



# FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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NEWS MEDIA CONTACT

Celeste Miller- 202.502.8680

## FERC Approves Three Planning and Operating Reliability Standards

The Federal Energy Regulatory Commission (FERC) today approved three reliability standards to further ensure the reliability of the nation's bulk power electricity market. The standards were proposed by the North American Electric Reliability Corp. (NERC), the FERC-certified electric reliability organization (ERO).

"Today's approval of additional reliability standards is a step in the right direction," FERC Chairman Joseph T. Kelliher said. "I believe we are better prepared to meet challenges to the reliability of the bulk power system."

The three new reliability standards require planning authorities and reliability coordinators across the country to establish methodologies to determine operating limits of the Bulk Power System for planning and operating purposes. They also acknowledge regional differences in the Western Electricity Coordinating Council (WECC) that are intended to provide higher levels of reliability than the proposed national Reliability Standard. Two of the reliability standards include an interconnection-wide regional difference for the Western Interconnection administered by WECC.

FERC said it accepts three new glossary terms used in the Reliability Standards and remands another proposed term to the ERO and directs it to submit modifications to the proposed Violation Risk Factors.

In July 2006, FERC designated NERC as the ERO under section 215 of the Federal Power Act, a new provision added by the Energy Policy Act of 2005 to establish a system of mandatory, enforceable reliability standards under the Commission's oversight.

FERC issued a Notice of Proposed Rulemaking (NOPR) proposing these Reliability Standards on Aug. 13, 2007. The final rule is effective 30 days from publication in the *Federal Register*.

In a related reliability matter, FERC today reversed NERC's reliability registry determinations for Direct Energy Services LLC, Sempra Energy Solutions LLC and Strategic Energy LLC. NERC's determinations were not supported by the record or its own registry criteria. NERC also inconsistently applied the registry criteria among regional entities. Finally, NERC did not adequately identify the reliability standards for which retail marketers registered as load-serving entities would be responsible.

FERC directed NERC to submit a plan on how to develop a consistent, uniform approach to ensure that appropriate reliability standards and requirements are applied to retail marketers. The plan is due within 75 days of the date of the order.

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