##### March 6, 2019

**TO:** All Interested Parties

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

**RE: Coordination with External Organizations Update**

NAESB and NERC continue to engage in monthly calls to discuss ongoing coordinate on several different efforts impacting both reliability and commercial aspects of the wholesale electric market.

A main topic of discussion has been the NERC Standards Efficiency Review.  On February 20, 2019, the NERC Standards Committee considered revisions to the NERC Reliability Standards as part of NERC Project 2018-03 Standards Efficiency Review Retirements. The committee authorized the proposed standard changes for an initial posting with a forty-five day comment period, with a ballot pool formed in the first thirty days and parallel initial ballot and non-binding polls during the last ten days of the comment period. The proposed revisions and retirements include requirements within the NERC Interchange Scheduling and Coordination (INT) and the Modeling, Data, and Analysis (MOD) Reliability Standards, including the proposed withdrawal of NERC Reliability Standard MOD-001-2, areas previously identified by the WEQ Standards Review Committee as potentially having an impact on corresponding WEQ Business Practice Standards.  The comment period closes on April 12, 2019.

NAESB and NERC staffs have discussed the potential need for coordination should NERC move forward with these proposed revisions and/or retirements and have agreed to follow the coordination process used for past standard development efforts, such as MOD and Time Error Correction. NERC staff has indicated to NAESB staff that the changes to the NERC Reliability Standards as part of this project may be presented to the NERC Board of Trustees as soon as the May 8 – 9, 2019 meeting. NAESB and NERC staffs will meet after the close of the comment period to continue coordination discussions. Additionally, NAESB and NERC staffs have begun discussing Phase 2 of the NERC Standards Efficiency Review Effort, which NERC expects to result in additional revisions to existing reliability standards.

Another area NAESB and NERC frequently coordinate on is cybersecurity.  Last year, as part of a recurring annual plan item to modify the WEQ Business Practice Standards as needed to support and/or complement the NERC Critical Infrastructure Protection (CIP) Reliability Standards, the WEQ Cybersecurity Subcommittee identified a need to review any finalized reliability standards that may result from activities related to FERC Order No. 848 – Cyber Security Incident Reporting.  As part of the order, the FERC directed NERC to make additional revisions to its standards to address certain aspects of reporting cyber security incidents.  On February 7, 2019, the NERC Board of Trustees adopted the proposed revisions, which NERC will be filing with the FERC.  The WEQ Cybersecurity Subcommittee will be reviewing these standards when they meet later this year, as well as standard development activities related to NERC Project 2016-02, which includes revising the NERC CIP Reliability Standards in response to directives from FERC Order No. 822 – Revised Critical Infrastructure Protection Reliability Standards.

NAESB continues to coordinate with both NERC and EIDSN, Inc. regarding the Parallel Flow Visualization Effort. The PFV field trial, which began in September 2017, is expected to conclude in March 2019.  As communicated by EIDSN leadership, following the conclusion of the field trial, a report will be provided to NERC and NAESB on reliability and commercial metrics. NAESB staff is in contact with EIDSN leadership to discuss the conclusion of the field trial as well as a timeline for the report. Per EIDSN leadership, the IDC Steering Committee will be meeting on April 18, 2019 to consider a vote declaring the PFV field trial complete. EIDSN leadership indicated they are also coordinating with NERC Operating Reliability Subcommittee and NERC Operating Committee.

NAESB staff is also coordinating with EIDSN, Inc. as well as California Independent System Operator (CAISO) regarding the joint WEQ BPS and OASIS Subcommittee effort to address 2019 WEQ Annual Plan Item 2.a. This annual plan item addresses a directive from FERC Order No. 890 requiring the posting to OASIS of additional information regarding the curtailment of firm transmission. This information is generated by the IDC tool in the Eastern Interconnection, which is managed by EIDSN, Inc. and the ECC tool in the Western Interconnection, which is being transitioned to CAISO management later this year. NAESB staff has reached out to both entities to inform them of the current informal comment period on the draft recommendation developed by the subcommittees.

Regarding the forthcoming retirement of Peak RC as a reliability coordinator in the Western Interconnection, NAESB is working with the entities that will assume reliability coordinator responsibilities to ensure the necessary registration in the NAESB Electric Industry Registry (EIR) is completed prior to the transition.