##### August 10, 2015

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: External Organization Coordination – NERC and IDC Association**

**Update on Coordination with External Organizations – NERC and IDC Association**

NERC and NAESB continue to coordinate efforts to meet the demands of a variety of ongoing projects. This synchronization ensures that the two organizations maintain complementary standards and remain responsive to the wholesale electric industry. Monthly NERC/NAESB coordination conference calls typically focus on the MOD standards development effort, the Parallel Flow Visualization (PFV) project, cybersecurity, enhancement requests for the Electric Industry Registry (EIR), and NERC projects impacting NAESB, such as Time Error Correction (Project 2010-14.2.2 Phase 2 of Balancing Authority Reliability-based Controls (BAL-004 Time Error Correction) and modifications to the NERC Functional Model.

On August 14, 2015, the WEQ Standards Review Subcommittee (SRS) held a conference call to review the Draft 2015-2017 NERC Reliability Standards Development Plan (RSDP). The subcommittee assessment will be presented to the WEQ Executive Committee during its upcoming meeting. NAESB may forward the comments on the RSDP to NERC in August.

NERC has proposed the elimination the Load Serving Entity (LSE), the Purchase Selling Entity (PSE), and the Interchange Authority (IA) roles within the NERC process. The deletion of the LSE function from the NERC Compliance Registry will result in the retirement of several NERC requirements, including NERC standard INT-011-1 Requirement 1 which impacts NAESB standard WEQ-008. This NERC standard requires the submittal of a Request for Interchange for Intra-BA Transactions unless the transaction is otherwise accounted for in congestion management procedures. In the absence of a requirement for such intra-BA transaction information, the NAESB PFV standard will not be effective nor produce the results that were envisioned in the PFV project. The requirement is also needed for the TLR process. In response, the Chair and Vice Chair of the WEQ Executive Committee submitted a NAESB Standards Request, R15004. The resulting recommendation, developed by the WEQ Coordinate Interchange Scheduling Subcommittee, modifies WEQ-004 to include a requirement similar in form and function to the retiring NERC standard. On August 18, 2015, the WEQ Executive Committee will review the recommendation and one comment received from Bonneville Power Administration during the thirty day comment period.

The recommendation for the PFV project has been held in abeyance during the full staffing period in order to allow the IDC Association to conduct a field trial. The IDC Association has initiated its test preparations for the field trial and expects the testing period to last twelve to eighteen months. During this time, NAESB will continue to coordinate with both the IDC Association and NERC. Coordination issues that may arise during the test preparations period or the PFV field trial may be addressed through the WEQ BPS standing monthly agenda item for updates from the IDC Association or, if needed, a separate subcommittee meeting to discuss coordination issues may be scheduled. On March 25, 2015, NAESB filed a status report with the Commission in Docket No. EL14-82-000 to provide an update on the PFV project. The report was coordinated with NERC and the IDC Association and informed the Commission of the action, taken by the WEQ Executive Committee, to approve the recommendation for PFV-related business practice standards and initiate the full-staffing process. Additionally, the report included a description of the currently proposed modifications and additional standards included in the approved recommendation.