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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

Docket Nos. EL05-24 and  
AD05-1

## COMMISSION TO REPORT TO CONGRESS ON TRANSMISSION OPERATOR TRAINING, BEGINS ASSESSMENT OF REACTIVE POWER ISSUE

The Federal Energy Regulatory Commission today directed specified power grid operators and transmission providers to report back to the Commission on training practices. By understanding these practices better, the overall reliability of the grid can be improved, the Commission said.

Today's order is part of the Commission's overall efforts to ensure power grid reliability in the United States in the wake of the August, 14, 2003 blackout that affected some 50 million people in the U.S. Midwest and Northeast and in Ontario, Canada. The U.S.-Canada Power System Outage Task Force final report, issued in April 2004, found that operator performance was among the root causes of the blackout. The binational task force report found that "deficiencies in operator performance that contributed to the blackout included lack of situational awareness, failure of personnel to declare an emergency, and failure to take appropriate action to ensure that the bulk electric system remained in a secure and reliable state," the Commission noted.

Another outage factor identified in the Blackout Report, vegetation management practices, was addressed by the Commission in an order issued in April 2004 requiring entities that own, operate or control designated transmission facilities to report their vegetation management practices to the Commission. At that time, the Commission also set forth a policy statement on power system reliability (PL04-5).

Reports from the specified control area operators and transmission providers are to be submitted to the Commission by January 31, 2005. As with the April vegetation management order, a timely report will be submitted to Congress once the information provided in the survey is analyzed.

In fiscal year 2004 and again in fiscal year 2005, Congress earmarked \$5 million

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in the Commission's budget for grid-reliability matters. As a result, a new Division of Reliability was created in the Commission's Office of Markets, Tariffs and Rates to develop policies, programs and strategies to promote and facilitate the reliable and secure operation of the nation's bulk electric power market.

Also today, as part of the Commission's focus on grid reliability, staff presented a report to the Commission entitled, "Market Design Principles for Reactive Power," which describes the role of reactive power in establishing reliable power systems. Reactive power supports the voltages that must be controlled for system reliability. The report discusses regulatory policy and reactive power pricing and market design, and looks at the physical characteristics and costs of producing reactive power. Finally, it sets forth a number of questions for public consumption and comment, to further the debate on this topic. The Commission will hold a technical conference to address the reactive power issue on March 3, 2005. The report will be available on the Commission's Web site, [www.ferc.gov](http://www.ferc.gov), in January.

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