##### February 15, 2024

**TO:** All Interested Parties

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

**RE: WEQ Coordinate Interchange**

On February 14, 2024, the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) held its first meeting of the year to begin addressing the three standards development efforts assigned to the subcommittee as part of the 2024 WEQ Annual Plan. During the meeting, the participants determined to develop a no action recommendation in response to 2024 WEQ Annual Plan Item 2.b – Consider and potentially develop modifications to WEQ-004 Coordinate Interchange and/or the NAESB Electronic Tagging Functional Specification to require that all entities actively approve e-Tags. An electronic tag, or e-Tag is a mechanism used by the wholesale electric industry to document the use of transmission service reservations to move energy on a transmission system. The process for creating, submitting, and using an e-Tag requires listed parties to the transition to approve the e-Tag before it can be considered final. Current e-Tagging configurations allow some entity types to passively approve tags, meaning that the approval of the e-Tag does not happen until the end of the evaluation window.

As explained during the meeting, an e-Tag must be confirmed by all parties to be calculated into a balancing authority’s net scheduled interchange, an algebraic sum of all the interchange transactions across a given transmission path or between two balancing authorities for a given period or instant in time. The participants identified possible mechanisms to improve efficiencies in the e-Tag approval process, including requiring “active approval” by all parties, modifying the evaluation window, and requiring all entities to automate e-Tag approval processes. After discussion, the WEQ CISS participants determined that there was not a way to modify the WEQ-004 Business Practice Standards or NAESB e-Tagging Functional Specification to guaranty action by a specific time as there would still need to be a default, failsafe action. There was general agreement that the issue would likely be better addressed through customer education regarding options to create automatic approval mechanisms with e-Tagging vendors.

Additionally, in support of coordination with NERC, the NAESB Board of Directors has directed that the WEQ CISS review any finalized revisions to NERC’s Rules of Procedure that support the registration of inverter-based resources in the NERC Compliance Registry. Specifically, the subcommittee will be evaluating any needed modifications to the NAESB standards, including those that support the NAESB Electric Industry Registry (EIR), to determine if there is a need to provide additional clarity on how inverter-based resources and distributed energy resource aggregations register in the NAESB tool. Later this year, the WEQ CISS will also evaluating the NAESB e-Tagging Functional Specification and making any revisions needed to ensure the specification continues to be supportive of the applicable NERC Reliability Standards and NAESB WEQ Business Practice Standards and is reflective of current cybersecurity best practices.