

Subj: **Comments from NRECA on the draft NERC-NAESB-ISO MOU**  
Date: 2/25/03 11:09:23 PM Central Standard Time  
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NRECA submits the following comments on the Feb. 14 Draft NERC-NAESB-ISO/RTO MOU:

1. Before NRECA can be supportive of the draft MOU, much needs to be known about the ISO/RTO Council. What entities are on the Council? Who is eligible to join? What is the group's charter? What are the membership requirements? Does the Council have any authority to act on behalf of its members? NRECA finds it troubling to give substantial representation (one-third of the votes) on the JIC to a newly formed organization that little is known about.
2. NERC and NAESB develop standards, not policy. RTOs/ISOs implement policy and standards -- they do not create and/or develop policy. For the issues at hand, FERC is the most appropriate entity for developing related policies. The newly added references to policy in the draft MOU must be removed or they must reflect that FERC is the appropriate policy developer.
3. The MOU full operation date of April 1, 2003, should be removed from the draft and added back in only after a more concrete date can be determined and after industry questions and concerns are addressed.
4. One-third of the voting pool for the ISO/RTO Council is too much for an organization that is still in the formative stage and little is known about its rules, membership requirements, etc. It is possible that the ISO/RTO Council should only have an advisory role for the first 6 months or year of the revised MOU. If the ISO/RTO Council is provided any votes in the JIC, then it must not be permitted to have a voice on either the NERC or NAESB votes in the JIC.
5. Who will represent the ISO/RTO Council on the JIC? Will it be RTO staff or members of the ISO/RTO stakeholders committee? If it is RTO staff, then the result would be one industry segment having one-third of the JIC votes. This is not acceptable.
6. What will the RTO/ISO annual plan consist of?
7. Allowing the ISO/RTO Council a cut in both the first and second stage of JIC process is unnecessary. The first stage should be the only opportunity for the Council.
8. The draft NERC-NAESB-ISO/RTO Council MOU should only be signed by the three organizations, not each and every RTO and ISO. If the council cannot sign the document on behalf of its members/participants, then it should not be party to the MOU.
9. This draft MOU must be open for real industry comment for a reasonable amount of time. It is too important to be handled by a small group of representatives and then only giving industry a short amount of time to review.

Thank you.

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