



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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November 6, 2009

comments filed to the document's online comment section¹ and emailed to Dr. Arnold

Dr. George Arnold
Deputy Director
National Institute of Standards and Technology
100 Bureau Drive, Stop 8100
Gaithersburg, MD 20899-8100

Dear Dr. Arnold,

NAESB appreciates the opportunity to offer these comments² to “Smart Grid Interoperability Panel Governing Board and Smart Grid Interoperability Panel Charter” prepared by the EnerNex. We offer the following general suggestions for consideration:

Actions to be taken by the Smart Grid Interoperability Panel (SGIP): §§ 1.1.2, 1.3.3 and 1.3.4

- The SGIP should support the development of use cases and requirements, but the actual work of defining the use cases and requirements should be the responsibility of and assigned to the standards development organizations to which the task has been assigned. The tasks should be assigned through the priority action plans with clearly stated due dates.

Decision Making and Voting by the SGIP and the SGIP Governing Board (SGIPGB): §§ 2.1.7, 2.5.1, 2.2.7 and 2.5.7

- It is typical that in meetings where decisions are made that can impact markets, and competitors are present, antitrust guidance is provided at a minimum, and preferably counsel is present to monitor the meeting discussions. While antitrust guidance is noted in Section 2.9, it is not reflected in the list of items referenced in Section 2.1.7 for meeting requirements. As many of the decisions made by the SGIP and SGIPGB would presumably impact both the wholesale and retail electric markets at a minimum, it is important that the structure of the decision making bodies is carefully constructed to insure against possible anticompetitive actions.
- In posting agendas an appropriate time in advance of meetings, the agenda should include an indication for any agenda item that may require voting, to permit the member adequate time to prepare.

¹ The document's online comment section can be accessed from: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/SGIP>.

² The Federal Register reference for the Department of Commerce National Institute of Standards and Technology request for comments on the “Draft Smart Grid Interoperability Panel Charter and Bylaws” can be accessed from the following link: <http://edocket.access.gpo.gov/2009/pdf/E9-25970.pdf>, and the draft charter can be accessed from the following link: http://collaborate.nist.gov/twiki-sggrid/pub/SmartGrid/SGIP/SGIP_and_GB_Charter.doc.



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- For all meetings, web casting and teleconferencing should be made available to ensure that participants with travel restrictions can attend.
- With so many stakeholder categories identified, if the decision to be made could be the subject matter of local, state or federal regulatory action, there are several ways to approach voting to ensure that the participants in the wholesale or retail markets have equal voice in the decision making. For both the SGIPGB and the SGIP, one means is to determine the applicable stakeholder categories and only those participating members are permitted to vote. For the SGIP, weighted voting can be employed. In all cases, should the decision be a possible focal point of regulatory action, a record of how the decision was made, who voted and how they voted, and any minority positions and comments prepared should be made publicly available.
- Depending on the action to be taken, with a simple majority needed to establish quorum and a 75% threshold affirmative vote of the SGIP voting members once quorum is established, some decisions could be made with 38.5% concurrence of the SGIP voting members. There may be decisions that warrant more than a 38.5% vote of support.

Defining the Stakeholder Groups: § 2.2.1

- It is not clear how the stakeholder groups were identified and how the decisions were made to include 22 categories. For the decisions made by the SGIP and SGIPGB to be accepted in the marketplace and implemented, it is crucial that the stakeholder categories reflect the balance of the market and provide a strong voice to those that will be held accountable for implementing the standards supported by the SGIP and SGIPGB. This becomes particularly relevant should the standards be the focus of a regulatory action.

Determining the Members of the SGIPGB: § 2.2.2.1.3

- Assuming that the nominee meets the requirements of candidate eligibility – i.e. is a member of the SGIP, then it may be best and certainly more transparent for the members of the stakeholder group to vote for the candidate they would most want on the SGIPGB, rather than put the Administrator in the position of selecting who should be considered as candidates or who should sit on the nominating committee. This is common practice in many standards development organizations.

Overall, the groups that are assigned tasks to develop standards through the priority action plans should demonstrate transparency, inclusion, balance and a documented and accessible process. Ensuring the broadest level of inclusion, balance of interests, transparency in all aspects and easily accessible documentation on the process strengthens the work products and supports building industry consensus – crucial when the work products are intended to be forwarded to regulators for their consideration.

- 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



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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.
- **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 look forward to continuing to participate in your process and the upcoming meetings in Denver on November 16-19, 2009, and we are grateful for the opportunity to contribute as co-leaders for priority action plans 3, 4 and 9.

With Best Regards,

Rae McQuade

Rae McQuade, President, NAESB

cc: Ralph Cleveland, Chairman of the NAESB Board of Directors
Michael D. Desselle, Wholesale Electric Quadrant Vice Chairman of the NAESB Board of Directors
William P. Boswell, NAESB General Counsel
Jonathan Booe, NAESB Counsel