##### October 13, 2022

**TO:** All Interested Parties

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

**RE: NERC Coordination Activities Update**

NAESB and NERC staffs are continually coordinating on a number of topics related to standards development intended to support commercial and reliability aspects of the wholesale electric market. Most recently, the organizations have engaged in discussions regarding the 2023 – 2025 NERC Reliability Standards Development Plan (RSDP), the 2023 NAESB annual planning process, the WEQ-023 Modeling Business Practice Standards, cybersecurity, energy storage/batteries and distributed energy resources, and natural gas-electric market coordination activities.

To assist in coordination between the organizations, NAESB and NERC staffs engage in discussions the NAESB annual planning process as well as the development of the NERC RSDP. As the WEQ SRS does every year, in August, the subcommittee met to review the draft 2023 – 2025 NERC RSDP, identifying eight areas of potential coordination between the business practices and reliability standard: NERC Project 2020-04 Modifications to CIP-012, NERC Project 2020-06 Verification of Models and Data for Generators, NERC Project 2021-03 CIP-002 Transmission Owner Control Centers, NERC Project 2021-07 Extreme cold Weather Grid Operations, Preparedness, and Coordination, NERC Project 2021-08 Modifications to FAC-008, NERC Project 2022-01 Reporting ACE Definition and Associated Terms, NERC Project 2022-02 Modifications to TPL-001-5.1 and MOD-032-1, and NERC Project 2022-03 Energy Assurance. The WEQ SRS feedback was forwarded to the NAESB Managing Committee and subsequently submitted to NERC.

As you may recall, NAESB developed the WEQ-023 Modeling Business Practice Standards in response to a request submitted by NERC to support the retirement of the NERC MOD A Reliability Standards. The Commission, as part of FERC Order No. 676-J, took action for the first time to incorporate these standards by reference. While the retirement of the NERC MOD A Reliability Standards is still pending, as part of FERC Order No. 873, the Commission reiterated its intention “to coordinate the effective dates for the retirement of the MOD A Reliability Standards with the successor North American Energy Standards Board (NAESB) business practice standards.” NAESB has been in recent communications with both NERC staff regarding this topic and has made FERC staff aware as well.

This year, as part of 2022 WEQ Annual Plan Item 4.b, the WEQ Cybersecurity Subcommittee reviewed the NERC CIP Reliability Standards and the existing NERC CIP-related standards development efforts to evaluate if complementary or corresponding modifications were needed to the WEQ Business Practice Standards. Although the participants will continue to monitor several NERC efforts that may result in modifications to the NERC CIP Reliability Standards, including NERC Project 2016-02 Modifications to CIP Standards, NERC Project 2020-03 Supply Chain Low Impact Revisions, NERC Project 2020-04 Modifications to CIP-012, and NERC Project 2021-03 CIP-002 Transmission Owner Control Centers.

NAESB and NERC staffs are in regular communication regarding activities related to energy storage/batteries and distributed energy resources. These discussions include the efforts of the WEQ BPS to address Standards Request R22001, submitted jointly by the Department of Energy, Lawrence Berkeley National Laboratory, and Pacific Northwest National Laboratory to support the implementation and integration of flexible, grid-edge resources such as batteries and distributed energy resources. As part of subcommittee discussions, it has been noted that any defined terms and definitions should coordinate with corresponding terms that are included as part of the NERC Glossary. Staff are also engaging regarding gas-electric coordination activities, including the NAESB GEH Forum.