##### April 21, 2015

**TO:** All Interested Parties

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

**RE: External Organization Coordination – NERC and IDC Association**

**Update on Coordination with External Organizations – NERC and IDC Association**

On March 25, 2015, NAESB filed a status report with the Commission to provide an update on the Parallel Flow Visualization (PFV) project. NAESB coordinated the report with both NERC and the IDC Association. The report informed the Commission of the action by the WEQ Executive Committee (EC) to approve the recommendation for PFV-related business practice standards and initiate the full-staffing process. Additionally, the report included a description of the currently proposed modifications and additional standards included in the approved recommendation.

During the full-staffing period, the recommendation will be held in abeyance to allow the IDC Association to conduct a field trial. Following the February 24, 2015 meeting of the WEQ EC, the IDC Association initiated its test preparations for the PFV field trial. The test preparation period is expected to last twelve to eighteen months. During this time, NAESB will continue to coordinate with both the IDC Association and NERC. As part of the development of the test plan, the IDC Association is seeking the input of the WEQ Business Practices Subcommittee (BPS) regarding the commercial metrics and the NERC Operating Reliability Subcommittee (ORS) regarding the reliability metrics of the test plan. Leadership of NAESB and the IDC Association met in February to document the informal coordination relationship between the organization, including the ongoing coordination between the WEQ BPS and the IDC Association IDC Working Group. The IDC Association has been provided with suggested commercial metrics to include as part of the test plan developed by the WEQ BPS during their efforts to draft a recommendation. Coordination issues that may arise during the test preparations period or the PFV field trial may be addressed through the WEQ BPS’s standing monthly agenda item for updates from the IDC Association or, if needed, a separate subcommittee meeting to discuss coordination issues can be scheduled. NAESB non-member participation policies will apply to such meetings.

NAESB and NERC continue their coordination relationship related to a variety of other projects to ensure the organizations maintain complimentary standards and are responsive to the industry. NERC and NAESB hold a monthly conference call to discuss ongoing projects within each organization, including the MOD standards development effort, the PFV project, cybersecurity, the Electric Industry Registry (EIR), and NERC standard development efforts impacting NAESB, such as Time Error Correction (Project 2010-14.2.2 Phase 2 of Balancing Authority Reliability-based Controls (BAL-004 Time Error Correction) and the modifications to the NERC Functional Model. On December 11, 2014, NERC filed a petition in Docket No. RR15-4-000 with the Commission proposing, among other items, the elimination the Load Serving Entity (LSE), the Purchase Selling Entity (PSE), and the Interchange Authority roles within the NERC process. On March 19, 2015 the Commission issued an order accepting the removal of the PSE and Interchange Authority functionalities but requesting additional details to justify the elimination of the LSE function. NAESB is coordinating with NERC to evaluate if there are any potential LSE requirements NAESB could possibly address. Any determination will be reviewed with the WEQ EC.

On April 21, 2015, the Commission held a workshop on Available Transfer Capability (ATC) Standards for Wholesale Electric Transmission Services. Included in the panel of speakers was Bob Harshbarger, co-chair of the WEQ, and Jason Davis, co-chair of the WEQ BPS. Currently, the WEQ BPS is developing a recommendation proposing a new suite of MOD-related NAESB Business Practice Standards. Work on the recommendation is expected to be completed in the 2nd Quarter 2015.