##### December 4, 2013

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Staff Attorney

**RE: NERC/NAESB Coordination**

**Update on the NERC/NAESB Coordination Effort –**

NAESB and NERC continue their dedication to accomplish industry goals by actively coordinating on several projects. NERC and NAESB conduct monthly coordination calls typically focused on a variety of topics including the Electric Industry Registry (EIR), the Parallel Flow Visualization (PFV) project, the items identified for accelerated development in the NERC Reliability Standards Development Plan, and any other coordination issues identified by the NERC project managers or the NAESB subcommittee co-chairs.

NERC Project 2012-05 ATC Revisions (MOD A) has also been a frequent topic of discussion during recent coordination calls. This project is focused on closing out directives from FERC Order No. 729 with regards to reliability standards for the calculation of Available Transfer Capability (ATC), Capacity Benefit Margins (CBM), Transmission Reliability Margins (TRM), Total Transfer Capability (TTC), and Existing Transmissions Commitments (ETC). The NERC informal MOD A group, comprised of industry subject matter experts and NERC staff, evaluated the MOD requirements to determine with a focus on reorienting the requirements to focus exclusively on reliability aspects. This evaluation resulted in a Standards Authorization Request proposing to condense MOD-001, MOD-004, MOD-008, MOD-028, MOD-029 and MOD-030 into a single standard solely addressing the reliability-related aspects of the MOD requirements. Following approval of the standards from the NERC Board of Trustees, an official standards development request may be submitted to NAESB from NERC in order to ensure that the commercial aspects of the MOD standards are maintained. As part of coordination efforts, NERC and NAESB staff held a conference call with the FERC staff to discuss the filing and implementation process of the revised NERC MOD A standards and the prioritization of NAESB activities related to the effort. NERC and NAESB will continue to have ongoing dialogue with FERC staff throughout the process.

Additionally, NERC and NAESB leadership frequently exchange notes related to gas-electric coordination, demand response and energy efficiency, cybersecurity efforts, and the existing structure of the organizations. NERC and NAESB executive leadership will continue to meet periodically to evaluate the status of these efforts and any future developments which may require coordination.