##### August 16, 2018

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Update to the Board of Directors – WEQ Coordination**

NAESB continues to coordinate with both the North American Electric Reliability Cooperation (NERC) and the Eastern Interconnection Data Sharing Network (EIDSN) regarding various standards development efforts.

A major coordination effort for several years now between NAESB, NERC, and EIDSN has been Parallel Flow Visualization (PFV) – a wholesale electric industry-initiated effort to enhance congestion management procedures within the Eastern Interconnection by improving the availability of real-time data. EIDSN, the entity responsible for the management of the IDC, a tool utilized by the Eastern Interconnection in congestion management, is conducting an eighteen-month field trial on the PFV related modifications to the NAESB WEQ Business Practice Standards. Recently, NAESB staff met with EIDSN leadership to discuss the progress of the PFV field trial. EIDSN leadership indicated that in September, the organization will make available to NAESB a report overviewing the PFV effort and the progress of the PFV field trial. Once received, NAESB staff will coordinate with EIDSN and NERC to draft a status report to update the Commission on the progress of the PFV effort. NAESB last filed a status report with the Commission on October 2, 2017, after the start of the PFV field trial.

Additionally, NAESB and NERC continue to engage in various coordination activities to ensure the organizations are in lock-step regarding reliability and commercial issues. NAESB leadership, NAESB staff, and NERC staff hold monthly conference calls to discuss ongoing standards development activities and other related issues. Outside of these calls, NAESB and NERC staffs frequently communicate on issues impacting both organizations. Recent topics of discussion have included the 2018 NERC Reliability Standards Efficiency Review, NERC Project 2017-04 Periodic Review of Interchange Scheduling and Coordination (INT) Reliability Standards, the NERC 2019 – 2021 Reliability Standards Development Plan, and cybersecurity.

In January, NERC kicked off an effort to review all of its standards to identify potential requirements not essential for reliability purposes and propose either retirement or modifications. As part of this work, NERC has preliminarily identified several reliability standards for retirement for which NAESB maintains complimentary business practice standards. NAESB and NERC staffs have discussed the potential need for coordination should NERC move forward with these retirements and agreed that the coordination process will follow that used in the past, such as with the Time Error Correction and previous MOD standards development activities.

Last year, NERC initiated Project 2017-04 Periodic Review of INT Reliability Standards. NAESB maintains complimentary business practices to several of the INT Reliability Standards as part of the WEQ-004 Coordinate Interchange Business Practice Standards. Although the review team identified several reliability standards for potential retirement that may correlate with the NAESB WEQ Business Practice Standards, per NERC staff, this effort is on hold pending completion of the 2018 NERC Reliability Standards Efficiency Review. NERC and NAESB staffs continue to discuss this effort and the potential need for further coordination once efforts resume.

NERC has released its draft 2019 – 2021 Reliability Standards Development Plan for a comment period ending on August 31, 2018. The WEQ SRS will review the draft plan during its meeting on August 17, 2018. Any feedback from the subcommittee will be sent to the NAESB Managing Committee for consideration.

The WEQ Cybersecurity Subcommittee, as part of its annual efforts to evaluate the NAESB WEQ Business Practice Standards, evaluates the current version of the NERC Critical Infrastructure Protection (CIP) Standards and any other activities of NERC related to cybersecurity. This year, the subcommittee reviewed FERC Order No. 848 – Cyber Security Incident Reporting, FERC Order No. 843 – Revised CIP-003-7 Cyber Security – Security Management Controls, FERC Notice of Proposed Rulemaking Supply Chain Risk Management Reliability Standards, and NERC Project 2016-02 Modifications to CIP Standards. NERC staff participated in the July 10, 2018 meeting of the subcommittee in which these efforts were initially discussed. The WEQ CSS determined that while NERC standard development activities related to these efforts should continue to be monitored, there are no necessary additions or modifications to the NAESB WEQ Standards at this time.