



A number of organizations are central to the electricity industry and have a significant impact on PJM Interconnection and its operations. These organizations are involved in both the operational and markets aspects of the industry.

The **Federal Energy Regulatory Commission (FERC)** is an independent agency that regulates the transmission and wholesale procurement of electricity in interstate commerce, as well as the licensing of hydropower projects. FERC also oversees the interstate transmission of natural gas and oil and administers accounting and financial reporting regulations and the conduct of the companies under its jurisdiction. FERC is the agency that regulates the activities of PJM and the other regional organizations that manage the electricity grid. It protects the reliability of the high-voltage interstate electric transmission system through mandatory reliability standards and monitors and investigates energy markets. FERC's predecessor agency, the Federal Power Commission, was formed in 1930.

The **North American Electric Reliability Corporation (NERC)** has been designated by FERC as the electric reliability organization responsible for improving the reliability and security of the bulk power system in the United States and North America. To achieve that, NERC develops and enforces reliability standards; monitors the bulk power system; assesses the future adequacy of the system; audits owners, operators and users for preparedness; and educates and trains industry personnel. Eight regional reliability entities work with NERC to enforce the reliability standards.

ReliabilityFirst Corporation is a regional reliability entity that oversees the reliability and security of the interconnected electric system for much of the region served by PJM. It enforces NERC and regional reliability standards and monitors compliance with them to protect the electric grid. ReliabilityFirst was approved by NERC and began operating in 2006.

SERC Reliability Corporation, like ReliabilityFirst, is a regional reliability entity that oversees the reliability and security of the interconnected electric system for the Dominion transmission zone in the PJM region. It, too, enforces reliability standards and monitors compliance with them to protect the electric grid. NERC delegated this responsibility to SERC in 2006.

The **North American Energy Standards Board (NAESB)** serves as an industry forum for the development and promotion of standards aimed at creating seamless marketplaces for wholesale and retail electricity and natural gas. It was formed in 2002, growing out of the former Gas Industry Standards Board. In addition to developing standards and model business practices for wholesale and retail gas and electricity markets, the NAESB works cooperatively with FERC, the Department of Energy, the Department of Transportation and state regulatory commissions. The development of a standard may be requested by a government agency or an interested party; industry participants then develop the standard through the NAESB's processes. The Board forwards proposed standards to the relevant agency for further review and action.

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