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**NAESB Pleased by Federal Energy Regulatory Commission's Order 676,
Incorporating Standards Adopted by Wholesale Electric Quadrant**

HOUSTON – The North American Energy Standards Board (NAESB) has hailed the issuance of a final rule by the Federal Energy Regulatory Commission (FERC) to incorporate by reference standards developed by NAESB's Wholesale Electric Quadrant (WEQ), pledging to act quickly on items designated by FERC for further work.

"We're very pleased by Order 676, issued by the commission on April 25, since it shows that FERC continues to have confidence in NAESB's ability to provide the energy industry with consensus-based standards that improve the efficiency of business practices," said Joe Stepenovitch, chairman of the NAESB Board of Directors. "This can only strengthen our public-private partnership with FERC."

Stepenovitch also noted, "FERC has given NAESB several assignments in its order that we will move to the top of our agenda."

Michael Desselle, WEQ vice chairman of the NAESB board and director of public policy for American Electric Power, called Order 676 “another landmark development for NAESB, further demonstrating that we have become a true energy standards board, not just an organization for a single commodity.”

Kathy York, NAESB Executive Committee chair for the WEQ, said, “As the commission noted, the standards adopted in Order 676 represent a baseline to build future wholesale electric business practice standards. Business practice standards and reliability standards must be complementary, and we’re looking forward to continuing to work with the North American Electric Reliability Council (NERC) in meeting the industry’s needs.” York is a senior specialist in energy, markets and policy for the Tennessee Valley Authority.

Order 676 incorporates into FERC regulations the standards developed by the WEQ that complement NERC reliability standards on coordinate interchange, area control error equation special cases, manual time error correction, and inadvertent interchange payback. It also includes business practices for Open Access Same-Time Information Systems (OASIS), business practices for OASIS standards and communications protocols, and an OASIS data dictionary.

Also in the order, the commission:

- Urged NAESB and NERC to work cooperatively to revise existing inadvertent interchange payback standards “to ensure that inadvertent interchange payback cannot be abused and that reliability is not jeopardized.”
- Noted that the WEQ is already revising coordinate interchange standards and encouraged the ISO/RTO Council to participate in the development of revised standards.
- Offered guidance to the WEQ in developing standards to facilitate the redirect of transmission services.
- Noted that the WEQ has said it will review standards of conduct adopted by the wholesale gas quadrant to prepare comparable WEQ standards, and stated, “We look forward to reviewing this work product when it is completed.”

NAESB is an independent and voluntary North American organization that develops and promotes the use of business practices and electronic communications standards for the wholesale and retail natural gas and electricity industries. Its members include over 300 companies and organizations that participate actively in the retail and wholesale natural gas and electricity markets.

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