##### February 24, 2021

**TO:** All Interested Parties

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

**RE: Coordination with External Organizations Update**

This year, NAESB and NERC have continued with coordination activities regarding topics that touch upon commercial and reliability issue for the wholesale electric industry. Recent areas of discussion have included time error correction, the WEQ-005 Area Control Error (ACE) Equation Special Cases, cybersecurity, and the WEQ-023 Modeling Business Practice Standards.

NAESB staff continues to communicate with NERC staff regarding any proposed modifications to the NERC Reliability Standards as well as the NERC Reference Documents for which NAESB maintains supporting business practices, including the NERC Time Monitoring Reference Document and Dynamic Transfer Reference Document. In January, the WEQ BPS voted out a recommendation proposing three new standards be incorporated into the WEQ-006 Manual Time Error Correction Business Practice Standards. These new standards incorporate elements previously included in WEQ-006-1, WEQ-006-5, and WEQ-006-11 as part of WEQ Version 003.2 and are intended to support and complement the NERC Time Monitoring Reference Document – Version 5. The WEQ BPS met on February 18 to review the three sets of formal comments submitted in response to the recommendation, and, in response, developed late formal comments proposing an additional standard to be consistent with the proposed modifications previously provided to the subcommittee by WECC. The recommendation and formal comments will be considered by the WEQ Executive Committee on March 9, 2021.

To support the WEQ BPS standards development efforts regarding WEQ-005 ACE Equation Special Cases Business Practice Standards (2021 WEQ Annual Plan Item 1.a/Standards Request R20008), NAESB staff has been coordinating with NERC staff as well as NERC Resources Subcommittee and Real-Time Operations Subcommittee leadership. As part of initial discussions on standards development, a question arose as to if recent modifications made to the NERC Dynamic Transfer Reference Document overlap with the standards included in the WEQ-005 ACE Equation Special Cases Business Practice Standards. During the February 18th meeting of the WEQ BPS, the participants discussed the feedback provided through NERC subcommittee discussion and if the standards still address a commercial need within the industry. Participants were asked to review the issue internally within their companies, and discussions will continue at the next meeting.

Cybersecurity remains an active area of coordination between NAESB and NERC. Last year, the WEQ Cybersecurity Subcommittee identified several ongoing NERC projects which the subcommittee will be monitoring for any resulting modifications to the NERC CIP Reliability Standards. These projects include efforts by NERC to support cloud computing and as well as the reliability standards NERC submitted to the Commission in December to address directives from FERC Order No. 850 *Supply Chain Risk Management Reliability Standards*. The WEQ Cybersecurity Subcommittee will review these standards as well as any new NERC projects that have been initiated and continue to monitor FERC action related to cybersecurity when the subcommittee meets again this year.

The WEQ-023 Modeling Business Practice Standards have been an area of long-standing coordination between NAESB and NERC. In February, the FERC issued a Notice of Proposed Rulemaking that proposed to incorporate by reference, with few exceptions, WEQ Version 003.3, including the WEQ-023 Modeling Business Practices. In anticipation of forthcoming FERC action regarding these business practice standards as well as the proposed retirement of the NERC MOD A Reliability Standards, the 2021 WEQ Annual Plan includes an item moved from the provisional annual plan to address any potential modifications that may be needed to the standards.