##### October 15, 2024

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director of Wholesale Electric Activities

**RE: NERC Coordination Activities Update**

NAESB and NERC continue to engage in coordination efforts to support the wholesale electric industry activities in areas with both commercial and reliability considerations. NAESB and NERC staffs are in frequent communication, including through standing monthly calls, to discuss coordination issues including 2025 standards development planning, efforts of the WEQ Standards Review Subcommittee (SRS) to address Standards Request R24002, gas-electric coordination, cybersecurity, and distributed energy resources (DERs) and inverter-based resources (IBRs).

In August, NERC released the draft version of its 2025 – 2027 Reliability Standards Development Plan for informal comment. As the WEQ SRS does every year, the subcommittee met on September 6, 2024 to review the draft and discuss if there are any areas that are or maybe be coordinated with NAESB efforts. As part of these discussions, participants identified fourteen NERC Projects for Standards Development as possible areas of coordination. These include efforts related to DERs/IBRs (*NERC Projects 2023-02 Analysis and Migration of BES Inverter-Based Performance Issues, 2020-06 Verification of Models and Data for Generators, 2022-02 Uniform Modeling Framework for IBR, 2023-01 EOP-004 IBR Event Reporting, 2022-04 EMT Modeling, 2023-05 Modifications to FAC-001 and FAC-002, and 2023-08 Modifications of MOD-031 Demand and Energy Data*) cybersecurity (*NERC Projects 2021-03 CIP-002 Transmission Owner Control Centers (Phase 2), 2022-05 Modifications to CIP-008 Reporting Threshold, and 2023-09 Risk Management for Third-party Cloud Services*) and cold-weather (*NERC Project 2024-03 Modifications to EOP-012-2*). The WEQ SRS also identified NERC activities that may result in changes to the NERC Glossary of Terms, such as NERC Project 2024-01 Rules of Procedure Definitions Alignment (Generator Owner and Generator Operator). The feedback from the subcommittee was forwarded to the NAESB Managing Committee for consideration and subsequently provided to NERC staff. NAESB staff has also shared with NERC the Proposed 2025 WEQ Annual Plan developed by the WEQ Annual Plan Subcommittee.

For standards development efforts that touch on areas of coordination between NAESB and NERC, the coordination calls between NAESB and NERC staffs include discussion on the activities of the applicable WEQ subcommittees and NERC drafting teams and the progress of standards development. Regarding the efforts to address Standards Request R24002, NERC and NAESB staffs discussed the draft iterations of the recommendation developed by the WEQ SRS and the final recommendation adopted by the subcommittee and distributed for industry comment. Additionally, NERC and NAESB staffs also discussed the WEQ Cybersecurity Subcommittee’s review of the NERC Critical Infrastructure Protection (CIP) Reliability Standards as part of efforts to develop the no action recommendation to support 2024 WEQ Annual Plan Items 3.a and 3.b (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/Evaluate and modify as needed standards to support and/or complement the current version of the NERC Critical Infrastructure Protection Standards and any other activities of NERC and the FERC related to cybersecurity) and the WEQ Coordinate Interchange Scheduling Subcommittee’s (CISS) efforts to develop the no action recommendations to support 2024 WEQ Annual Plan Item 1.d (Develop and/or modify any necessary business practice standards, including revisions to WEQ-022 EIR Business Practice Standards, to complement and support new organization registration roles for inverter-based resources within the NERC Compliance Registry) and Item 1.b (Review annually, at a minimum, the current version of the NAESB Electronic Tagging Functional Specification and make revisions as necessary to ensure the specification continues to be supportive of applicable NERC Reliability Standards and NAESB WEQ Business Practice Standards and is reflective of current cybersecurity best practices).

As part of efforts to address 2024 WEQ Annual Plan Item 1.d, NERC staff provided for review by the WEQ CISS the changes made to the NERC Rules of Procedure to address FERC Order No. 901 Reliability Standards to Address Inverter-Based Resources. Per NERC staff, the organization will begin its second phase of work to address FERC directives from this Order early next year. Additionally, NERC staff joined the September 19, 2024 meeting of the WEQ Business Practice Subcommittee, during which the subcommittee reviewed NERC Reliability Standards EOP-011-2, EOP-012-2, and TOP-002-5 as part of its efforts to address 2024 WEQ Annual Plan Item 1.c (Review NERC Reliability Standards EOP-011, EOP-012, and TOP-002 and develop and/or modify any necessary business practice standards to support reliability requirements developed by NERC to address the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States).