FERC Reaffirms NERC’s Performance as the Nation’s Electric Reliability Organization

The Federal Energy Regulatory Commission (FERC) today accepted the Performance Assessment of the North American Electric Reliability Corporation (NERC) finding that NERC continues to fulfill its statutory and regulatory responsibilities as the nation’s Electric Reliability Organization to develop and enforce Reliability Standards.

NERC’s performance assessment “represents a significant milestone in NERC’s efforts to protect the reliability of the nation’s bulk power system,” FERC said, outlining NERC’s successes and opportunities for improvement in development of reliability standards, enforcement, critical infrastructure protection, compliance registry, situational awareness and business planning and budgeting, accounting and financial reporting and assessment processes.

The Commission also highlighted the success of the July 6 technical conference on development and enforcement of reliability standards for bulk power systems. The Commission supports NERC’s suggestion to convene periodic technical conferences on an array of topics. The Commission will work with NERC and international regulators to develop appropriate topics for discussion and will schedule conferences in the near future.

The Commission certified NERC as the ERO on July 20, 2006, and NERC filed its performance assessment on the three-year anniversary of that certification.

In a separate order issued today, FERC denied requests for rehearing regarding the Commission’s March 18 order directing NERC to modify the procedures it uses to develop mandatory bulk electric system reliability standards. If unchanged, FERC said the procedures can be used to avoid complying with Commission directives and thwart Congress’ goal of instituting mandatory standards to protect reliability of the bulk power system.

In this order, FERC also denied NERC’s request for a stay, noting that the Commission already has granted a 180-day extension of time for NERC to comply with the March 18 Order, extending the deadline for NERC to propose revisions to its reliability standards development procedures to Dec. 13, 2010.