##### November 30, 2022

**TO:** All Interested Parties

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

**RE: NERC Coordination Activities Update**

NAESB remains committed to working with NERC remain to ensure the organizations continue to be coordinated regarding aspects of the wholesale electric market impacting both commercial and reliability considerations. As part of coordination efforts, NAESB and NERC staffs engage in frequent discussions regarding various standards development efforts and other activities that may impact both organizations.

One important area of coordination between NAESB and NERC is cybersecurity. As has been done in the past, the Proposed 2023 WEQ Annual Plan, which will be presented to the NAESB Board of Directors for consideration on December 8, 2022, incudes an item for the WEQ Cybersecurity Subcommittee to undertake a review of the current NERC Critical Infrastructure Protection (CIP) Reliability Standards as well as any other NERC-related cybersecurity activities pertinent to determine if any complementary or corresponding modifications are needed to the WEQ Business Practice Standards. Based on discussions held by the WEQ Cybersecurity Subcommittee earlier this year, the participants have identified several NERC efforts to develop or revise the CIP Reliability Standards, including those addressing requirements around supply chain and transmission control centers as well as in response to FERC Order No. 866 directives.

As part of standards development efforts to address energy storage/distributed energy resources, the WEQ Business Practices Subcommittee (BPS) noted the potential for coordination between any developed business practices with any applicable reliability standards or guidance. NAESB and NERC are in regular contact regarding activities of both organizations in this area, with NAESB staff sharing with NERC staff the draft grid service standards which were the subject of a recent informal comment period held by the WEQ BPS. Additionally, as discussed by the WEQ Standards Review Subcommittee (SRS), there may be future coordination opportunities on this topic stemming from the November 17, 2022 FERC NOPR *Reliability Standards to Address Inverter-Based Resources,* issued in Docket No. RM22-12-000.

Additionally, NAESB staff continues to engage with NERC regarding the activities of the NAESB GEH Forum to address Key Recommendation 7 from the FERC, NERC, and Regional Entity Staff Report on the February 2021 Cold Weather Outages in Texas and the South Central United States (Report).