##### October 13, 2023

**TO:** All Interested Parties

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

**RE: NERC Coordination Activities Update**

As always, NAESB and NERC remain committed to identifying and supporting activities within the wholesale electric industry and areas of standards development that have commercial and reliability considerations, such as efforts regarding distributed energy resources (DERs) and batteries, cybersecurity, and gas-electric market coordination. To help promote coordination on these topics, NAESB and NERC staffs are in frequent communication and have a monthly standing conference call to discuss the various activities within the organizations. Additionally, the NAESB WEQ Standards Review Subcommittee (SRS) reviews new NERC projects for standards development to evaluate if there may be a potential need for corresponding business practice standards.

Batteries, and more broadly, DERs, are a subject NAESB and NERC staffs have coordinated on for several years in support of standards development efforts of the WEQ Business Practices Subcommittee (BPS) the various activities of the NERC System Planning Impacts from DER Working Group (SPIDERWG). Earlier this month, the WEQ BPS and WEQ Cybersecurity Subcommittee, working jointly with the RMQ BPS, kicked-off an effort to review cybersecurity protections, such as Public Key Infrastructure (PKI), that may be necessary to secure electronic communications for DERs and develop business practice standards. As you may know, in September, NERC released a white paper developed by the NERC SPIDERWG and NERC Security Integration and Technology Enablement Subcommittee (SITES), Privacy and Security Impacts of DER and DER Aggregators, exploring the security controls available to DERs and DER aggregators. Included in the white paper are high-level recommendations on risk management measures, such as the use of data management and access controls to assure data confidentiality, mitigate against cyber-attacks, and authenticate parties. The NAESB subcommittees plan to review this white paper, as well as other industry documentation regarding cybersecurity frameworks, during its next meeting, scheduled for October 23, 2023.

 NERC staff has indicated to NAESB that the assigned drafting team anticipates completing work to address NERC Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination, by the end of the year. As part of the proposed 2024 WEQ Annual Plan, there is an item for the WEQ BPS to review the resulting NERC Reliability Standards and develop or modify any necessary business practice standards to support the requirements. In April, the WEQ SRS performed an initial evaluation of the FERC-adopted standards developed by NERC in the first phase of the project, NERC Reliability Standards EOP-011-3 Emergency Operations and EOP-012-1 Extreme Cold Weather Preparedness and Operations. The subcommittee concluded that while there could be areas in which corresponding business practices may be beneficial, a more detailed review would be required once NERC completed revisions to the reliability requirements as part of the second phase of the project.