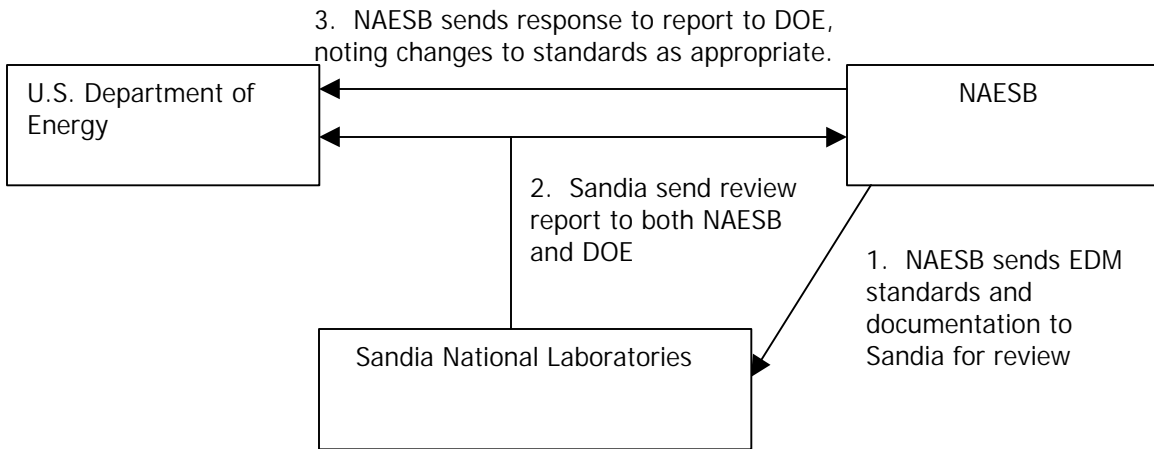


North American Energy Standards Board Safeguards

NAESB has recognized the need for safeguards in its process. The organization, as GISB, worked in partnership with the Department of Energy, to have Sandia National Labs review its technical standards as they make use of the Internet for communication between trading partners. This body of standards, more than 100, is known as the electronic delivery mechanism standards (EDM). The partnership will continue with NAESB.



The review, performed by Sandia, under the guidance of the Department of Energy, is an independent review by Internet experts to ensure that the appropriate levels of security, scalability, usability, performance and reliability are met by the EDM standards as they are used in the energy marketplace. Once the review is complete, Sandia prepares a report indicating areas where some changes should be considered. The report is reviewed by the NAESB technical subcommittees and changes are made to address the points highlighted in the report. The NAESB response is provided to DOE and is posted on the web site.

This review has had unanticipated benefits, as the EDM standards have already been applied to the insurance industry, automotive industry, health industry and retail electric and retail gas markets.

This model could be applied to wholesale electric standards being forwarded to the NERC Board of Trustees for its review to determine if reliability concerns exist with the standards as drafted. A NERC response could be drafted in those cases where concerns do exist, identifying both the concern and an alternate mechanism for providing for the need for the standard without a reliability concern.