



**N**orth American  
**E**lectric  
**R**eliability  
**C**ouncil



\*\*\*PRESS RELEASE\*\*\*

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### **NERC and NAESB Commit to Develop Communication and Coordination Protocols**

Richard Drouin, Chairman of the North American Electric Reliability Council (NERC), and William Boswell, Chairman of the North American Energy Standards Board (NAESB), today signed a letter of intent that commits the two organizations to coordinate the development of business practice standards and electronic communications protocols by NAESB and the development of wholesale electric reliability standards by NERC. Agreement on a detailed memorandum of understanding between the two organizations will be the next step in this process.

The agreement commits both organizations to ensure that the business practice and reliability standards are harmonized, that all reasonable efforts are made to eliminate overlap and duplication of effort, and that each organization is able to move forward with appropriate standards development activities while keeping the other fully informed of its activities. This process may include joint standards development, recognizing that standards may have both reliability and business practice elements.

“The wholesale electric quadrant of NAESB has recently been formed and this agreement provides us with the ability to begin to coordinate our actions with NERC at the outset,” stated Mr. Boswell. “We recognize that this letter of intent is preliminary in nature and will be supplemented by a more extensive memorandum of understanding that will detail the coordination process after the wholesale electric quadrant of NAESB elects its representatives early next month,” he added.

“A clear need exists to develop standards to enhance energy markets throughout North America,” Mr. Drouin emphasized. “I am very pleased that we were able to reach an initial agreement so quickly and I look forward to working with NAESB on both the details of our coordination arrangement and the development of these critically important standards for the electric industry,” he said.

This agreement is consistent with and supportive of an order by the Federal Energy Regulatory Commission (FERC) that NERC and NAESB coordinate their standards

development efforts. If conflicts arise that cannot be resolved between the NAESB wholesale electric quadrant and NERC, the letter states that the matter may be submitted to FERC for resolution. NERC and NAESB also have committed to examine the creation of a joint dispute resolution process to avoid taking this action.

To view the letter signed by NERC and NAESB, please go to: <http://www.nerc.com/> or <http://www.naesb.org/>.

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NERC is a not-for-profit company formed as a result of the Northeast blackout in 1965 to promote the reliability of the bulk electric systems that serve North America. It works with all segments of the electric industry as well as customers to “keep the lights on” by developing and encouraging compliance with rules for the reliable operation of these systems. NERC’s members account for virtually all the electricity supplied in the United States, Canada, and a portion of Baja California Norte, Mexico. For more information on NERC and its activities, visit NERC’s web site at: <http://www.nerc.com/>.

NAESB, formed in January 2002, is the successor to the Gas Industry Standards Board, which was established in September 1994 as an independent and voluntary North American organization to develop and promote the use of business practice and related electronic communications standards. NAESB’s members include companies and organizations with interests in the retail and wholesale natural gas and electricity industries. Its website is: [http://www.naesb.org](http://www.naesb.org/).