

***Comment of John Anderson (ELCON)  
On the “Memorandum of Understanding between  
North American Energy Standards Board and  
North American Electric Reliability Council  
Draft – 10/31/02***

***Regarding Section 2.8:***

I strongly oppose the proposed clause presently in brackets and requesting “further clarity” in Section 2.8 which reads: “. . .unless within that thirty-day period, either Party acts to reject the determination or resolution.”

Rather, I believe that if the Party that “sponsors” a request for a standard does not like a decision of the JIC (or the resolution of a tie), that Party should be allowed to withdraw the request and start all over again, but that Party should not be able to “reject” the decision of the JIC. If either Party is able to “reject” any decision of the JIC, we might as well not have an MOU as then either party can simply reject any decision they do not like, conceivably for any reason, and continue their normal and regular procedures. We have accomplished nothing.

***Proposed Alternative Language:***

Replace the bracketed language with: “. . .unless, within that thirty-day period, the Party that originally proposed the standard acts to withdraw its proposal.”

***Rationale:***

We must keep in mind that for the JIC to get a vote of greater than 50%, at least one representative of the JIC from the “aggrieved” Party must have voted for the JIC’s determination that is now being contested – unless it was a tie.

For example, let’s assume that a SAR is approved by NERC’s SAC and goes to the JIC. Clearly, if the JIC votes to send the SAR to NERC, NERC will not complain. For the JIC’s decision to go to NERC, at least one NAESB JIC representative must have voted for the decision. Thus, allowing NAESB to “reject” the JIC’s decision would follow a decision of the JIC that did not even get a unanimous vote by the NAESB JIC representatives. In my view, NAESB should not be able to “reject” the decision that was supported by at least one of the NAESB representatives.

Even in the case of a tie, I do not believe that either Party should be able to “reject” the decision of the Chairmen (or their Board-level designee(s)). Obviously, if there were a tie, the proposed standard must have significant implications for both reliability and business practices and/or electronic communications. Simply allowing the aggrieved Party to develop their version of the standard along with the Party to which the JIC sent the proposed standard would, by definition, result in duplication. If the JIC’s decision is to be contested, the proposal for the standard should be redrafted.