##### August 4, 2017

**TO:** All Interested Parties

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

**RE: Coordination with External Organizations Update**

NAESB and NERC continue with coordination efforts to ensure the organizations remain in synch on commercial and reliability issues impacting the industry. To assist with the coordination process, NAESB and NERC staffs frequently communicate on issues impacting both organizations, and NAESB leadership and NERC engage in monthly conference calls to discuss coordination on standards development and other related issues. Recent topics of discussion have included Time Error Correction, Standards Request R16008, cybersecurity, the NERC 2017 – 2019 Reliability Standards Development Plan, and any NERC or NAESB activities that may impact coordination. NAESB also coordinates with both NERC and the Eastern Interconnection Data Sharing Network (EIDSN) regarding Parallel Flow Visualization (PFV).

On March 27, 2017, NAESB made an informational filing with the Commission regarding the reservation of WEQ-006 Manual Time Error Correction and the corresponding changes to WEQ-000 Abbreviations, Acronyms, and Definition of Terms. The NAESB standards development efforts correspond to NERC’s retirement of BAL-004-0 Time Error Correction, approved by the Commission via letter order on January 18, 2017 in Docket No. RD17-1-000. NAESB and NERC staffs coordinated throughout the standards development efforts as well as jointly coordinated with FERC staff regarding the filings made by each organization. NAESB will continue to coordinate with NERC to ensure a seamless implementation for the industry. This standards development effort was initiated by Standards Request [R16002](https://naesb.org/pdf4/r16002.doc), submitted by NERC to NAESB in 2016.

On July 10, the WEQ Business Practices Subcommittee (BPS) and Coordinate Interchange Scheduling Subcommittee (CISS) jointly voted out a recommendation in support of [Standards Request R16008](https://naesb.org/pdf4/r16008.doc). The recommendation proposes modifications to WEQ-004 Coordinate Interchange to incorporate two requirements found in NERC Reliability Standard INT-004-3.1 related to purchase selling entity (PSE) responsibilities regarding dynamic tagging and pseudo-ties. During the subcommittees’ initial evaluation of the request, it was determined prudent to postpone the development of a recommendation pending indication from NERC on the future of the PSE related requirements in the NERC Reliability Standards. Although NERC had removed the PSE from the NERC Compliance Registry in response to FERC’s March 2015 approval of NERC’s petition to do so, the requirements impacting PSEs remained in the NERC Reliability Standards. NAESB staff reached out to NERC staff seeking clarification on this issue. In response, the NERC Director of Standards Development provided to NAESB a [letter](https://naesb.org/pdf4/weq_bps_ciss061617w1.pdf) indicating that while requirements in NERC Reliability Standard INT-004-3.1 still reference PSE as the applicable entity, the requirements were effectively retired when NERC removed the PSE registration category from the NERC Compliance Registry. As a result of this letter, the subcommittees moved forward with the development of a recommendation, which will be presented to the WEQ Executive Committee for consideration on August 15, 2017.

On July 19, 2017, the WEQ Cybersecurity Subcommittee (CSS) held an initial meeting to evaluate its two annual plan assignments: 2017 WEQ Annual Plan Item 4.a (Review annually at a minimum WEQ-012 and the accreditation requirements for Authorized Certification Authorities to determine if any changes are needed to meet market conditions) and 2017 WEQ Annual Plan Item 4.b (Evaluate and modify standards as needed to support and/or complement the current version of the NERC Critical Infrastructure Protection Standards and any other activities of the FERC/NERC related to cybersecurity). During this meeting, the majority of discussion was devoted to changes in guidelines from the National Institute of Science and Technology (NIST) that impact the NAESB Accreditation Requirements for Authorized Certification Authorities (ACAs). The subcommittee agreed that as a result of these changes to the NIST guidelines, the specification document will need to be updated. During the meeting, participants also discussed NERC Project 2016-02 Modification to CIP Standards and NERC Project 2016-03 Cyber Security Supply Chain Risk Management. It was noted that NERC Project 2016-03 may have a potential impact to the WEQ Business Practice Standards. NAESB is working with NERC staff to seek more information on the newly developed and revised NERC Critical Infrastructure Protection (CIP) Reliability Standards resulting from this NERC standards development effort. The WEQ CSS will hold its next meeting to continue discussion on these two issues on September 7, 2017.

On July 13, 2017, the WEQ Standards Review Subcommittee (SRS) met to review the proposed 2018 – 2020 NERC Reliability Standards Development Plan (RSDP). The evaluation identified three ongoing NERC standards development efforts for NAESB to monitor: Project 2016-02 Modification to CIP Standards, Project 2016-03 Cyber Security Supply Chain Risk Management, and Project 2017-04 INT-004, INT-006, INT-009 and INT-010 Periodic Review of Interchange Scheduling and Coordination Standards. Additionally, NERC will be undertaking periodic reviews of four NERC Reliability Standards that may impact the WEQ Business Practice Standards: BAL-005-2b, BAL-006-2, IRO-006-5, and MOD-010/MOD-012. NAESB submitted comments on the 2018 – 2020 RSDP identifying the above information on July 25, 2017.

NAESB, NERC, and the EIDSN have been coordinating regarding the PFV effort for several years now. NAESB has been coordinating with the IDC Steering Committee regarding upcoming eighteen month PFV field trial. Recently, the chair of the IDC Steering Committee indicated that due to an unanticipated delay in the software development, the anticipated start date for the field trial has been moved to September. The IDC Working Group is working with the IDC tool software provider to test and implement the needed changes to the software to conduct the PFV field trial. NAESB will coordinate with NERC and the EIDSN to submit a status report to update the Commission on the new timeline once the PFV field trial has begun.