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Phillip G. Harris
President and Chief Executive Officer

June 7, 2006

Ms. Rae McQuade
President and COO
North American Energy Standards Board
1301 Fannin
Suite 2350
Houston, Texas 77002

Dear Rae:

NAESB Membership Consideration

Thank you for your letter requesting the ISO/RTOs to consider NAESB membership and positions on the NAESB Board of Directors, Executive Committee (EC) and various subcommittee leaderships. In speaking on behalf of the ISO RTO Council (IRC) as the current Chairman for the Council (comprised of the North American ISO/RTOs AESO, CALISO, ERCOT, IESO, ISONE, Midwest ISO, NYISO, PJM, SPP), the IRC supports the need to ensure that ISOs and RTOs have a voice in the direction of NAESB and the creation of its work products.

IRC CEOs agree that the ISOs and RTOs should be represented within NAESB. Like NAESB, ISO/RTOs have been operational for the wholesale electric market interests for several years. ISO/RTOs represent fifteen percent (15%) of the world's generating capacity and fifty-four percent (54%) of the North American generation capacity. \$6.85 trillion dollars are managed within the ISO/RTO markets; this is over sixty-two percent (62%) of the North American Gross Domestic Product (GDP) and over seventeen percent (17%) of the worldwide GDP.

Because the NAESB standards directly impact ISOs and RTOs, the ISO/RTO Council CEOs request consideration of a specific ISO/RTO sector to be established within NAESB. With explicit sector designation, the ISO/RTOs can be assured to have a direct voice in the direction of NAESB and the creation of its work products and a direct influence on NAESB decisions that impact ISO/RTO constituency. With sector designation, ISO/RTOs communications and interests would be facilitated and would allow participation in key decision making within NAESB. As FERC may be considering changes to OASIS and Order 888, there is opportunity and interest to participate in NAESB standard setting. The IRC agrees that the reliability standards developed by the ERO are an area of interest as well.

The IRC appreciates your willingness to consider this request and looks forward to your response.

Sincerely,

Phillip G. Harris
373688

Attachment: IRC Conference presentation

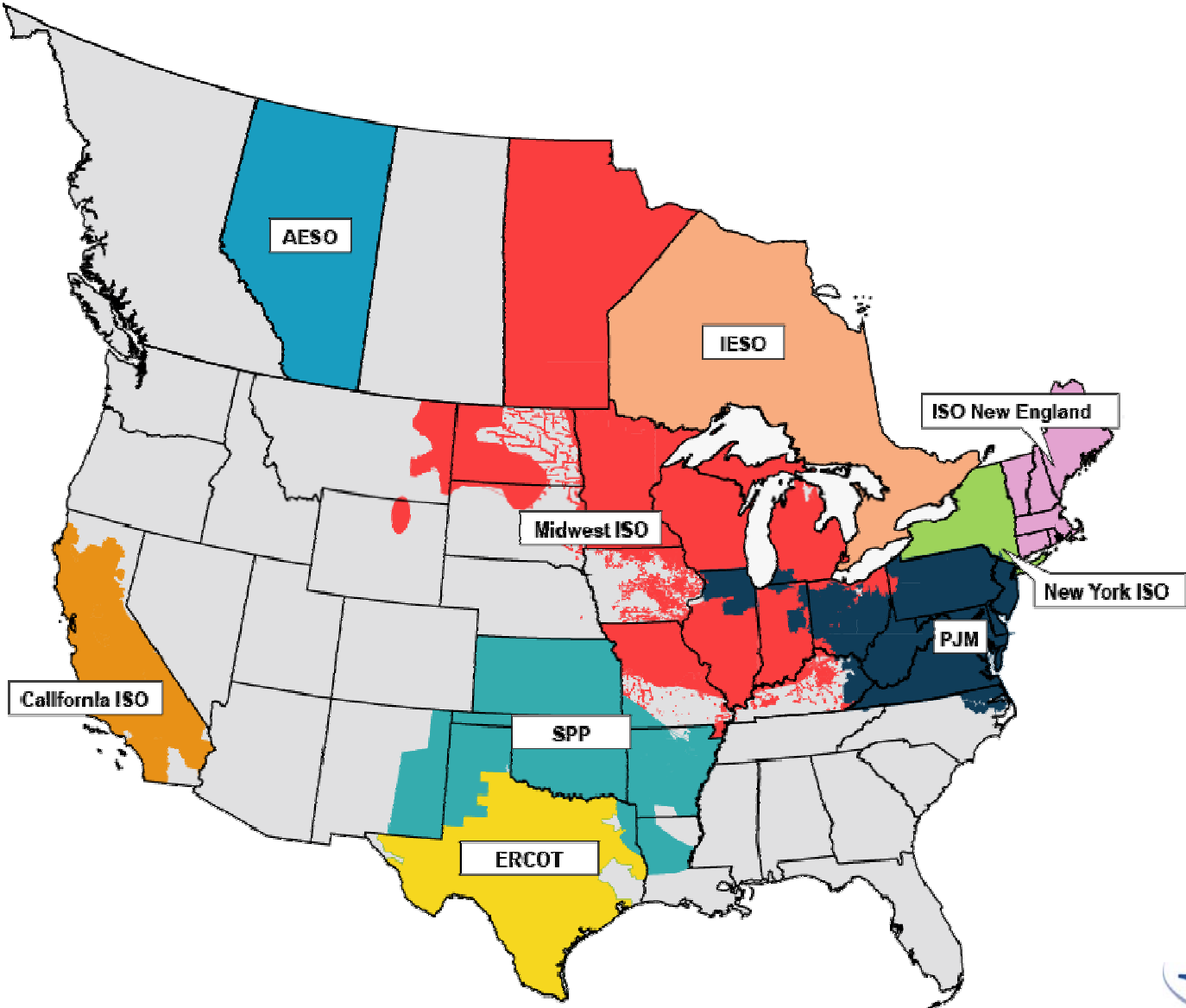
cc: ISO/RTO Council members

ISO/RTO and the World

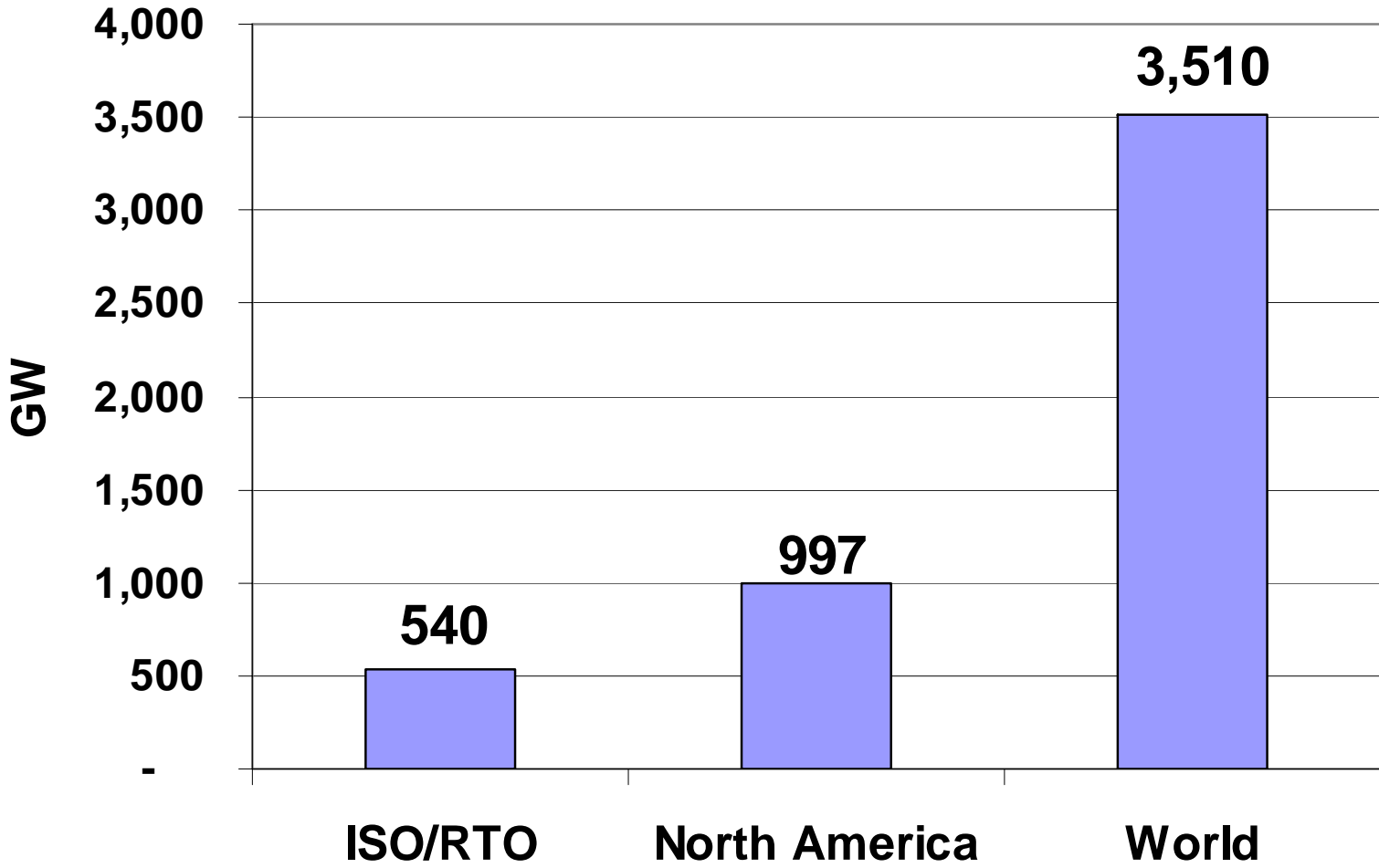
Phillip G. Harris
President and CEO
PJM Interconnection
Chairman of the IRC Council
ISO/RTO Board Meeting
May 23, 2006



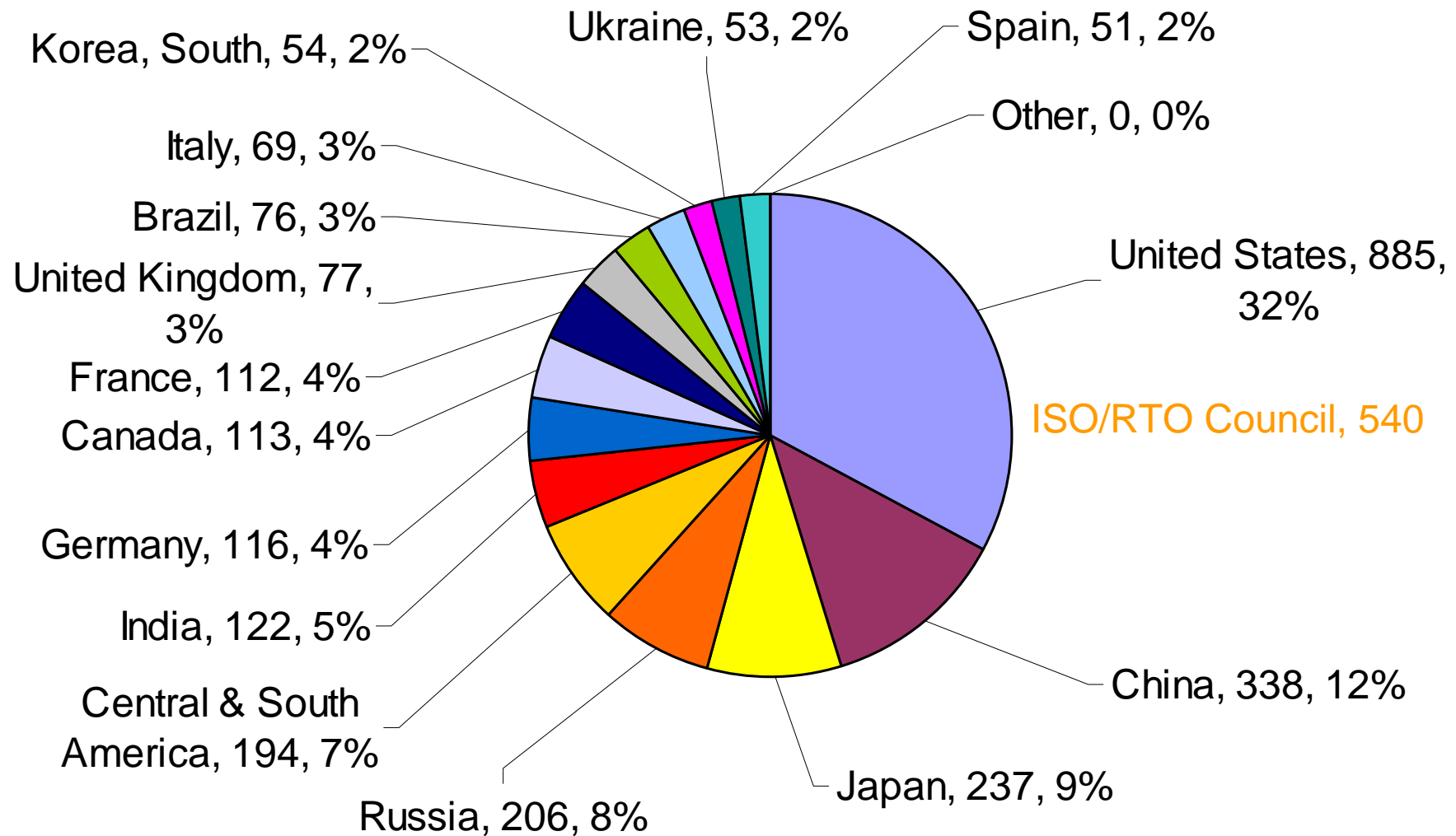
Existing RTOs and ISOs



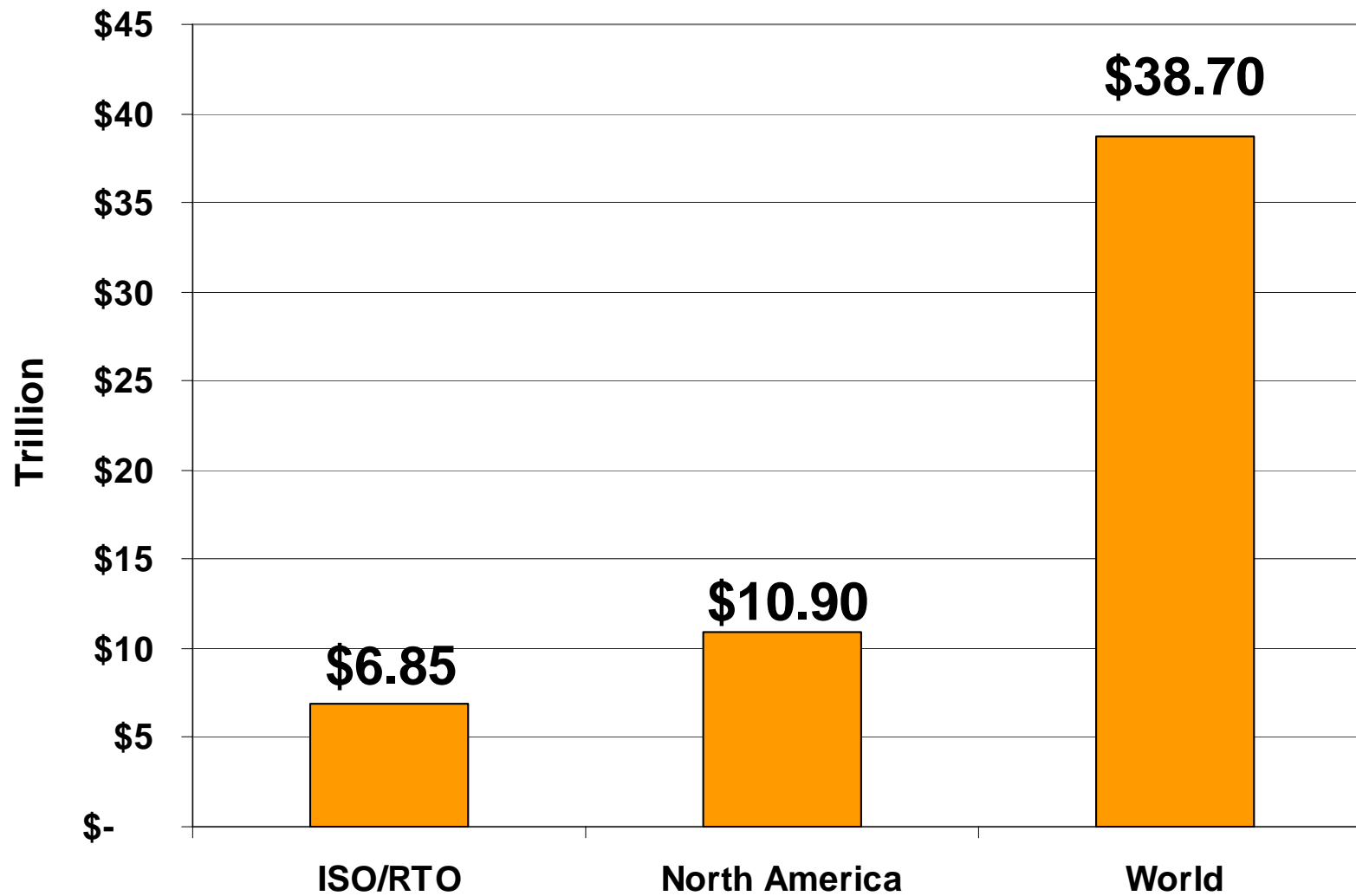
ISO/RTO Generation Capacity



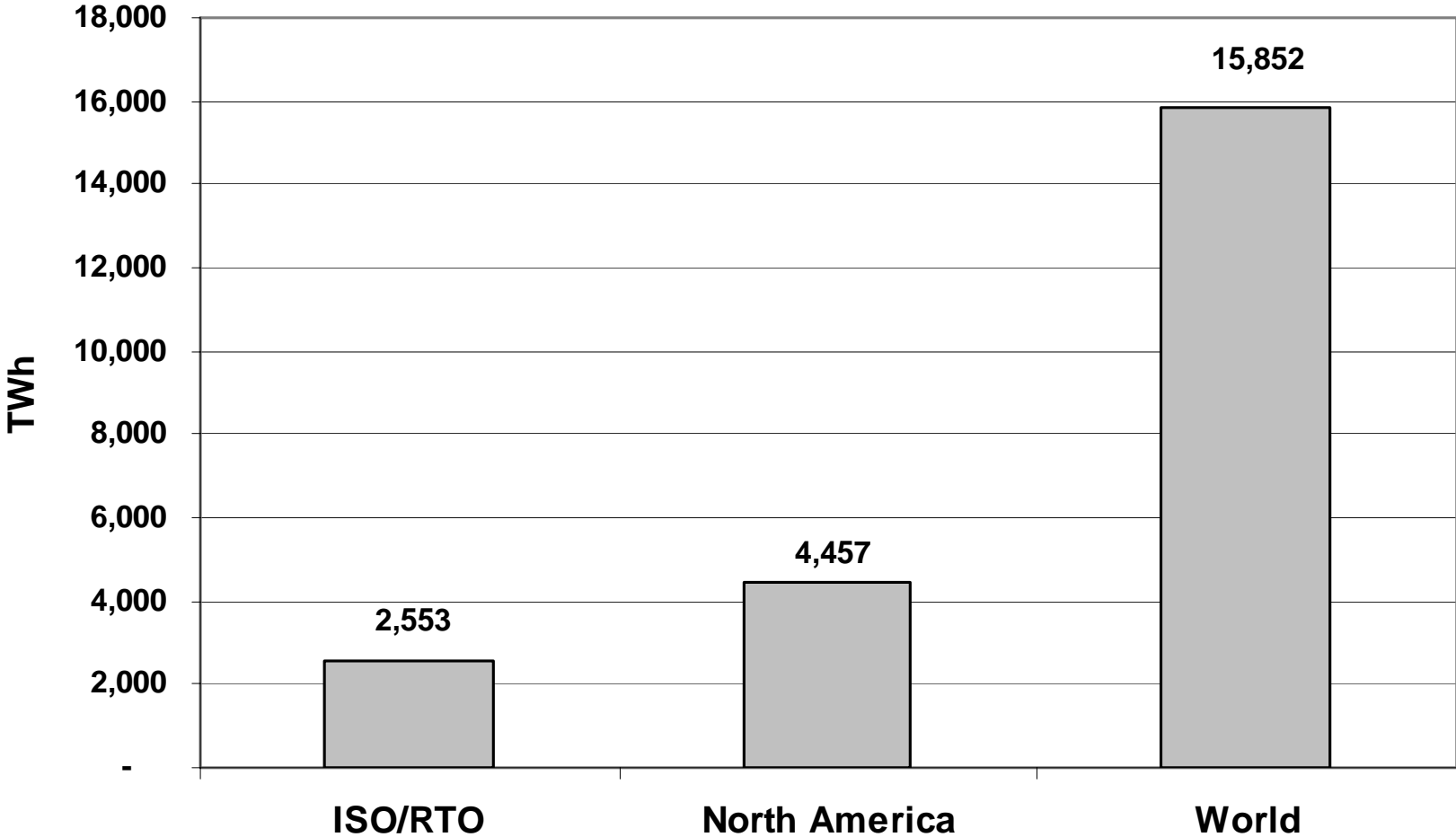
World Generating Capacity - Total 3,500 GW



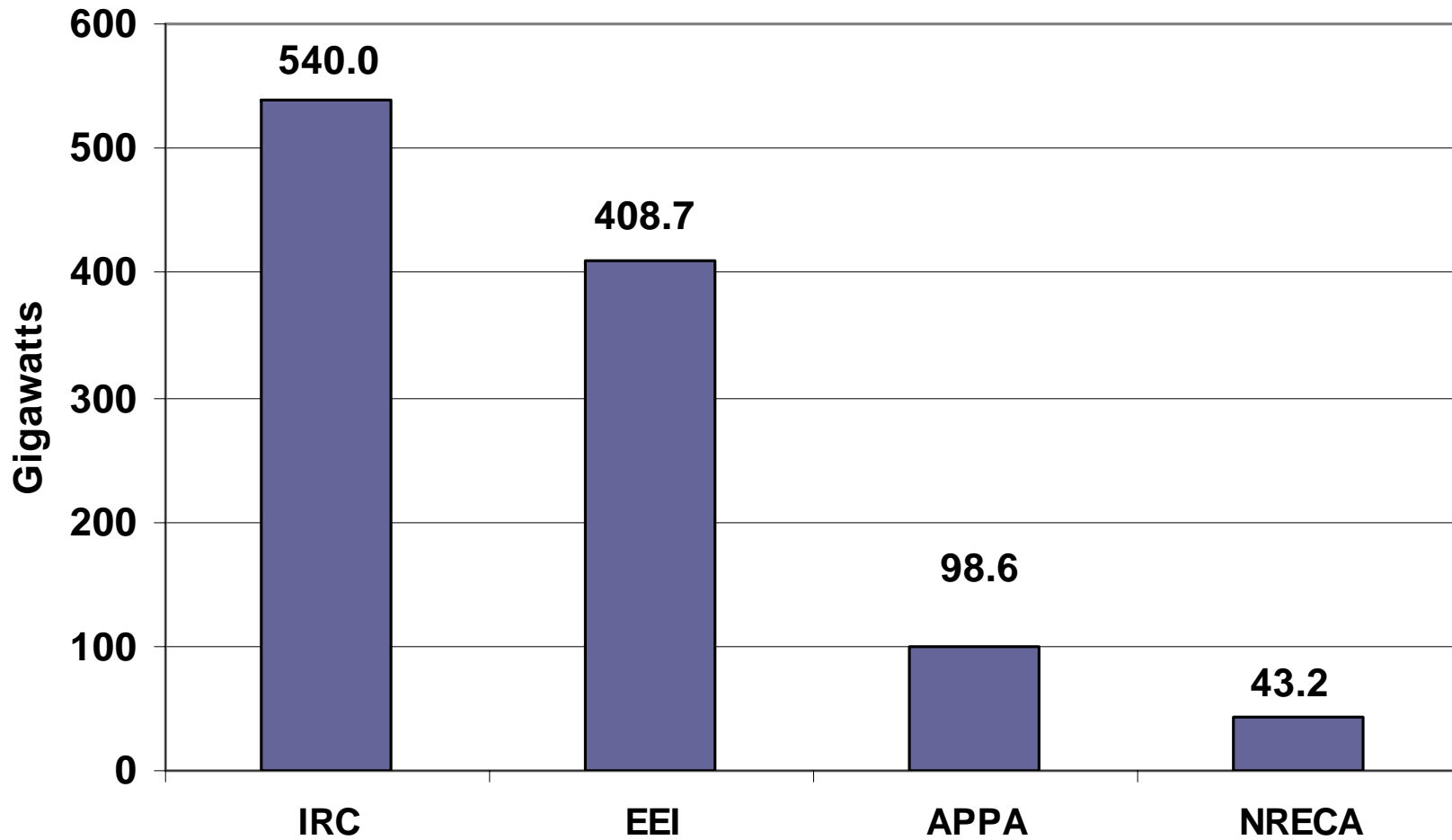
ISO/RTO GDP



ISO/RTO Energy



Generation Capacity in Selected Organizations



Annual Energy in Selected Organizations

