##### November 28, 2018

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Update to the Board of Directors – WEQ Coordination**

NAESB and NERC continue to engage in coordination on various standards development activities to ensure the organizations remain in synch regarding reliability and commercial standard development. NAESB and NERC staff engage in frequent communication on various issues impacting both organizations, and NAESB leadership, NAESB staff, and NERC staff hold monthly conference calls to discuss coordination. Recent topics of discussion have included the FERC Notice of Proposed Rulemaking (NOPR) on the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards, NERC Project 2018-03 Standards Efficiency Review Retirements, the NERC 2019 – 2021 Reliability Standards Development Plan, the proposed 2019 WEQ Annual Plan, and cybersecurity.

On October 4, 2018, FERC issued a NOPR in Docket No. RM05-5-026 proposing to remove the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards from the regulations to maintain parallel treatment with the NERC Reliability Standards. The Commission issued a letter order on January 18, 2017 approving NERC’s proposed retirement of the NERC BAL-004-0 Time Error Correction Reliability Standard. NERC and NAESB closely coordinated throughout the time error correction standards development process, including each organization’s respective filing with the FERC. On October 24, 2018, NERC filed comments in response to the NOPR, expressing support to remove the incorporation by reference into the regulations of the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards.

NAESB staff has been in contact with the NERC staff assigned to NERC Project 2018-03 Standards Efficiency Review Retirements. The standards drafting team for this NERC effort has been appointed and is expected to shortly begin its work. As previously mentioned, the Standards Authorization Request (SAR) for this effort preliminarily identified several reliability standards for retirement for which NAESB maintains complimentary business practice standards. NAESB and NERC staffs have discussed the potential need for coordination should NERC move forward with these retirements and agreed that the coordination process will follow that used in the past, such as with the Time Error Correction and previous MOD standards development activities.

During the November 6 – 7 meeting, the NERC Board of Trustees approved the 2019 – 2021 Reliability Standards Development Plan. The WEQ Standards Review Subcommittee reviewed a draft version of the plan during its August meeting. At the direction of the NAESB Managing Committee, NAESB staff provided NERC staff with the subcommittee feedback.

NAESB staff has discussed with NERC staff the 2019 annual plan development for the WEQ, including the recurring annual plan item of the WEQ Cybersecurity Subcommittee to evaluate the current version of the NERC Critical Infrastructure Protection (CIP) Standards and any other activities of NERC related to cybersecurity. Next year, the subcommittee will continue to monitor NERC standard development efforts related to FERC Order No. 848 – Cyber Security Incident Reporting (NERC Project 2018-02) and FERC Order No. 843 – Revised CIP-003-7 Cyber Security – Security Management Controls in addition to NERC Project 2016-02 Modifications to CIP Standards.

Additionally, NAESB staff has been coordinating with both NERC staff and EIDSN, Inc. leadership regarding the Parallel Flow Visualization (PFV) enhanced congestion management process. On November 1, 2018, NAESB filed a status report, drafted with the support of NERC and EIDSN, Inc., with the Commission. The report included information provided by EIDSN, Inc. regarding the PFV field trial as well as the continued coordination efforts of the organizations. The EIDSN, Inc. report, provided to NAESB in September, contained a preliminary analysis on data generated as part of the PFV field trial. Per this preliminary analysis, the PFV enhanced congestion management process appears to produce more accurate curtailment assignments and to be an improvement over the current congestion management procedures of the Eastern Interconnection. EIDSN, Inc. has committed to providing a second report on the commercial and reliability metrics following the conclusion of the field trial, scheduled for March 2019.

In addition to the PFV effort, NAESB staff has reached out to EIDSN, Inc. leadership regarding the efforts of the WEQ Business Practices and OASIS Subcommittees to develop standards in response to 2018 WEQ Annual Plan Item 2.a.i.1. This annual plan item addresses the final industry directive from FERC Order No. 890, which called for the posting of additional information on OASIS regarding firm transmission curtailments. In the Eastern Interconnection, the additional data which may be needed to meet the FERC directive identified by the subcommittees is housed within the Interchange Distribution Calculator, an industry tool managed by EIDSN. Inc.