Publication of NAESB Wholesale Electric Quadrant Business Practice Standards, Version 003.3

NAESB is pleased to announce the publication of Version 003.3 of the Wholesale Electric Quadrant (WEQ) Business Practice Standards on March 30, 2020. The NAESB WEQ Business Practice Standards assist the wholesale electric industry by establishing a uniform implementation of requirements promulgated by the Federal Energy Regulatory Commission in the *pro forma* Open Access Transmission Tariff (OATT). The standards serve to create a more efficient marketplace by reducing costs and administrative burdens for the jurisdictional entities that are mandated to comply with the *pro forma* OATT requirements as well as the numerous market participants that interact with such entities. The standards also increase transparency and consistency in business transactions and complement the North American Electric Reliability Corporation (NERC) Reliability Standards, thus providing assurance that any implemented business practices will not conflict with mandatory reliability requirements.

Incorporated as part of Version 003.3 are additions, modifications, or reservations to 394 individual standards, 5 appendices, 15 abbreviations/acronyms, and 21 definitions that are found within the twenty-three suites of the WEQ Business Practice Standards. A large number of these are substantive modifications that resulted from several major standard development efforts, some spanning several years of work. These include actions responsive to the 2019 Sandia National Laboratories Surety Assessment sponsored by the U.S. Department of Energy, the completion of standard development efforts to address FERC Order No. 890 and the Parallel Flow Visualization congestion management process, changes resulting from coordination with NERC, and modifications to support transparency, consistency, and efficiency.

At the request of the U.S. Department of Energy, Version 003.3 of the WEQ Business Practice Standards incorporates modifications to the WEQ-001 OASIS Business Practice Standards and WEQ-002 OASIS Standards and Communication Protocols Business Practice Standards to address cybersecurity-related recommendations made by Sandia National Laboratories as part of the Surety Assessment completed in 2019. These changes strengthen the practices and cybersecurity protections established within the standards by aligning security requirements with other cybersecurity guidelines, mitigating potential vulnerabilities, and incorporating more secure communication and encryption protocols. Further, the new and revised requirements (1) establish best practices for software patching, user passwords, and authentication, (2) require the use of firewalls and intrusion detection/prevention systems as well as the performance of quarterly vulnerability scans/penetration testing and annual business continuity/disaster recovery exercises, and (3) encourage entities to take a pro-active stance by requiring an annual review of implemented OASIS node cybersecurity protections.

To address the two final directives contained in FERC Order No. 890, WEQ Version 003.3 includes changes to the WEQ OASIS Suite of Standards (WEQ-001, WEQ-002, WEQ-003, and WEQ-013). This Order contained approximately forty-seven directives for standards development which NAESB began addressing as soon as the Order was issued in 2007. With few exceptions, the previously developed modifications to the WEQ Business Practice Standards in response to FERC Order No. 890 have been adopted by the Commission through its incorporation by reference process. The revisions included in WEQ Version 003.3 that address the final two directives support new OASIS node functionality that will allow for the posting of third party offers of planning redispatch services as well as require additional information regarding the curtailment of firm transmission service to be posted to OASIS nodes. Together, these modifications provide additional transparency and will help to further the Commission’s goal of preventing undue discrimination.

In support of Parallel Flow Visualization (PFV), WEQ Version 003.3 includes numerous modifications to the WEQ-008 Transmission Loading Relief (TLR) – Eastern Interconnection Business Practice Standards. This standards development effort was the result of multi-year coordination between NAESB, NERC, and EIDSN, Inc., the organization that manages the Interchange Distribution Calculator (IDC) tool utilized by the Eastern Interconnection to implement the commercial and reliability TLR requirements established by NAESB and NERC, respectively. The PFV project began in 2006 as an effort within the Eastern Interconnection to improve upon its congestion management procedure through the incorporation of real-time data in the calculation of relief obligations. As demonstrated by the field trial completed in 2019, the PFV enhanced congestion management process, through the standards established by NAESB, provides a more accurate model and a better analysis of the impacts on flowgates which results in a more accurate assignments of relief obligations and represents a considerable improvement over the current IDC tool methodology.

Also, in coordination with NERC, NAESB engaged in three standard development efforts that resulted in modifications incorporated as part of WEQ Version 003.3. Staff coordination regarding the NERC Standards Efficiency Review led to revisions being made to the WEQ-004 Coordinate Interchange Business Practice Standards as well as the WEQ-023 Modeling Business Practice Standards. The changes to the WEQ-004 Coordinate Interchange Business Practice Standards incorporate requirements from the NERC Interchange Scheduling and Coordination Reliability Standards deemed commercially relevant to ensure that market-supported processes facilitated through electronic tagging continue to function as needed for commercial purposes. The changes to the WEQ-023 Modeling Business Practice Standards ensure that all commercially relevant requirements needed by the industry to calculate Available Transfer Capability and Available Flowgate Capability, previously found in NERC Reliability Standard MOD-001-2, are included within the business practice standards. As part of this effort, consistency modifications were also made to WEQ-001 OASIS Business Practice Standards. The third effort coordinated with NERC also resulted in modifications to the WEQ-004 Coordinate Interchange Business Practice Standards. Included within this standard are tables that establish commercial timing requirements used by the Eastern and Western Interconnections in conducting electronic tagging. These tables serve as complementary to tables that establish reliability timing requirements maintained as part of NERC Reliability Standard INT-006-4. The revisions made to the WEQ-004 Coordinate Interchange Business Practice Standards as part of this standards development effort will provide the industry with clarity regarding the commercial timing requirements for conducting electronic tagging and should result in greater consistency regarding the implementation of such requirements.

Finally, as the result of five different standard development efforts, WEQ Version 003.3 incorporates several additional changes to the WEQ OASIS Suite of Standards (WEQ-001, WEQ-002, WEQ-003, and WEQ-013) that will provide increased transparency, consistency, and efficiency regarding transactions conducted on OASIS nodes. Included in these are modifications to Network Integration Transmission Service requirements and revisions that provide clarity to the use of transmission product codes. Additionally, the changes will improve efficiencies for OASIS node query and notice functionalities as well as establish a new OASIS node functionality to more effectively document all encumbrances to unconditional firm transmission service, such as untagged pseudo-ties.

Members can access the publication from the NAESB website at <https://www.naesb.org/weq/weq_standards.asp>, and non-members may purchase the publication by submitting a completed materials order form ([https://www.naesb.org//pdf/ordrform.pdf](https://www.naesb.org/pdf/ordrform.pdf)). If you or your colleagues have any questions or would like to access these standards, please do not hesitate to ask our office ([naesb@naesb.org](mailto:naesb@naesb.org) or 713-356-0060). As with past versions of the WEQ Business Practice Standards, an informational filing was made with the Federal Energy Regulatory Commission regarding WEQ Version 003.3.