

134 FERC ¶ 61,104
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Inquiry into Recent Outages in Texas
and the Southwest

Docket No. AD11-9-000

ORDER INITIATING INQUIRY

(Issued February 14, 2011)

1. In this order, the Commission directs staff to initiate an inquiry into recent outages and disruptions of service experienced in Texas and the Southwest, as discussed below.

I. Background

2. During the first week of February, unusually cold weather spread across much of the United States. The bulk power system in Texas and Arizona experienced a significant number of outages of generating facilities during a period of high demand for electricity from customers. Also, deliveries of natural gas were disrupted in Texas, New Mexico and elsewhere in the Southwest. These outages and disruptions of service affected many customers throughout the region.

II. Discussion

3. The Commission is initiating an inquiry into these matters. The inquiry has two objectives. First, we seek to identify the causes of the disruptions. Second, we seek to identify any appropriate actions for preventing a recurrence of these disruptions. We are not at this time initiating an investigation into whether violations of applicable regulations, requirements or standards under the Commission's jurisdiction may have occurred. Our priority at the moment is to gather the relevant facts, identify the problems and fix them, to the extent possible. While staff will have subpoena power and authority to compel the production of documents and records in order to bring the inquiry to a resolution as promptly as possible, this will not be an enforcement investigation. Any decisions on whether to initiate enforcement investigations will be made later.

4. We understand that the North American Electric Reliability Corporation (NERC) has initiated an analysis of the problems on the bulk power system relating to these events. Our jurisdiction includes oversight of NERC in its role as the Electric Reliability Organization, but is also broader than NERC's role in these circumstances. Specifically, we have responsibilities and authorities under the Natural Gas Act and the Natural Gas Policy Act that apply here beyond and apart from any effects on the bulk power system. While NERC's efforts are important here, we have a wider perspective and find it appropriate to lead a broader inquiry, coordinating with NERC's efforts with respect to the reliability of the bulk power system, as well as ascertaining how disruptions or reductions in service by natural gas pipelines under our jurisdiction occurred.

5. Similarly, we understand that the affected States have initiated or may initiate their own inquiries. We will seek to coordinate efforts with them and their regulatory authorities, and exchange relevant information, so that we are mutually able to determine quickly what went wrong and how to prevent a recurrence.

6. In view of the wide-ranging circumstances of the disruptions to the bulk power system and to the provision of natural gas described above, and the staff resources that will be necessary to conduct a thorough inquiry into these matters, we will designate a staff task force to conduct this inquiry.

The Commission orders:

Staff is directed to institute an inquiry, as described above, into the outages and disruptions of service described in this order and report its findings and recommendations to the Commission as soon as practicable.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.