##### October 7, 2024

**TO:** All Interested Parties

**FROM:** Amrit Nagi, Staff Attorney

**RE: WEQ Coordination Activities with NERC**

NAESB and NERC remain committed to supporting coordination efforts regarding areas impacting commercial and reliability considerations for the wholesale electric market.  As part of coordination efforts, NAESB and NERC staff frequently discuss various standards development efforts and other activities that may impact both organizations. Recent topics include distributed energy resources (DERs), Inverter-Based Resources, cybersecurity, and gas-electric market coordination. Additionally, in further support of coordination, the WEQ Standards Review Subcommittee (SRS) assesses NERC projects for standards development to determine if there is a need to consider related business practice standards.

On September 4, 2024, the WEQ SRS finalized a recommendation for revisions to the WEQ Business Practice Standards in response to a request for standards development submitted by NERC, Standards Request R24002, to help ensure consistency in terminology between the business practices and reliability requirements. The WEQ SRS reviewed the changes identified by NERC to its Glossary of Terms and proposed modifications to seven defined terms used in the WEQ Business Practice Standards as well as consistency changes to align with modifications. The formal comment period for this request ended on October 4, 2024. The WEQ Executive Committee will consider the recommendation at its meeting scheduled for October 23, 2024.

Additionally, during September meeting of the WEQ SRS, the subcommittee, as it does every year, reviewed the Draft NERC 2025 – 2027 Reliability Standards Development Plan and identified fourteen areas that are or maybe coordinated with NAESB efforts, such as cold weather preparedness, cybersecurity, and DERs and Inverter-Based Resources. The feedback from the subcommittee was forwarded to the NAESB Managing Committee for consideration and subsequently provided to NERC staff.  During the next WEQ SRS meeting, scheduled for October 11, 2024, the subcommittee plans to review any industry comments submitted in response to the recommendation to support Standards Request R24002 and discuss if there are any additional NERC coordination-related standard development efforts that should be considered for inclusion as part of the 2025 WEQ Annual Plan.

At the upcoming WEQ Executive Committee meeting, the committee will also consider two no action recommendations developed by the WEQ Coordinate Interchange Scheduling Subcommittee (CISS) in support of NERC coordination-related efforts included as part of the 2024 WEQ Annual Plan. The first no action recommendation addressed the subcommittee’s review of changes made by the NERC to its Rules of Procedure to address directives in FERC Order No. 901, requiring registration of certain Inverter-Based Resources within the NERC Compliance Registry. The WEQ CISS determined that there is no need for changes to the WEQ Business Practice Standards at this time as the revisions made to the NERC Rules of Procedure will not impact commercial transmission scheduling functions and the NAESB Electric Industry Registry registration roles are broad enough to accommodate the registration of an entity that may own or operate an Inverter-Based Resource. Following a vote on this recommendation, the WEQ CISS held a subsequent meeting to conduct its annual review of the NAESB e-Tagging Functional Specification to ensure that the requirements are supportive of current cybersecurity best practices as well as applicable WEQ Business Practice Standards and NERC Reliability Standards. There was consensus among the participants that no changes are needed at this time and a no action recommendation was developed.

Related to gas-electric, NAESB staff is coordinating with NERC staff regarding the WEQ efforts to review the changes made by NERC to its Reliability Standards in response to recommendations made in the FERC-NERC-Reginal Entity Staff Report. NAESB staff has let NERC know that the WEQ BPS has determined that there is likely no need for complementary business practices standards at this time and is considering a no action recommendation.