MEMORANDUM OF AGREEMENT
between the
U.S. NUCLEAR REGULATORY COMMISSION
and the
FEDERAL ENERGY REGULATORY COMMISSION

PURPOSE

The primary purpose of this memorandum of agreement (MOA) is to facilitate interactions between the U.S. Nuclear Regulatory Commission (NRC) and the Federal Energy Regulatory Commission (FERC) on matters of mutual interest pertaining to the nation's electric power grid reliability and related implementation activities based on the August 14, 2003, outage recommendations by the U.S.-Canada Power System Task Force. The Electrical & Instrumentation and Controls Branch (EEIB) in the Division of Engineering, Office of Nuclear Reactor Regulation, NRC, has the responsibility for evaluating the design and operation of the electric power grid systems with regard to the inter-relationship between the nuclear power generating unit, the utility offsite electric power grid and interconnecting grids, and for assessing the reliability and integrity of the electric power grid as they relate to nuclear power plant (NPP) safety. EEIB has been tasked with coordinating its implementation of action plans for addressing grid concerns that have the potential of impacting the safe operation of NPPs, with the activities by FERC's Division of Reliability, Office of Markets, Tariffs and Rates, involving the reliability, integrity, security, and operation of the national grid.

This MOA sets forth the basic principles and guidelines under which the Commissions and their staffs will work together to accomplish these tasks.

PRINCIPLES OF COOPERATION

Article 1. Responsibility

NRC and FERC will mutually coordinate, prioritize, integrate, and manage the tasks. The NRC and FERC will identify managers to implement and coordinate the activities. The managers will mutually reach consensus on the scope of work; deliverables (if any) and delivery dates; anticipated products and outcomes; periods of performance; levels of funding and resources to be provided for each activity by the parties; and any other appropriate and necessary aspects of mutual activities. This MOA does not serve to commit or obligate appropriated funds. NRC's and FERC's activities, efforts and tasking are subject to availability of appropriated funds. This MOA recognizes the responsibilities of individual agencies and does not preempt the responsibility of any Federal agency or take away any authority from any Federal agency to pursue its legislated regulatory programs.

Article 2. Guidelines for Cooperative Work

The cooperative efforts shall be implemented so as to avoid conflict of interest. This will be normally accomplished by having the focus of the cooperative efforts on the basic information

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and data needs of each party, and not on solutions to specific regulatory issues or the application of the data to regulations. Developing solutions to regulatory issues or applying the data to regulations shall be done independently by the parties outside the terms of this MOA.

The information gained and results produced by the cooperative program will be shared by the Commissions. To keep the Commissions apprised of the status of the work by each staff, the staffs will meet periodically to discuss in detail the activities underway.

Proprietary and Critical Energy Infrastructure Information supplied to conduct the work will be protected in accordance with applicable rules and regulations.

NRC and FERC shall be free to publish the results from the cooperative work in reports, journals, or conference proceedings as they judge appropriate.

Article 3. Information Sharing during Emergency Response

During emergencies involving the electrical grid, grid information is important for decision makers. Protocols for sharing information regarding grid status will be developed and tested periodically. Emergency communications will be via NRC's Headquarters 24/7 Operations Center and 24/7 contact points at FERC.

Article 4. Active Involvement in Existing, Planned, and Future Grid-related Activities

To gain a better capability by the Commissions to monitor and assess the condition of the grid during normal, alert, and emergency operational conditions, active involvement of Commission's staff personnel in existing and future programs will be considered. For example: 1) Participation in FERC and North American Electric Reliability Council (NERC) technical working groups, reliability readiness audits, etc., 2) Participation in FERC and NRC follow up activities related to the U.S.-Canada Power System Outage Task Force recommendations, and follow up of future events (such as the June 14, 2004, loss of offsite grid at Palo Verde Nuclear Plant), and 3) Sharing of historical grid data and other information not publicly available.

Article 5. Effective Date

This MOA is effective upon signing and will remain in effect unless and until terminated as provided under Article 7 of this MOA.

Article 6. Amendments

This MOA may be modified or amended by written agreement.

Article 7. Termination

This MOA will expire sixty (60) months from the date of execution unless renewed by mutual agreement. This MOA may be terminated at any time by mutual agreement of the parties.

AGREEMENT

Date: 8/23/04
Luis A. Reyes
Executive Director for Operations
U.S. Nuclear Regulatory Commission

Date: 9/1/04
Susan J. Court
Chief of Staff
Federal Energy Regulatory Commission