##### March 24, 2017

**TO:** All Interested Parties

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

**RE: Update to the Board of Directors – WEQ Coordination (NERC and EIDSN)**

NAESB and NERC enjoy a close working relationship. NAESB staff, WEQ leadership, and NERC engage in monthly coordination calls to discuss cross-over reliability and commercial standards development activities, and NAESB and NERC staffs frequently communicate on forthcoming and ongoing standards development activities that impact both organizations. Recent recurring topics of conversation include time error correction, Standards Request R16008, Parallel Flow Visualization (PFV), the NAESB Electric Industry Registry (EIR), cybersecurity, NOPRs and Final Orders on NERC and NAESB Standards, specific NERC Standards Development Projects that may impact the NAESB WEQ Business Practice Standards, NERC reliability standards development planning, and NAESB annual plan development.

During the February 21, 2017 meeting, the WEQ Executive Committee adopted the recommendation in support of 2016 WEQ Annual Plan Item 1.d/[R16002](https://naesb.org/pdf4/r16002.doc) – Develop, modify, or delete business practice standards to support NERC activities related to NERC Time Error Correction (BAL-004-0). NERC and NAESB have been coordinating on this particular topic since 2015, and NERC submitted the standards request to NAESB in February 2016. NAESB and NERC staffs coordinated with FERC staff regarding the filings each organization would make with the Commission. NERC filed its petition for the retirement of the NERC BAL-004-0 Reliability Standards in November 2016. NAESB will file a status report with the Commission regarding the time error correction standards development process and outcome on March 27, 2017.

Since August 2016, NAESB and NERC staffs have been coordinating on [Standards Request R16008](https://naesb.org/pdf4/r16008.doc). The request, submitted by WEQ leadership, proposes NAESB consider the incorporation of several requirements applicable to purchase selling entities currently found in NERC INT-004-3.1 Reliability Standard. Last year, NERC removed the purchase selling entity as a role within the NERC Compliance Registry, meaning that the NERC Reliability Standards may no longer be applicable to purchase selling entities. The subcommittees addressing the standards request determined it would not be prudent for to move forward until a determination was made by NERC on the reliability standards. NAESB has reached out to NERC for information on how the organization plans to address the NERC INT-004-3.1 Reliability Standard.

NAESB, NERC, and the Eastern Interconnection Data Sharing Network (EIDSN) continue coordination activities related to the PFV project. The WEQ Business Practices Subcommittee receives monthly updates from the subcommittee’s liaison with the EIDSN regarding the PFV Field Trial. Currently, the PFV Field Trial is scheduled to begin in August 2017, as report in the October 17, 2016 PFV Status Report filed with the Commission.

NAESB and NERC have coordinated on issues related to the NAESB EIR since before the tool transitioned from NERC to NAESB in 2012. On October 18, 2016, NERC was removed from the EIR, marking the final and full transition of the registry tool. In response, 2016 WEQ Annual Plan Item 5.c was created to remove references to NERC from the WEQ-02 EIR Business Practice Standards. The WEQ Executive Committee adopted the recommendation during its meeting on February 21, 2017.

The cybersecurity activities of each organization are a frequent topic of discussion during the monthly coordination calls, and the WEQ Cybersecurity Subcommittee monitors NERC standards development efforts and other activities related to cybersecurity. NERC is currently working to develop reliability standards to address supply chain management security controls in response to directives contained in FERC Order No. 829. The WEQ Cybersecurity Subcommittee will review the finalized version of these NERC Reliability Standards as part of its efforts to address 2017 WEQ Annual Plan Item 4.b – Evaluate and modify standards as needed to support and/or complement the current version of the NERC Critical Infrastructure Protection Standards and any other activities of NERC and the FERC related to cybersecurity.

Each year, NERC and NAESB coordinate regarding the development of the NERC Reliability Standards Development Plan and the NAESB Annual Plans. The WEQ Standards Review Subcommittee reviews each draft NERC Reliability Standards Development Plan, and any comments are communicated to NERC staff. Additionally, NAESB informs NERC regarding the development of the upcoming year’s annual plans, including any NAESB standards development efforts tied to ongoing or upcoming NERC standards or activities.

In addition to the major ongoing standards development activities mentioned above, the monthly NERC/NAESB coordination calls also focus on other NERC standards development efforts and other activities that could impact the NAESB or the WEQ Business Practice Standards. Projects discussed this past year include Project 2015-04 Alignment of Terms, NERC activities to revise NERC Reliability Standard BAL-006 and the NERC Reliability Guideline for Inadvertent Interchange, the NERC/NAESB Template Procedure for Joint Standards Development and Coordination, FERC issuances related to NERC and NAESB MOD activities, and NERC activities related to the NERC Compliance Registry. The list of projects discussed is always changing based on new standards development efforts and current activities.