



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Commission Increases Funding for Grid Reliability Organizations

The Federal Energy Regulatory Commission today conditionally accepted the 2008 business plan and U.S.-based budget for the North American Electric Reliability Corporation (NERC) and the nation's eight regional reliability entities that perform reliability duties under delegation agreements with NERC.

Today's order approves an \$82.6 million funding requirement for the U.S.-based operations of NERC and the regional entities. Roughly \$22.8 million is for NERC, \$59.4 million is for the regional entities and \$404,035 is for the Western Interconnection Regional Advisory Body (WIRAB).

"Today we act to assure that NERC and regional reliability entities have adequate funding to perform the important task of developing strong reliability standards and helping to enforce reliability standards made mandatory by the Commission," Commission Chairman Joseph T. Kelliher said. "Our common goal is to develop sound reliability standards and assure effective enforcement. Those tasks require additional resources, and we provide those resources."

With this order, NERC is authorized to issue billing invoices to fund its fiscal 2008 operations and those of the eight regional entities and WIRAB. The order also provides NERC with guidance regarding the filing of its 2009 budget and requires compliance filings in which NERC must, among other things:

- Provide a true-up of actual 2007 costs to 2007 budgets; and
- Correct or explain certain items in the budgets and business plans of the regional entities and provide further information.

In a related order today, the Commission remanded to NERC two decisions in which NERC included two Florida entities, Mosaic Fertilizer, LLC (Mosaic) and the city of Tampa on its compliance registry, making them subject to the reliability standards. The Commission found that NERC did not adequately address the Mosaic and Tampa arguments, and ordered NERC to either reverse its decisions or issue registration determinations with further explanation.

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R-07-63

