



North American
Electric
Reliability
Council



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NERC and NAESB Sign Memorandum of Understanding

The chairmen of the North American Electric Reliability Council (NERC) and the North American Energy Standards Board (NAESB) have signed a memorandum of understanding (MOU) that has been approved by the boards of both organizations.

The MOU is designed to ensure that the development of wholesale electric business practices and reliability standards are harmonized and that every effort is made to eliminate duplication of efforts between NERC and NAESB.

The MOU calls for regular communications between the two organizations about their respective standards development activities, including a requirement that NERC and NAESB review and comment on each other's annual work plans. The MOU also establishes a Joint Interface Committee (JIC) that will review all standards development proposals received by either organization to determine whether NERC or NAESB should draft a particular standard.

“NERC is pleased to complete this important step in the standards development process,” stated NERC Chairman Richard Drouin. “Our organizations have worked hard to put this agreement in place.”

NAESB Chairman and CEO Bill Boswell said, “Now that the memorandum of understanding has been approved by both organizations, we can move forward along a path of cooperation that I believe will be beneficial to NERC, NAESB and the energy industry as a whole.”

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 that both organizations have moved so quickly to ratify this agreement. We have a lot of work to do, and this MOU will allow us to proceed in an efficient and collegial way.”

The coordination process established by the MOU is expected to be in place by Jan. 1. NERC and NAESB have selected their representatives to the JIC, which will hold its first meeting in early January.

Copies of the MOU are available at the organizations’ websites, www.nerc.com and www.naesb.org.

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.

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.

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