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News Media Contact

Craig Cano | 202-502-8680

Docket Nos. RR15-2-000, RM14-12-000

Item Nos. E-10, E-11

FERC Approves NERC's Risk-Based Approach to Electric Reliability Compliance

The Federal Energy Regulatory Commission (FERC) today approved the North American Electric Reliability Corporation's (NERC) risk-based approach to monitoring and enforcing compliance with mandatory electric reliability standards. According to NERC, the Reliability Assurance Initiative approach to compliance focuses resources on higher-risk issues that matter more to reliability, while still identifying, correcting and tracking lesser-risk issues.

Today's action approves implementation and continued development of the Reliability Assurance Initiative proposed by NERC, subject to conditions and an annual reporting requirement. The Reliability Assurance Initiative builds on NERC's Find, Fix, Track and Report program that is used to resolve noncompliance issues posing only minimal or moderate risks to the bulk power system. According to NERC, the Reliability Assurance Initiative will provide a reasonable assurance of reliability through compliance monitoring and appropriate deterrence through enforcement for minimal risk issues.

In addition to the conditions required by the order, NERC is directed to submit a compliance filing, due within 90 days, to revise NERC's rules of procedures to include the Reliability Assurance Initiative concepts and programs in its Compliance Monitoring and Enforcement Program. This will ensure meaningful Commission oversight and transparency, the order said.

In a separate order issued today, the Commission approved a new reliability standard (MOD-031-1, Demand and Energy Data) that allows electric power system planners and operators to collect demand, energy and related data to support reliability studies and assessments. The standard will promote consistent documentation, information sharing and efficient planning practices across the industry as well as help identify needed system reinforcements.

R-15-24

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