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**NAESB Board Approves Memorandum of Understanding
With NERC Coordinating Development of Electric Standards**

SAN DIEGO—A memorandum of understanding (MOU) between the North American Energy Standards Board (NAESB) and the North American Electric Reliability Council (NERC) has been approved without opposition by the NAESB Board of Directors at a meeting here.

The MOU is intended to coordinate the development of business practice and electronic communications standards for the electricity industry by NAESB and electric reliability standards by NERC.

This coordination will be accomplished primarily by the formation of a Joint Interface Committee (JIC) made up of representative members of NERC and NAESB.

The MOU says that because “most standards have both reliability and business standards and communication protocols implications,” the JIC will evaluate each standards development proposal that comes before NERC and NAESB to determine which organization should develop the proposed standard.

When one of the two organizations has been assigned a standard, the members and constituents of the other organization “are strongly encouraged to actively participate in the development process by participating in subcommittee, task force and working group deliberations as well as offering comments and recommendations on any and all aspects of the proposed standard,” the MOU says.

NAESB Chairman and CEO Bill Boswell said, “I’m gratified by the hard work put in by members of NAESB and NERC to develop this agreement. I hope that these words on paper can soon be transformed into actions that will greatly benefit the electricity industry.”

Michael Desselle, director of public policy for American Electric Power and vice chairman of NAESB representing the wholesale electric quadrant, said, “I’m very pleased with the NAESB board’s decision to approve this MOU. It represents the beginning of what I believe will be a very productive, long-term working relationship between NAESB and NERC.”

NAESB, formed in January 2002, is modeled after 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>.

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