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NAESB to Continue Development of Voluntary Electricity Standards, Officials Say

HOUSTON, Texas—As Congress drafts electricity legislation this year, the North American Energy Standards Board (NAESB) will continue to develop voluntary industry standards addressing issues relating to the nation's power grid, NAESB officials said.

“As Congress moves forward on energy legislation, NAESB will continue in a collaborative manner working with NERC [North American Electric Reliability Council] and the ISO/RTO Council to provide the basic rules of the road for markets, transmission planning and reliability,” said NAESB Executive Director Rae McQuade. She said NAESB's wholesale electric quadrant (WEQ) is expected to develop voluntary standards addressing the market aspects of grid reliability, transmission seams and related issues.

Electric issues are expected to be high on the agenda for House and Senate conferees trying to forge a comprehensive energy bill. The White House said in a statement last week that it favors voluntary participation in regional transmission organizations (RTOs) but that the Federal Energy Regulatory Commission's proposal on standard market design should be postponed until 2007.

NAESB, NERC and the ISO/RTO Council agreed in a memorandum of understanding earlier this year to work jointly on electricity standards, forming the Joint Interface Committee (JIC) to help coordinate and to serve as a platform for the collective prioritization of standards development for the evolving wholesale electricity marketplace.

“Upon its formation, NAESB immediately recognized the need for industry-wide coordination to avoid inefficiencies and duplication,” said Board Vice Chairman Michael Desselle, director of public policy for American Electric Power.

NAESB Chairman Leonard Haynes, executive vice president and chief marketing officer, Southern Company, said, “The memorandum of understanding, negotiated with FERC’s encouragement, has been very successful in providing formal communication and interaction among the ISOs/RTOs, NERC and NAESB, and additional interaction has taken place at the various levels of standards development going on in both NAESB and NERC.”

Desselle attributed the Wholesale Electric Quadrant’s first year success to “...the voluntary support and interaction of NERC and the ISO/RTO Council, combined with voluntary industry commitment.” This cross-sectional commitment of the industry has led to “...some recent successes in the development of business practice standards that complement NERC’s reliability standards and has laid the groundwork for the development of seams standards,” he said.

Steve Corneli, vice chair of the WEQ Executive Committee and director of regulatory policy, NRG Energy, Inc. noted that another recent NAESB success is the establishment of a WEQ Information Technology Subcommittee made up of members of the long-standing Open Access Same-Time Information Systems (OASIS) Standards Collaborative (OSC). “The WEQ Information Technology Subcommittee is now embarking on the development of the next generation of OASIS standards providing greater transparency and flexibility for the marketplace,” Corneli commented. “The talent and expertise of the OSC, along with a strong foundation for coordination with ISOs, RTOs and NERC, mean that NAESB is fully prepared to serve the electric industry by developing voluntary standards that will enhance both reliability and the market’s commercial need for broad standard practices.”

The next meeting of the JIC will be in Austin Sept. 19, following NAESB’s Second Annual Meeting, Sept. 16–17.

NAESB, formed in January 2002, is an independent and voluntary North American organization that develops and promotes the use of business practices and electronic communications standards for the wholesale and retail natural gas and electricity industries. NAESB is the successor to and is modeled after the Gas Industry Standards Board, which was established in 1994 and now constitutes the wholesale gas quadrant of NAESB. NAESB’s members include over 400 companies and organizations that participate actively in the retail and wholesale natural gas and electricity markets.

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