

FERC Reactive Power Conference
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Talking Points
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Introduction

- Thanks to the Commission for setting up the conference and the invitation to participate.
- Reactive power supports the electromagnetic fields that make the ac power system work.
- Reactive power is used by electromagnetic loads – motors, fluorescent lights, and power supplies.
- Commission's report was well-written.

Three points

1. Local nature of reactive power

- Reactive power does not travel far.
- Many electrical and physical requirements determine where the reactive resources need to be placed and how they are used.

2. Static and dynamic reactive power sources

- Have different characteristics.
- Are not substitutes for each other.
- Both play important roles.

3. Market rules

- Whatever market rules the Commission may consider must:
 - Help ensure that sufficient reactive reserves are developed in the right places
 - Allow the system operators to deploy those reserves in real time to maintain system reliability

Final Remarks

- NERC Planning Committee and Operating Committee are working on the questions in the Commission's report
- NERC expects to file comments