##### December 2, 2014

**TO:** All Interested Parties

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

**RE: Update to the Board of Directors –NAESB MOD Effort**

On October 1, 2014, the WEQ Business Practices Subcommittee (BPS) held an initial meeting to kick off work on the development of a recommendation to support 2014 WEQ Annual Plan Item 1.h – Develop, modify, or delete business practice standards to support request R14002 (NERC Project 2012-05 ATC Revisions (MOD A)). Since this time, the subcommittee held a face-to-face meeting on October 28 – 29, 2014 and a conference call on November 25, 2014 to continue work on the recommendation. To begin its effort, the WEQ BPS performed a gap analysis of the forty-one requirements it was asked to consider, to evaluate the appropriateness of each requirement as a NAESB standard and to determine if any additional elements needed to be included for clarity and consistency. Through this initial analysis, the number of requirements identified for standards development was narrowed to thirty-six, as five requirements were excluded after the subcommittee determined the requirements were too granular for commercial standards or were adequately covered through FERC Orders or other NERC requirements. NAESB has been in continued communication with FERC staff regarding the MOD effort, including the requirements which either the WEQ Executive Committee (EC) MOD Scoping Task Force or the WEQ BPS determined should not be considered as part of the standards development process. NAESB has also been engaging in discussions with NERC staff to ensure the proposed exclusion of the requirements does not create an inadvertent negative reliability or commercial impact. The WEQ BPS will hold its final meeting of the year on December 3 – 4, 2014. Beginning in January, in an effort to complete work on the assignment by the proposed deadline of 2nd Quarter 2015, the subcommittee will begin holding one all-day conference call and one, two-day, face-to-face meeting every month.

In February 2014, NERC submitted Standards Request R14002 to NAESB proposing that NAESB consider for inclusion in the NAESB Business Practice Standards certain NERC Modeling, Data, and Analysis Reliability Standard requirements proposed for retirement. Due to the large nature of the request, the co-chairs of the WEQ EC created the WEQ EC MOD Standard Scoping Task Force to perform an initial review of the request and define the scope and recommended timeline for standards development. The task force met eight times between April and August 2014. Of the 147 requirements identified in the request by NERC for potential inclusion in the NAESB Business Practice Standards, the task force recommended the WEQ BPS consider forty-one of those requirements and proposed a 2nd Quarter 2015 completion date for the effort. Throughout the MOD effort, NAESB and NERC have been in communication to ensure coordination between the organizations.

On August 25, 2014, NAESB filed comments with the Commission in response to the FERC NOPR *Modeling, Data, and Analysis Reliability Standards*, issued on June 19, 2014 in Docket No. RM14-7-000. In the comments, NAESB specifically responded to the Commission’s inquiry in the NOPR regarding the timeline for the standards development process within NAESB and coordination with NERC on the MOD effort. The recommendations of the WEQ EC MOD Standard Scoping Task Force served as the basis for the comments.