

National Grid comments on 2/14/03 working draft of NERC-NAESB-RTO/ISO MOU:

1. The idea that RTOs are responsible for policy-related matters is incorrect and inappropriate. In fact, RTOs implement policy for tariff and market management as set forth by FERC. Language referring to "policy" activities of RTOs should be replaced by "implementation" activities.
2. NERC and NAESB are standard setting bodies. RTOs are not. To the extent that NERC or NAESB develops a standard, an RTO 1) may choose to propose to FERC that it implement the standard, or 2) may be required by FERC to implement such standard. The MOU should reflect this process.
3. A full 1/3 vote seems to be too heavily weighted towards a handful of RTO entities, as compared to the numerous entities represented by NERC and NAESB. Why only 3 votes from ISO/RTOs making up their 1/3? This gives an enormous amount of power to the three RTOs voting.
4. Footnote 4 is too broad on the part of RTOs and should be stricken.
5. The JIC should make an assessment of whether an proposed standard activity would require substantial "deviation or modification from existing policy". If such a determination, the issue should NOT be referred to the RTOs for resolution with FERC, but rather should be able to be sent to FERC directly.
6. Once the JIC makes the determination that a standard effort should move forward by either NERC or NAESB, such entity should always have the ability to go directly to FERC for policy or other direction, as deemed necessary by such entity.
7. There is no need for the RTO/ISO JIC members voting on stage 2 of the process, that is, whether NERC or NAESB should develop a standard.
8. ISO/RTO reps currently serving as NAESB and NERC JIC voting delegates should be excluded or otherwise accounted for in light of any separate voting authority given to ISO/RTO Council.