

September 17, 2009

TO: NERC Stakeholders

RE: Implementing NERC Actions from Three-Year ERO Performance Assessment

On July 20, 2009, NERC filed its Three-Year Electric Reliability Organization Performance Assessment with the Federal Energy Regulatory Commission in the United States and with governmental authorities across Canada. The assessment is first and foremost a commitment to continue the work we have started in establishing NERC as the self-regulatory authority for the reliability of the bulk power system in North America. The assessment then raises the bar for NERC in many areas, containing actions, goals, and commitments designed to address concerns raised by our stakeholders during the development of the assessment. Efforts to execute these tasks will involve each of NERC's program areas, our support staff, our committees and, ultimately, our board of trustees.

Managing these projects through to successful completion will require strong leadership and considerable stakeholder input. Our focus throughout this process will be on the appropriate prioritization of our efforts and resources.

With the support of the board of trustees, I have appointed Dave Nevius, senior vice president at NERC, to lead this project for the organization. Dave will be your single point of contact for questions regarding this effort. He can be reached via e-mail at dave.nevius@nerc.net or at 609.527.7037.

A critical step on the path to the execution of the Three-Year Assessment will be review and approval by FERC of specific steps taken to implement the actions detailed in the Three-Year Assessment Report. Today we have made a [filing](#) with the Commission requesting that it issue an order finding NERC continues to meet the statutory and regulatory criteria for certification as the ERO, stating:

“As NERC (along with its stakeholders) continues to work through the specific actions discussed in the *Three-Year ERO Report* and to implement those actions, including budgeting resources for them, the Commission will have the opportunity to review and approve (or, if appropriate, specify modifications to) the specific implementation activities through its review and approval of (1) NERC's and the Regional Entities' annual business plans and budgets, (2) amendments to the delegation agreements between NERC and the Regional Entities, (3) amendments to the NERC Rules of Procedure and Appendices thereto, and (4) amendments to the NERC Reliability Standards. Additionally, NERC proposes to submit to the Commission a series of comprehensive status reports on progress in implementing the specific actions identified in the Report, to be filed six months, 12 months, and 24 months following the date of the order concluding this proceeding.”

Over the next several weeks, Dave will be seeking input from NERC management, Regional Entities, and industry stakeholders on the priorities and timelines for the actions identified in the Three-Year Assessment. He will also be putting together a project plan for implementing these actions that will likely span several years. I expect Dave will be talking with many of you as he puts this plan together in order to maximize the value of stakeholder input and participation, and ask that you give him your full support.

Sincerely,

A handwritten signature in cursive script that reads "Rick Sergel".

Rick Sergel
President and CEO