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## FERC Accepts New Enforcement Mechanism for Reliability Standards

The Federal Energy Regulatory Commission (FERC) today conditionally accepted a North American Electric Reliability Corp. (NERC) proposal to use informational filings to report possible violations of Reliability Standards that pose a lesser risk to the bulk-power system.

According to NERC's September 30, 2011, petition, the "Find, Fix, Track and Report" (FFT) initiative promotes reliability by allowing NERC and the industry to report minor possible violations that have been remediated in a streamlined manner and thereby free up resources and attention to address more serious risks to reliability.

Today's order finds that, while the proposal will reduce the time and resources needed to resolve minor possible violations, limited additional conditions are appropriate to assure that these possible violations are properly addressed. The order sets several conditions related to identifying whether a possible violation qualifies for FFT treatment, documentation, and accountability and deterrence.

FERC said that, going forward, only possible violations that pose a "minimal risk" to reliability are eligible for FFT treatment. In addition, an officer of an entity receiving FFT treatment must certify that its statement of remediation is true and correct, and the monthly FFT informational filings must publicly identify certain entities receiving FFT treatment. FERC also indicated that it will survey a random sample of FFTs each year to allow FERC to gauge how the program is working and whether there may be room for improvements. FERC also said the FFT filings NERC has made to date are closed, but the Commission reserves the right to review future FFT filings in what it expects only will be in limited and rare circumstances.

NERC must make a compliance filing within 60 days of the date of the order, and submit reports on implementation of the new enforcement mechanism. FERC said it will review the report filed 12 months after the date of the order to ascertain whether changes to the program are warranted.

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