

July 12, 2007

David R. Nevius, Senior Vice President  
North American Electric Reliability Corporation  
Princeton Forrestal Village  
116-390 Village Boulevard  
Princeton, NJ 08540-5721

Dear Mr. Nevius:

Enclosed is a signed original of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Council (NERC). The intent of this MOA is to facilitate a continuing and cooperative relationship between the NERC and the NRC in the exchange of experience, information, and data related to reliability of the U.S. bulk electricity supply. The enclosed MOA and its appendices contain the details agreed upon in June 2007.

Please let me know if you wish to discuss this matter further.

Sincerely,

***/RA/***

Luis A. Reyes  
Executive Director  
for Operations

Enclosure:  
As stated

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\*Via Email

OFFICE	EEEB	EEEB	TechEd	BC:EEEB	D:DE
NAME	SRay	WRaughley	L-ACulp*	GAWilson	PLHiland
DATE	06/27/07	06/27/07	06/27/07	06/27/07	06/28/07
OFFICE	OGC:NLO	D:NRR	EDO		
NAME	EWilliamson	JEDyer (JGrobe for)	LAReyes		
DATE	07/02/07	07/10/07	07/12/07		

**OFFICIAL RECORD COPY**

**MEMORANDUM OF AGREEMENT**  
**between the**  
**U.S. NUCLEAR REGULATORY COMMISSION**  
**and the**  
**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

This memorandum of agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Corporation (NERC) reflects the desire for a continuing and cooperative relationship in the exchange of experience, information, and data related to reliability of the U.S. electric bulk power system.

The NRC has statutory responsibility for regulating U.S. commercial reactors that generate electric power, as described in Pub. L. 93-438, 88 Stat. 1233 (42 U.S.C. 5801 *et seq.*), which responsibility includes evaluating the design and operation of the electric power grid as it relates to the safe operation of nuclear power plants. NERC's mission is to improve the reliability and security of the bulk power system in North America. To achieve that, NERC develops and enforces reliability standards; monitors the bulk power system; assesses future adequacy; audits owners, operators, and users for preparedness; and educates and trains industry personnel. NERC is a self-regulatory organization that relies on the diverse and collective expertise of industry participants. As such, NRC and NERC undertake related activities, as defined in the appendices to this MOA. These appendices will help ensure that the goals of both organizations are achieved in the most efficient and effective manner without diminishing or interfering with the responsibilities and authorities of the NRC and the goals of NERC.

This MOA is not intended to be an enforceable agreement or contract on either party, notwithstanding the occasional use of the term "agree" or the use of mandatory language such as "shall" or "will" in either the MOA or its appendices. In particular, insofar as this MOA or its appendices indicate that the Commission will take or refrain from taking a particular action in discharge of its regulatory responsibilities, such indication is intended only to reflect the Commission's current policy intentions in this regard. Since this MOA is not legally binding, the Commission may depart from its terms whenever it deems it necessary or appropriate to do so in the discharge of its regulatory responsibilities, except that in the interests of cooperation the Commission will, if appropriate and practical, advise NERC of any intention to depart from the terms of this MOA prior to doing so. This MOA does not serve to commit or obligate appropriated funds. NRC's activities, efforts and tasking are subject to availability of appropriated funds.

This MOA and its companion appendices complement one another. Appendices are used to delineate detailed and specific areas for cooperation, which exist between the parties of this MOA and which may be amended from time to time. The appendices are not interpreted as restrictive to only those areas specified in the document, but serve as keystones of the MOA for the exchange of information to support the common goals of both organizations.

NERC and NRC agree to consult with each other with regard to the availability of technical information that would be useful in the areas of mutual interest, and to promote and encourage a free flow of such information. Both parties recognize the need for excluding from this MOA information that has been received on a privileged basis. As information is verified and found to be necessary or important to findings upon which significant reliability-related conclusions and recommendations are based, the party holding such information will take appropriate and timely steps to remove it from the privileged or otherwise restricted status.

However, the NRC cannot provide information to NERC that is required by law to be withheld. Each party recognizes the need, on some occasions, to be able to accept and protect privileged information where such information could not be made available otherwise. It is recognized that the parties to this MOA may not be fully aware of the extent of each other's knowledge and thus, this MOA requires only the parties' best efforts and a reasonable degree of care in assuring that significant reliability-related information is provided in a timely manner to the other party.

The parties to the MOA will meet periodically to exchange information and keep each other apprised of the major activities under way and planned in each area of MOA. The meetings are an effort to avoid unnecessary and unintentional duplication of activities, while providing a means to identify those areas where independent activities by another organization may be warranted.

Coordination meetings are for information exchange only. Meetings are not to be construed as requests or opportunities for (or used by the NRC for) obtaining the advice or recommendations of NERC or its personnel on policy or regulatory issues within the scope of the NRC's responsibilities. NERC's advice or recommendations to the Commission on regulatory or policy matters, if any, are to be made through established procedures of the Commission and will be considered by the Commission in the same manner as other offers of advice or recommendations made through established Commission procedures.

Titles of Appendices:

- o Appendix I – Coordination plan for communications and information sharing during emergencies.
- o Appendix II – Coordination plan for event analysis and follow-up review activities.
- o Appendix III – Coordination plan for the exchange of operational experience data and information.
- o Appendix IV – Coordination plan for participation by NRC staff in NERC committee and subgroup activities.

AGREEMENT

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07/12/07

*/RA/*

07/12/07

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Date:

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Date:

Luis A. Reyes  
Executive Director of Operations  
U.S. Nuclear Regulatory Commission

David R. Nevius  
Senior Vice President  
North American Electric Reliability  
Corporation







**APPENDIX IV TO NUCLEAR REGULATORY COMMISSION – NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION MEMORANDUM OF AGREEMENT**

**Appendix IV:** *Coordination plan for participation by Nuclear Regulatory Commission staff in North American Electric Reliability Corporation committee and subgroup activities*

This appendix has been developed under the framework of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Corporation (NERC) dated July 2, 2007. The appendix should be implemented consistent with the terms and conditions of the MOA.

The purpose of this plan is to facilitate participation by NRC technical staff in NERC technical committee and subgroup activities.

1. The NRC Director of the Office of Nuclear Reactor Regulation and the NERC Senior Vice-President, or their designees will meet at least annually, or as needed, to identify and prioritize areas of interest, the terms, and roles and responsibilities in the group. They will also discuss the status and benefit to ongoing participation as well as educational opportunities within NERC for NRC employees.
2. NERC supports participation by NRC technical staff in its technical committees and subgroups, and in the development of reliability standards. Such participation is expected to result in improved awareness and understanding of the interface requirements between grid operations and nuclear power plant operations.
3. In general, participation or collaboration will focus on broad technical issues, and not issues affecting a single entity. Either party can conduct additional research beyond the scope of the project. NERC may request each industry nominee to sign a statement regarding proprietary information, conflicts of interest, or waivers. Either party can terminate participation. Participation will be at NRC expense. Each participant will be requested to comply with the procedures established for the event.
4. The areas where NRC technical staff would benefit by more direct participation are:
  - a. Reliability standards development
  - b. Reliability assessments
  - c. Reliability readiness audits
  - d. Critical infrastructure protection (both cyber security and physical security)
  - e. Reliability compliance
5. The procedures in 10 §2.390, "Public inspections, exemptions, requests for withholding," shall govern any NERC submittal to the NRC in which NERC seeks to have the information, or a portion thereof, withheld from public disclosure. Any documents the NRC gives to NERC will be provided in accordance with applicable legal requirements and policies.

**AGREEMENT**

/RA/ 07/12/07  
Date:  
Luis A. Reyes  
Executive Director of Operations  
U. S. Nuclear Regulatory Commission

/RA/ 07/12/07  
Date:  
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