



NORTH AMERICAN ENERGY STANDARDS BOARD

801 Travis, Suite 1675 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
email: naesb@naesb.org • Web Site Address: www.naesb.org

March 2, 2011
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20585

RE: Smart Grid Interoperability Standards (Docket No. RM11-2-000)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits these comments in response to the Federal Energy Regulatory Commission ("FERC" or "Commission") technical conference to obtain further information to aid the Commission's determination of whether there is "sufficient consensus" that certain smart grid interoperability standards are ready for Commission consideration in a rulemaking proceeding, as directed by section 1305(d) of the Energy Independence and Security Act of 2007 (EISA) held on January 31, 2011.

The report is being filed electronically in Microsoft® Word® 2003 and in Adobe Acrobat® Portable Document Format (.pdf). The report is also available on the NAESB web site (www.naesb.org). Please feel free to call me at (713) 356-0060 or refer to the NAESB website (www.naesb.org) should you have any questions or need additional information regarding NAESB work products.

Respectfully submitted,

Jonathan Booe

Mr. Jonathan Booe
Deputy Director, North American Energy Standards Board



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cc:

Chairman Jon Wellinghoff, Federal Energy Regulatory Commission
Commissioner Philip D. Moeller, Federal Energy Regulatory Commission
Commissioner John R. Norris, Federal Energy Regulatory Commission
Commissioner Marc Spitzer, Federal Energy Regulatory Commission
Commissioner Cheryl LaFleur, Federal Energy Regulatory Commission

Mr. Thomas R. Sheets, General Counsel of the Commission, Federal Energy Regulatory Commission

Mr. Joseph McClelland, Director, Office of Electric Reliability, Federal Energy Regulatory Commission

Ms. Jamie L. Simler, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Mason Emmett, Associate Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission

Mr. William E. Murrell, Deputy Director, Division of Economic and Technical Analysis, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Ms. Rae McQuade, President and COO, North American Energy Standards Board

Ms. Valerie Crockett, Chair and CEO, North American Energy Standards Board

Mr. Michael Desselle, WEQ Vice Chairman, North American Energy Standards Board

Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. David Cook, General Counsel, North American Electric Reliability Corporation

Mr. Andrew Rodriguez, North American Electric Reliability Corporation

Dr. George Arnold, National Coordinator for Smart Grid Interoperability, National Institute of Standards and Technology

Dr. David Wollman, Group Leader, National Institute of Standards and Technology



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UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Smart Grid Interoperability Standards)

Docket No. RM11-2-000

COMMENTS OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board (“NAESB”) is pleased to provide these comments in response to the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) technical conference to obtain further information to aid the Commission’s determination of whether there is “sufficient consensus” that certain smart grid interoperability standards are ready for Commission consideration in a rulemaking proceeding, as directed by section 1305(d) of the Energy Independence and Security Act of 2007 (“EISA”) held on January 31, 2011.

NAESB has participated in the National Institute of Standards and Technology (“NIST”) smart grid effort since April 2009 and has held a seat on the Smart Grid Interoperability Panel (“SGIP”) since its formation in November 2009. At the request of NIST and the SGIP, NAESB has developed both wholesale and retail electric market business practice standards to support Priority Action Plans three¹, four², nine³ and ten⁴. The standards development process⁵ to

¹ Common Price Communication Model: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/PAP03PriceProduct>

² Common Schedule Communication Mechanism: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/PAP04Schedules>

³ Common DR and DER Signals: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/PAP09DRDER>

⁴ Standard Energy Usage Information: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/PAP10EnergyUsagetoEMS>



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support Priority Action Plans three, four and nine was accomplished through two phases. The standards developed as part of the phase two effort are currently out for membership ratification and garnered significant majority support from both the subcommittee in which they were developed and the in the Executive Committees in which they were approved. We do not expect any issues to arise during the ratification period for these standards which concludes on March 21, 2011. As with all NAESB wholesale market standards, the smart grid related standards will be voluntarily submitted to the FERC upon ratification by the NAESB membership.

As previously stated in comments submitted to NIST and the SGIP, NAESB believes that any standards development or standards acceptance process should encompass four general characteristics to be successful:

Transparency. Transparency in decision making is a key factor in garnering support. Transparency includes both the identification of the decision makers and how decisions were made. Transparency applies to standards development, standards selection and it also applies to the development of the plans and strategies. While providing adequate transparency can take time, it has been our experience that it expedites industry acceptance and support.

Inclusion. Stakeholders should be given the opportunity to take part in the decision making and standards development. Reaching out to trade associations and industry organizations to encourage their stakeholders to participate has proven essential in assuring that diverse groups are made aware of the planned standards development activities. Trade associations, industry organizations, regional groups and the industry itself play key role in soliciting a broad and regionally diverse group of participants. Regulatory staff, both state and federal should be encouraged to participate to ensure that directions taken support their policies.

⁵ Summary of NAESB Standards Development Process: http://www.naesb.org/misc/naesb_process.doc



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Balance. Decision making, particularly for standards that have broad applicability, should not only include the stakeholders who will be responsible for modifying their business processes to implement the standards, but also the service providers. The market interests should be balanced and there are a number of ways in which this balance can be achieved. Balance of geographic areas can be important when the decisions made or the standards developed are not specific to a given region, but rather are intended to apply more broadly. Equally important, those entities either politically accountable for the success or operationally accountable for the success of the standards and related decisions must have a strong voice in the overall planning and strategic sessions, and also in the identification of standards needed, the development of the standards and the ultimate adoption of the standards.

Documented and Accessible Process. Participants should have access to the process by which the standards are developed and also the process by which related decisions are reached. Importantly, an appeal process should be defined not only as it pertains to endorsement of standards, but also to the standards development process itself.

We appreciate the opportunity to provide these comments and to support the Commission as it determines the future of the smart grid interoperability standards.

Respectfully submitted,

Jonathan Booe

Jonathan Booe
Deputy Director, North American Energy Standard Board