##### March 16, 2018

**TO:** All Interested Parties

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

**RE: Update to the Board of Directors – WEQ Coordination**

In 2018, NAESB and NERC have continued to hold monthly coordination calls to ensure the organizations remain in lock-step regarding commercial and reliability issues. NAESB staff, WEQ leadership, and NERC staff participate in these calls, and recent topics of discussion have included the 2018 NERC Reliability Standards Efficiency Review, NERC Project 2017-04 Periodic Review of Interchange Scheduling and Coordination (INT) Reliability Standards, cybersecurity, and Parallel Flow Visualization (PFV).

Last year, NERC staff informed NAESB that NERC would be undertaking an efficiency review of the entire catalogue of its reliability standards. The NERC Reliability Standards Efficiency Review kicked-off in February, and review teams will hold biweekly meetings until reconvening in May. The purpose of the review is to evaluate the reliability standards to determine if there are retirements and/or potential modifications to improve the efficiency of the standards. NAESB staff will remain in close contact with NERC staff throughout the review process to ensure coordination between the organizations regarding any potential resulting standards development for NAESB.

In late 2017, NERC initiated a periodic review of several INT Reliability Standards. The periodic review team’s initial assessments, which proposed retirement and/or modifications to several requirements found in INT-004, INT-006, INT-009, and INT-010 were submitted for an industry comment period that closed on February 23, 2018. A number of submitted industry comments recommended that NERC coordinate the retirement of several of the reliability standards with NAESB to allow for the development of related business practice standards. NERC staff has informed NAESB that potential action on any forthcoming recommendations from the periodic review team will be postponed until after the conclusion of the NERC Reliability Standards Efficiency Review.

On January 18, 2018, FERC issued a [Notice of Proposed Rulemaking](http://www.nerc.com/FilingsOrders/us/FERCOrdersRules/E-2_NOPR%20on%20Supply%20Chain.pdf) (NOPR) proposing the adoption of the NERC Critical Infrastructure Protection (CIP) Reliability Standards developed in response to [FERC Order No. 822](http://www.nerc.com/FilingsOrders/us/FERCOrdersRules/Order%20Approving%20Revised%20CIP%20Reliability%20Standards.pdf). The new reliability standards address supply chain risk management. The WEQ Cybersecurity Subcommittee, as part of its work to address its annual plan item review NERC and FERC activities relating to cybersecurity to determine if coordinating business practice standards are necessary, will review the final order on this NOPR as well as the final order resulting from the December 21, 2017 [NOPR Cyber Security Incident Reporting Reliability Standards](http://www.nerc.com/FilingsOrders/us/FERCOrdersRules/E-1_NOPR%20on%20Cyber%20Security%20Incident%20Reporting%20Rel.%20Stds.pdf).

NAESB staff continues to coordinate with NERC and the Eastern Interconnection Data Sharing Network (EIDSN) regarding the PFV effort. As reported to FERC in the October 2, 2017 status report, the PFV field trial began on September 28, 2017 and is expected to last eighteen months. Per recent communications with the chair of the EIDSN IDC Steering Committee and NAESB staff, the EIDSN IDC Working Group is expected to begin producing reports regarding the PFV field trial. NAESB staff is in communication regarding these reports with the co-chair of the WEQ Business Practices Subcommittee that serves as liaison between the subcommittee and the EIDSN IDC Working Group.