##### June 10, 2021

**TO:** All Interested Parties

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

**RE: WEQ NERC Coordination Activities**

As always, NAESB continues to coordinate with NERC to ensure the organizations remain in synch regarding issues impacting commercial and reliability aspects of the wholesale electric market via frequent staff communications as well as monthly calls to discuss areas of ongoing coordination. Recent topics of discussion have included FERC Final Order No. 676-J, cybersecurity, and the development of the new NERC Reliability Standards Development Plan.

On May 20, 2021, the FERC issued Order No. 676-J, mandating, through the incorporation by reference process, Version 003.3 of the WEQ Business Practice Standards, with certain enumerated exceptions. Included as part of the incorporation by reference are several standards NAESB developed in coordination with NERC. These include modifications to existing standards to support the retirement of reliability standards proposed by NERC as part of its Standards Efficiency Review effort as well as several long-term areas of coordination, such as the NAESB Parallel Flow Visualization (PFV) Standards and standards to support the proposed retirement of the NERC MOD A Reliability Standards. First, the NAESB PFV Standards, developed in coordination with NERC and EIDSN, Inc., establish the framework for an updated congestion management process within the Eastern Interconnection which will utilize real-time data to deliver a better understanding of the current operating state of the interconnection’s bulk electric system. In response to industry requests for an expediated implementation timeline, the FERC has mandated compliance filings be made regarding the NAESB PFV standards by March 2, 2022. Next, the WEQ-023 Modeling Business Practice Standards were developed by NAESB, at the request of NERC, to incorporate elements from reliability standards proposed for retirement by NERC that have been deemed commercially necessary for the calculation of values utilized in determining available transmission system capability. The retirement of the NERC MOD A Reliability Standards is currently pending before the Commission in Docket Nos. RM19-16-000 and RM19-17-000.

Cybersecurity remains a continuous topic of coordination between NAESB and NERC. As part of a standing annual plan item, the WEQ Cybersecurity Subcommittee reviews the NERC Critical Infrastructure Protection (CIP) Reliability Standards as well as any other NERC-related cybersecurity activities to determine if supporting or complimentary changes are needed to the WEQ Business Practice Standards. As part of this year’s discussions, the WEQ Cybersecurity Subcommittee has reviewed the current NERC projects underway that may result in modifications to the NERC CIP Reliability Standards as well as the reliability standards recently approved by FERC addressing supply chain cybersecurity risk management: CIP-005-7 Cyber Security – Electronic Security Perimeter(s), CIP-010-4 Cyber Security – Configuration Change Management and Vulnerability Assessments, and CIP-013-2 Cyber Security – Supply Chain Risk Management. In support of requirements found in NERC Reliability Standard CIP-010-4, the WEQ Cybersecurity Subcommittee has proposed modifications to the NAESB Accreditation Requirements for Authorized Certificate Authorities (ACA) to incorporate best practices for any NAESB ACA issuing code signing certificates.

As always, the WEQ Standards Review Subcommittee plans to review the draft 2022 – 2024 NERC Reliability Standards Development Plan to identify any potential areas of coordination. Any comments of the subcommittee will be forwarded to the NAESB Managing Committee for consideration. NERC staff has indicated that the draft plan will be released later this summer.