



FEDERAL ENERGY REGULATORY COMMISSION

July 17, 2008
North American Electric Reliability Corporation
Docket No. RM08-7-000, RC08-5-000

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FERC Strengthens Reliability Standards

The Federal Energy Regulatory Commission (FERC) today acted to make improvements to grid reliability by modifying five Reliability Standards, approved last year, related to interchange scheduling and coordination and approved the North American Electric Reliability Corporation's (NERC) interpretation of five specific requirements of Commission-approved reliability standards. FERC also is asking for explanation on a sixth modified standard related to transmission loading relief (TLR).

Background and Orders

This marks the first time FERC has acted to modify and strengthen the reliability standards first approved in Order No. 693 March 16, 2007 (RM08-7-000). FERC directed NERC to develop modifications to 56 of the 83 standards approved that day.

With regard to the sixth modified standard related to TLR, FERC directs NERC to clarify how the proposed standard is responsive to both the U.S.-Canada System Outage Task Force report's recommendations and the Commission's determination in Order 693 regarding the use of TLR procedures for interconnection reliability operating limit violations.

In a separate order (RC08-5-000), FERC agreed with NERC's decision that ReliabilityFirst Corp. include the Department of Energy's Portsmouth-Paducah Project Office (DOE Portsmouth) on the NERC compliance registry as a transmission owner, transmission operator and distribution provider, but remanded the issue whether DOE Portsmouth is a load-serving entity to NERC for further consideration.

DOE Portsmouth had argued that the two 345 kV substations do not have a material impact on the Bulk Power System and that its responsibility to comply with the Reliability Standards was transferred to a company that leases the premises and operates the facilities. FERC found no evidence of such a transfer to a third party.

