was issued on July 16, 2020 in Docket Nos. RM05-5-29 and RM05-5-30. The NOPR can be accessed at the following link: <https://naesb.org/pdf4/ferc071620_nopr_naesb_weq_v003.3_rm05-5-029_rm05-5-030.pdf> [↑](#footnote-ref-2)