



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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FERC Clears Reliability Penalty Orders

The Federal Energy Regulatory Commission (FERC) today cleared 564 enforcement cases submitted in an omnibus filing by the North American Electric Reliability Corporation (NERC), the Commission-approved reliability organization.

The 564 violations pertain to 140 entities nationwide, which are registered with NERC to perform certain Bulk-Power System reliability functions. Of the 564 penalties, 541 penalties include no monetary assessment. The Office of the Secretary issued a notice that the Commission will not further review on its own motion all of these zero dollar penalties. The Commission issued an order stating that it would not further review the remaining 23 penalties ranging from \$1,000 to \$15,000, for a total of \$91,000, assessed against eight registered entities.

Violations in NERC's filing did not pose a serious or substantial risk to the Bulk-Power System. In all cases, according to NERC, mitigation plans associated with the violations have been completed, and verified by the relevant Regional Entity as completed.

Facts about the penalties announced today:

- Most of the 564 penalties concern entities registered with Western Electricity Coordinating Council (WECC). The Florida Reliability Coordinating Council submitted 63 penalties; the Midwest Reliability Organization, six; Reliability First Corporation, 23; Southeast Reliability Corporation, three; Southwest Power Pool Regional Entity, 11; and WECC, 458.
- Violations of rules requiring procedures for sabotage reporting accounted for the largest number of penalties.
- Violations of rules requiring certain registered entities to have and implement protection system maintenance and testing programs accounted for the second largest number of penalties.

Other violations that appeared in NERC's filing with relative frequency include violations of the requirements mandating that registered entities develop a facilities rating methodology and apply the methodology to their facilities, and particular rules requiring coordination and communication of certain operating information. A total of 145 penalties were for violations of requirements with a "High" Violation Risk Factor; the remainder reflected those assigned a "Medium" or "Lower" Violation Risk Factor.

Also today, FERC invited NERC to develop streamlined Notices of Penalty for future cases. Development of such simplified filings will help limit future backlogs in compliance matters under NERC's Compliance Monitoring and Enforcement Program, will permit NERC and Regional Entities to provide transparency and predictability more quickly for certain categories of violations, and allow Regional Entities and NERC to concentrate their compliance resources on more significant alleged violations.