**via posting**

**TO:** Interested Industry Parties

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

**RE:** Joint WEQ Business Practices Subcommittee (BPS), RMQ BPS, and WEQ Cybersecurity Subcommittee Meeting – Draft Minutes – November 20, 2024

**DATE:** November 22, 2024

**WHOLESALE ELECTRIC QUADRANT**

**RETAIL MARKETS QUADRANT**

**Business Practices Subcommittees and Cybersecurity Subcommittee**

**Conference Call**

**November 20, 2024 – 1:00 PM to 3:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Mr. Brooks welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. The participants introduced themselves. Mr. Brooks reviewed the agenda. Mr. Galloway moved, seconded by Mr. Watson, to adopt the agenda as final. The motion passed a simple majority vote without opposition.

The participants reviewed the draft minutes from the October 30, 2024 meeting. Mr. Galloway moved, seconded by Mr. Watson, to adopt the draft minutes as final. The motion passed a simple majority vote without opposition. The final minutes for the October 30, 2024 meeting can be viewed at the following hyperlink: <https://naesb.org/pdf4/weq_bps_css_rmq_bps103024fm.docx>

1. **Continue to Discuss** **2024 WEQ Annual Plan Item 3.c and 2024 RMQ Annual Plan Item 2.a – Review cybersecurity protections, such as Public Key Infrastructure (PKI), that may be necessary to secure electronic communications for distributed energy resources (DERs), and develop business practices as needed**

Mr. Brooks stated that during the previous meeting, there was consensus among participants to focus on a use case for the commercial communications between a DER aggregator and distribution utility necessary to conduct transactions for distribution grid services and identify applicable cybersecurity protections to consider for standards development. He explained that, if the subcommittees determine to move forward, the goal would be to develop standards that identify communication protocols for the data exchanges and the cybersecurity requirements to protect those exchanges. Ms. Fernandes stated that focusing on the communication exchanges between a DER aggregator and distribution utility would help in determining if there are any areas of overlap with communications between a DER aggregator and ISO/RTO that could be coordinated to support consistent.

Mr. Brooks reviewed the [Communication Exchange Use Case Considerations](https://naesb.org/pdf4/weq_bps_css_rmq_bps112024w1.docx) with participants. He stated that the work paper identifies four data exchange areas between the parties: billing and payment information, system and outage information, DER aggregation information, and DER aggregation availability. Mr. Galloway stated that billing and payment related exchanges will include sensitive information, such as entity identifiers and account numbers. He explained that parties will want to ensure these exchanges are confidential in order to prevent fraud or spoofing of transactions. Mr. Brooks suggested that parties will need to protect against disruptive activities that may be caried out by bad actors, such as denial of service attacks.

Mr. Galloway noted that the priority for outage related communications will likely be ensuring the accuracy of the message’s content and the timing of the message’s delivery and receipt. Mr. Dotson-Westphalen agreed, stating confidence in the integrity and timeliness of such communications is important. Mr. Brooks stated protecting against disruptive activities also will be relevant.

Mr. Dotson-Westphalen stated that real-time communications from DER aggregator regarding the composition and capabilities of an aggregation will have different cybersecurity considerations than these types of communication exchanges that take place during the registration process with a distribution utility. He explained that priorities for real-time communications will include confidentiality, timeliness, and integrity of the message as well as protections against disruptive activities. Mr. Galloway noted that ensuring the integrity of a message will require the authentication and authorization of the sender and receiver.

Mr. Brooks stated that a number of utilities across various states use NAESB Business Practice Standards to conduct electronic commercial transactions, include those that define electronic data interchange (EDI) protocols. He asked if participants knew of other communication protocols currently in use by market participants. Mr. Dotson-Westphalen stated that a number of utilities provide third-party access to meter information through Green Button programs. Mr. Brooks noted that the NAESB REQ.21 Energy Service Provider Interface (ESPI) Model Business Practices define the communication protocol and technical framework that enables this data exchange and facilitates the customer authorization process. Mr. Dotson-Westphalen explained that there are a variety of communication protocols used to exchange other data, including EDI, file transfer protocol (FTP) and secure FTP, software-defined wide area network (SD-WAN), and upload to a utility hosted web portal. Mr. Galloway noted that web portal postings are facilitated by Hypertext Transfer Protocol Secure (HTTPS). Mr. Brooks suggested that, given the wide range of communication protocols in use, standards to establish consistency could improve efficiencies for those participating in multiple retail markets. Mr. Gallloway stated that a consistent approach could also support a more uniform implementation of protocols. Mr. Brooks noted that existing NAESB Business Practice Standards address a number of the discussed communication protocols.

Mr. Galloway stated that determinations as to the appropriate cybersecurity protocols will be dependent on the associated business process requirements, providing as an example the required level of encryption. He explained that decisions regarding encryption strength will require an assessment of the risk associated with a bad actor intercepting, storing, and accessing the data. Mr. Brooks noted that this may be an area where more information is needed. Mr. Dotson-Westphalen stated he would need to review the work paper internally within his company before providing further comment on this topic.

The Communication Exchange Use Case Considerations work paper as revised during the meeting is available at the following link: <https://naesb.org/pdf4/weq_bps_css_rmq_bps112024a1.docx>.

Mr. Brooks stated that the during the previous meeting, participants reviewed the NARUC-U.S. Department of Energy White Paper Cybersecurity Baselines for Electric Distribution Systems and DERs. He noted that a draft of the related [informative reference guide](https://naesb.org/pdf4/weq_bps_css_rmq_bps112024w2.pdf) was posted as a work paper and suggested that this may be helpful a helpful resource to identify existing frameworks and guidance to support standards development.

1. **Identify Next Steps and Action Items**

Mr. Brooks stated additional feedback regarding the associated business processes and requirements is needed and asked participants to internally discuss the revised work paper and provide comments for the next meeting. He noted that input from those who use NAESB Business Practice Standards to facilitate retail-level communication exchanges or are distribution utilities or DER aggregators will be especially helpful.

1. **Discuss Future Meetings**

Mr. Brooks asked if holding the next meeting in December would allow sufficient time to review the work paper. The consensus of participants was that additional time would likely be needed. Mr. Brooks suggested that the next joint meeting be held in January 2025. Ms. Trum stated that she will work with the joint co-chairs to schedule the meeting.

1. **Adjourn**

The meeting adjourned at 2:25 PM Central on a motion by Mr. Galloway.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Tanner | Brier | BPA |
| Dick | Brooks | Business Cyber Guardian |
| Michelle | Coon | OATI |
| Peter | Dotson-Westphalen | CPower Energy |
| Zeenath | Fernandes | PJM |
| John | Galloway | ISO-New England |
| Bret | Giles | Southern Company |
| Cory | Herbolsheimer | NV Energy |
| Raj | Hundal |  |
| Darren | Lamb | CAISO |
| Katrina | McEvoy | Arizona Public Service |
| Catherine | Meiners | ERCOT |
| Amrit | Nagi | NAESB |
| Kirsten | Rowley | MISO |
| Lisa | Sieg | LG&E and KU Services |
| Scott | Stewart | BPA |
| Caroline | Trum | NAESB |
| Sam | Watson | North Carolina Utilities Commission Rep. NARUC |
| Paul | Yockey | ERCOT |