

History of NERC

August 2013

Timeline	
Date	Description
1962–1963	The electricity industry creates an informal, voluntary organization of operating personnel to facilitate coordination of the Bulk-Power System in the United States and Canada. Four interconnected transmission systems are connected to three more systems, forming the largest electricity grid in the world. In January 1963, the North American Power Systems Interconnection Committee (NAPSIC) is formed.
November 9, 1965	The largest blackout to date in history occurs, 30 million lose power in the northeastern United States and southeastern Ontario, Canada. New York City and Toronto are among the affected cities. Some customers are without power for 13 hours.
1967	Legislation (U.S. Electric Power Reliability Act of 1967) proposes the creation of a council on power coordination. Although not enacted, the proposed legislation stimulates the development of an industry electric reliability council.
1967–1968	Federal Power Commission (predecessor of the Federal Energy Regulatory Commission) recommends the formation of a council on power coordination made up of representatives from each of the nation’s regional coordinating organizations, to exchange and disseminate information and to review, discuss and assist in resolving interregional coordination matters.
June 1, 1968	National Electric Reliability Council (NERC) is established by the electricity industry in response to the 1965 blackout and the recommendation of the Federal Power Commission. Nine regional reliability organizations are formalized under NERC. Also formalized are regional planning coordination guides, which NERC maintains. The utilities maintain and practice voluntary NAPSIC operating criteria and guides.
July 13–14, 1977	New York City blackout occurs. This leads to the first limited reliability provision in federal legislation. The legislation enables the federal government to propose voluntary standards, an authority never exercised.
1979	Report to NERC by Joseph Swidler, former chair of the Federal Power Commission, with recommendations with respect to the substantive role of NERC in light of the Public Utility Regulatory Policy Act of 1978 (PURPA).

1980	NAPSIC becomes part of NERC, forming the NERC Operating Committee and bringing the reliability roles of operations and planning together in one organization. NERC adopts NAPSIC operations criteria and guides.
1981	NERC changes its name to the <i>North American</i> Electric Reliability Council in recognition of Canada’s participation and to more accurately reflect the broader scope of NERC’s membership.
1987	NERC forms a committee to address terrorism and sabotage of the electricity supply system at the urging of the National Security Council and Department of Energy.
1992	NERC Board of Trustees states for the first time that conformance to NERC and regional reliability policies, criteria and guides should be mandatory to ensure reliability, in one of six Agreements in Principle adopted by the Board. (At that time, NERC had no authority to enforce compliance with the policies, criteria and guides.)
1993	Building on the Agreements in Principle, NERC publishes “NERC 2000,” a four-part action plan for the future that recommends mandatory compliance with NERC policies, criteria and guides and a process for addressing violations. “NERC 2000” encompasses policies for interconnected systems operation, planning reliable bulk electric systems, membership, and dispute resolution.
1995	Federal Energy Regulatory Commission (FERC) issues Notice of Proposed Rulemaking on Open Access proposing to encourage more fully competitive wholesale electricity markets. NERC files six-point action plan to address the planning and operating reliability aspects of the NOPR.
1996	Two major blackouts in the western United States prompt the Western Systems Coordinating Council (WSCC) to develop the Reliability Management System in which members enter voluntarily into agreements with WSCC to pay fines if they violated certain reliability standards. (WSCC, a regional reliability organization, is now the Western Electricity Coordinating Council.)
1997	Electric System Reliability Task Force established by the Department of Energy and an independent Electric Reliability Panel (“Blue Ribbon” Panel) formed by NERC both determine grid reliability rules must be mandatory and enforceable in an increasingly competitive marketplace. Both groups recommend the creation of an independent, audited self-regulatory electric reliability organization to develop and enforce Reliability Standards throughout North America. Both groups conclude that federal legislation is necessary. NERC begins converting its planning policies, criteria and guides into standards.

<p>1999</p>	<p>Nine independent directors added to the NERC Board, joining the president and 37 industry stakeholder members in anticipation of NERC becoming an audited self-regulatory organization.</p> <p>Broad coalition of industry, state and consumer organizations propose legislation in the United States that would create an electric reliability organization to develop and enforce mandatory reliability rules, with oversight in the United States by FERC.</p>
<p>2000</p>	<p>NERC appointed as the electric utility industry’s primary point of contact with the U.S. government for national security and critical infrastructure protection issues. NERC establishes the Electricity Sector Information Sharing and Analysis Center.</p> <p>Proposed reliability legislation first introduced in U.S. Congress by Senator Slade Gorton of Washington.</p>
<p>2001</p>	<p>NERC governance changed. Board replaced with a 10-member independent board. Stakeholders Committee created. (The Stakeholders Committee name was later changed to the Member Representative Committee.)</p>
<p>May 1, 2002</p>	<p>NERC operating policies and planning standards become mandatory and enforceable in Ontario.</p>
<p>August 14, 2003</p>	<p>North America experiences its worst blackout to date, as 50 million people lose power in the northeastern and midwestern United States and Ontario, Canada. U.S. – Canada Power System Outage Task Force formed to investigate the causes of the blackout and to make recommendations to prevent future blackouts.</p>
<p>February 2004</p>	<p>NERC Board approves making the Critical Infrastructure Protection Advisory Committee a permanent standing committee of the Board.</p>
<p>April 5, 2004</p>	<p>Final report of the U.S. – Canada Power System Outage Task Force on the 2003 blackout concludes the single-most important recommendation for preventing future blackouts, and reducing the scope of those that occur, is for the U.S. government to make Reliability Standards mandatory and enforceable.</p>
<p>Summer 2004</p>	<p>Bilateral Electric Reliability Oversight Group (BEROG) established as a forum for identifying and resolving reliability issues in an international, government-to-government context. BEROG grew out of the U.S. – Canada Power System Outage Task Force.</p>

November 12, 2004	NERC translates its operating policies, planning standards and compliance requirements into an integrated and comprehensive set of 90 measurable standards called “Version 0 Reliability Standards.”
February 2005	NERC Board approves dissolution of the NERC Market Committee and endorses continued cooperation and coordination with North American Energy Standards Board (NAESB).
April 1, 2005	Version 0 Reliability Standards become effective. Voluntary compliance expected as a matter of good utility practice.
May 2005	NERC Board approves scope of the Compliance and Certification Committee to provide stakeholder oversight to the Compliance and Certification Programs.
August 8, 2005	Energy Policy Act of 2005 authorizes the creation of an audited self-regulatory “electric reliability organization” that would span North America, with FERC oversight in the United States. The legislation states that compliance with Reliability Standards would be mandatory and enforceable.
April 4, 2006	<p>NERC files an application with FERC to become the electric reliability organization in the United States.</p> <p>NERC files 102 Reliability Standards with FERC—the 90 Version 0 standards plus 12 additional standards developed in the interim.</p> <p>NERC files the same information with the Canadian provincial authorities in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan, and with the National Energy Board of Canada, for recognition as the electric reliability organization in Canada.</p>
July 20, 2006	FERC certifies NERC as the electric reliability organization for the United States.
November 2006	NERC Board approves the charter of the Transmission Owners and Operators Forum.
September–December 2006	NERC signs memorandums of understanding with Ontario, Quebec, Nova Scotia and the National Energy Board of Canada.
January 1, 2007	The North American Electric Reliability Council becomes the North American Electric Reliability <i>Corporation</i> . The new entity has a large membership base representing a cross-section of the industry.

March 15, 2007	FERC approves 83 NERC Reliability Standards, the first set of legally enforceable standards for the U.S. Bulk-Power System, effective June 2007. FERC stated that voluntary compliance with NERC’s additional standards should continue as good utility practice.
April 19, 2007	FERC approves agreements by which NERC delegates its authority to monitor and enforce compliance with NERC Reliability Standards in the United States to eight Regional Entities, with NERC continuing in an oversight role.
June 18, 2007	Compliance with approved NERC Reliability Standards becomes mandatory and enforceable in the United States.
August 2007	NERC Board endorses the DOE Energy Sector Specific Plan and agrees to undertake the activities as called upon in support of the Plan.
October 2007	NERC Board approves Transmission Availability Data System data collection.
July 2009	NERC files Three-Year ERO Performance Assessment with FERC.
November 2009	NERC approves resolution terminating the formal relationship with the North American Transmission Forum (formerly the Transmission Owners and Operators Forum).