##### December 4, 2024

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director of Wholesale Electric Activities

**RE: WEQ/RMQ/WGQ Cybersecurity Activities**

Cybersecurity is an integral aspect of the NAESB Business Practice Standards, with the WEQ, RMQ, and WGQ all incorporating cybersecurity requirements meant to help ensure commercial transactions and the electronic communications necessary to conduct such transactions are secure. As part of the most recent versions of the WEQ, RMQ, and WGQ Business Practice Standards, existing cybersecurity requirements were organized into new suites of market-specific standards. In FERC Order Nos. 676-K and 587-AA, FERC took action to incorporate by reference, with certain exceptions, Version 004 of the WEQ Business Practices and Version 4.0 of the WGQ Business Practice Standards, including WEQ-024 Cybersecurity Business Practice Standards and the WGQ Cybersecurity Related Standards. As noted by the Commission in both Orders, this consolidation should make its processes for revising NAESB cybersecurity business practice standards incorporated by reference “easier and faster, helping to match the fast pace of changes in cybersecurity practices.”

Currently, the RMQ and WEQ are engaged in a joint effort in this area to consider the development of standards that would identify electronic communication protocols used by a distributed energy resource (DER) aggregator and distribution utility to conduct transactions for distribution grid services and the cybersecurity protections needed to protect these data exchanges. This effort, initiated in October 2023, was paused earlier this year to allow the WEQ and RMQ to address the request from the U.S. Department of Energy to develop the NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from DER Aggregations.

As determined by participants as part of the initial work in this area, NAESB Business Practice Standards in this area could be beneficial to address an identified gap in the availability of cybersecurity best practices to protect communication channels between DER aggregators, utilities, and system operators. On October 30, 2024, the WEQ and RMQ held a joint meeting to re-initiate the effort, with a subsequent meeting held on November 20, 2024. During this meeting, the participants reviewed a use case overviewing four possible data exchanges between the parties: billing and payment information, system and outage information, DER aggregation information, and DER aggregation availability. As part of the discussion, the participants documented the communication protocols currently in use by industry and relevant cybersecurity considerations and goals, such as confidence in the integrity and timeliness of a communication. The subcommittees are in the process of scheduling their next meeting for January 2025 and plan to discuss the business processes and requirements related to the use case data exchanges that can help to identify the specific cybersecurity protocols that would be beneficial.