##### October 19, 2020

**TO:** All Interested Parties

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

**RE: WEQ Coordination Update**

To ensure NAESB and NERC remain in lock-step regarding commercial and reliability issues, staffs engage in various ongoing coordination activities, including monthly conference calls. Recent topics of discussion have included the WEQ-023 Modeling Business Practice Standards, 2020 WEQ Annual Plan Item 3.f, time error correction, the WEQ-005 Area Control Error (ACE) Equation Special Cases, the 2021 – 2023 NERC Reliability Standards Development plan, and cybersecurity.

As part of the Notice of Proposed Rulemaking regarding Version 003.3 of the WEQ Business Practice Standards issued by the FERC in Docket Nos. RM05-5-029 and RM05-5-030, the Commission has proposed to incorporate by reference the WEQ-023 Modeling Business Practice Standards. NAESB developed these standards at the request of NERC, and subsequently modified the standards as part of WEQ Version 003.3, also at the request of NERC. The comment period for the NOPR on the NAESB WEQ Business Practice Standards closes on November 3, 2020.

During the October 27, 2020 meeting, the WEQ Executive Committee will consider a recommendation developed by the WEQ Coordinate Interchange Scheduling Subcommittee that is intended to support and be complementary to NERC Reliability Standard INT-009-2.1 Implementation of Interchange. This reliability standard requires balancing authorities to communicate net interchange information on a periodic basis with adjacent balancing authorities. The recommendation, developed in response to 2020 WEQ Annual Plan Item 3.f, proposes a new appendix be added to WEQ-004 Coordinate Interchange Business Practice Subcommittees to provide high-level guidance to entities seeking to automate the NSI Checkout process. NAESB staff has coordinated with NERC throughout the standards development process.

Currently, the WEQ Business Practices Subcommittee (BPS) is working on two standard development efforts related to areas of coordination with NERC: time error correction and WEQ-005 ACE Equation Special Cases. As part of 2020 WEQ Annual Plan Item 8.a, the WEQ BPS is addressing a directive from FERC Order No. 676-I in which the Commission advised that public utilities work through the NAESB business practices development process to revisit the rationale for removing the WEQ-006 Manual Time Error Correction Business Practice Standards to determine whether they should be retained or revised. NAESB took action to reserve these standards beginning in Version 003.2 of the WEQ Business Practice Standards as requested by NERC in Standards Request R16002. The WEQ BPS has developed a draft recommendation proposing standards to support and complement the NERC Time Monitoring Reference Document – Version 5. Throughout the standards development process, NAESB staff has been coordinating with both NERC and WECC staffs. As a result of this coordination, the WECC Performance Working Group, which assists in time error activities and analysis for the Western Interconnection, reviewed the draft recommendation and provided proposed modifications as well as supporting documentation. The next meeting of the WEQ BPS is scheduled for November 12, 2020. During this meeting, the subcommittee plans to vote out a recommendation for formal comment.

In response to Standards Request R20008, the WEQ BPS is considering if any modifications need to be made to WEQ-005 ACE Equation Special Cases Business Practice Standards to account for recent updates to theNERC Dynamic Transfer Reference Document – Version 4. The WEQ-005 ACE Equation Special Cases Business Practice Standards were developed in coordination with NERC as part of Version 0 of the WEQ Business Practice Standards to support and complement NERC Reliability Standard BAL-005 Balancing Authority Control Reliability Standards. NERC subsequently developed the Dynamic Transfer Reference Document to provide additional guidance regarding the ACE equation. NAESB staff has provided the standards request to NERC staff and continues to coordinate regarding this request for standards development.

As is done every year, on September 1, 2020, the WEQ Standards Review Subcommittee (SRS) met to review the draft of the 2021 – 2023 NERC Reliability Standards Development Plan. As part of the review, the subcommittee noted five ongoing NERC projects that are or will be coordinated with NAESB WEQ Annual Plan Items as well as two NAESB standard development efforts that may coordinate with NERC Reference Documents. The WEQ SRS’s feedback was forwarded to the NAESB Managing Committee for consideration, and comments were subsequently submitted to NERC.

In response to 2020 WEQ Annual Plan Item 4.a – Evaluate and modify standards as needed to support and/or complement the current version of the NERC Critical Infrastructure Protection Reliability Standards and any other activities of NERC and the FERC related to cybersecurity, the WEQ Cybersecurity Subcommittee developed a no action recommendation. However, the subcommittee will continue to monitor several ongoing NERC projects that could result in modifications to the NERC CIP Reliability Standards. Additionally, the WEQ Cybersecurity Subcommittee is following the FERC Notice of Inquiry Potential Enhancements to the Critical Infrastructure Protection Reliability Standards issued on June 18, 2020 in Docket No. RM20-12-000.