##### October 17, 2023

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE: NERC Coordination Activities Update**

NAESB and NERC continue to work together in support of coordination efforts regarding activities and standards development in areas that may involve commercial and reliability considerations for the wholesale electric industry. At a staff level, NAESB and NERC engage in frequent communications, including standing monthly calls, to discuss the various efforts within each organization. Recent discussion topics include annual standards development planning, distributed energy resources (DERs), and the NERC standard development projects being monitored by the WEQ Standards Review Subcommittee (SRS).

On August 8, 2023, the WEQ SRS met to review the draft 2024 – 2026 NERC Reliability Standards Development Plan (RSDP). As the subcommittee does every year, the participants discussed the projects included on the draft plan to identify any areas of potential coordination between NAESB Business Practice Standards and the NERC Reliability Standards. The participants noted nine projects listed in the draft NERC RSDP that are or maybe coordinated with NAESB efforts. These include projects addressing the NERC Critical Infrastructure Protection Reliability Standards (Project 2021-03 CIP-002 Transmission Owner Control Centers, Project 2022-05 Modifications to CIP-008 Reporting Threshold, Project 2023-03 Internal Network Security Monitoring, Project 2023-04 Modifications to CIP-003, and Project 2023-06 Modifications to CIP-014), cold weather protections (Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination), and inverter-based resources (Project 2022-04 EMT Modeling and Project 2023-01 EOP-004 IBR Event Reporting). The feedback from the WEQ SRS was forwarded to the NAESB Managing Committee for consideration and subsequently provided to NERC staff. Following the October 4, 2023 meeting of the WEQ Annual Plan Subcommittee, NAESB provided an overview of the proposed 2024 WEQ Annual Plan to NERC staff. Specifically noted areas were the proposed efforts related to cold weather and gas-electric market coordination, distributed energy resources (DERs), and cybersecurity.

Regarding DER-related activities, the WEQ and RMQ recently kicked-off an effort to develop business practices that may be necessary to secure electronic communications for DERs. It was noted by meeting participants that there may be industry white papers that could be useful references for subcommittee discussions, including those developed by NERC. NAESB staff reached out to NERC staff who noted the white paper developed by its System Planning Impacts from DER Working Group (SPIDERWG) and Security Integration and Technology Enablement Subcommittee (SITES). Among other items, the document explores the security controls available to DERs and DER aggregators, provides examples of potential attacks and mitigation strategies, and identifies high-level recommendations for consideration. The white paper was posted as a work paper for the most recent meeting, held on October 23, 2023.

Currently, the WEQ SRS is tracking a number of NERC standard development projects it has identified as potential areas of coordination, and NAESB staff regularly communicates with NERC regarding the progress of these efforts. As identified by the subcommittee, NERC Project 2022-01 Reporting ACE Definition and Associated Terms may result in revisions to terminology also used within WEQ-005 ACE Equation Special Cases. NERC staff has provided that a formal comment period for this project will conclude on October 30, 2023 and indicated that the revisions will likely be presented to the NERC Board of Trustees for consideration by the end of the year. The WEQ SRS, earlier this year, preliminarily evaluated the proposed revisions and plans to review any finalized modifications to definitions to determine if there is a need for corresponding changes to the business practices.