

Subj: **Reliant Comments on NERC NAESB MOU ver Oct 31**
Date: 11/1/02 9:23:13 AM Central Standard Time
From: Charles Yeung

Please consider the following comments from Reliant:

2.6 "The other Party shall assume an advisory-only role, although its members and constituents are strongly encouraged ..."

What does an advisory role encompass? Does it mean that some point in the process, an opinion is required from the other party? Can that Party file comments during the process? Can they file protests? I would like to see that if NERC agrees that it is a NAESB Standard, that they don't in the end try to take it back under their review, i.e. the Generator Interconnection NOPR comments.

3.2 "All filings shall include, verbatim, any comments submitted by the Party that did not develop the standard, as well as comments of other interested parties."

NERC does not have to file its standards with anyone. So NERC can comment on a NAESB FERC filing, but NAESB can do nothing. Especially when NAESB members believe NAESB should not file any advocacy positions at FERC!!! There is no symmetry in this requirement as written. There should be recognition that allows NAESB to submit comments to the NERC Board of Trustees for consideration. If a NERC standard impacts a NAESB standard that has been adopted by FERC or will be adopted by FERC, NAESB should at least inform FERC of that matter.

4.1 "NAESB will inform NERC of the WEQ annual plan each year and of any amendments to the WEQ annual plan as they arise."

So what happens after this exchange of information is over? There should be a requirement that a coordination plan be developed if overlapping issues are identified.

6.1 "The Parties agree to meet no later than the anniversary month of the signing of this MOU..."

There may not have been any significant activity one month after the signing. Probably not the right words, but add wording such as, "...or as agreed upon between the parties."

7.1 TERMINATION

There should be a notification to FERC that a Party has provided notice of withdrawal and provide updates.

APPENDIX A - JIC Coordination Guidelines

The 2nd and 3rd paragraphs about the relevance of the NERC Functional Model to NERC and NAESB standards should not be a pre-cursor to the Guidelines. They should be included as bullet items in the criteria itself. By including these paragraphs in the heading, it provides a sense that "black and white" separation can be achieved once a standard is tied to a particular function (e.g. the reliability authority), making it untouchable by NAESB. E.g. - TLR is a reliability authority process. The reality is that the model functions cross over between reliability and commercial areas significantly and require subjective judgement and debate by the JIC.

APPENDIX B - Current Notification Criteria

Under the NERC side:

c. Notify NERC of SAR Posting. Posting of SAR for comment.

This presumes that NERC will proceed with the SAR without further NAESB interaction.

These two tasks should be separated into "c. and d." Further, there should be a requirement for NASEB to provide a response to the notification.

Under the NAESB side:

b. Notify NERC of standard request.

Similarly, there should be a requirement for NERC to provide a response to the notification.

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