



November 18, 2010

News Media Contact

Celeste M. Miller | 202-502-8680

Docket Nos. RM09-18-000, RM10-15-000 and  
RM09-25-000

## FERC Directs NERC to Revise Definition of Bulk Electric System

The Federal Energy Regulatory Commission (FERC) today finalized a decision to protect the reliability of the nation's bulk power system by modifying the definition of transmission facilities subject to mandatory reliability standards.

Today's final rule directs the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization, to revise its definition of the term "bulk electric system" to ensure that the definition encompasses all facilities necessary for operating an interconnected electric transmission network. FERC issued a Notice of Proposed Rulemaking (NOPR) on this matter March 18.

In today's ruling, FERC said the ultimate goal of the final rule is to eliminate inconsistencies across regions, eliminate the ambiguity created by the current characterization of the 100 kilovolt (kV) threshold as a general guideline, provide a backstop review to ensure that any variations do not compromise reliability, and ensure that facilities that could significantly affect reliability are subject to mandatory rules.

The best way to accomplish these goals is to eliminate the regional discretion in the current definition, FERC said, and maintain the bright line threshold that includes all facilities operated at or above 100 kV and establish an exception process and criteria for excluding facilities that are not necessary for operating the interconnected transmission network.

Alternatively, FERC will allow the ERO to develop its own proposal to address the Commission's concerns. Any alternative proposal must be as effective as or more effective than the Commission's approach and may not result in a reduction in reliability. The ERO should file a revised bulk electric system definition within one year of the effective date of this order.

Today's final rule is effective 60 days from publication in the *Federal Register*.

In other reliability-related action today, FERC:

- Issued a proposed rulemaking (RM10-15-000) on three new Interconnection Reliability Operations and Coordination (IRO) Reliability Standards proposed by NERC and seven modified Reliability Standards. The proposed Reliability Standards were designed to prevent instability, uncontrolled separation or cascading outages that harm the reliability of the system; and
- Issued a final rule (RM09-25-000) approving two proposed Personnel Performance, Training and Qualifications (PER) Reliability Standards requiring reliability coordinators, balancing authorities and transmission operators to establish training programs for their system operators. The rule directs NERC to take action with respect to operator training but does not require NERC to modify the two standards.

R-11-09

(30)