

## Press Release

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**CONTACT:** [Kimberly Mielcarek](mailto:Kimberly.Mielcarek@nerc.com)

202-383-2622

### Adequate Generating Capacity Available to Meet Summer Demand

WASHINGTON, DC – North America will have sufficient generating capacity to meet anticipated electricity demand this summer, according to the North American Electric Reliability Corporation (NERC) *2011 Summer Reliability Assessment* released today.

“We expect the bulk power system will be able to meet the electricity demands this summer, though we are closely monitoring the effects of storms in the Midwest and Southeast, as well as potential drought conditions,” said Gerry Cauley, president and chief executive officer of NERC. “It is encouraging to note that several reliability issues highlighted in previous assessments have been addressed. However, an unprecedented change in the resource mix and high-impact, low-frequency events are still very much a concern.”

Overall, the assessment shows that load in North America will rise by less than 1 percent over last year, while on-peak capacity is projected to rise by 3 percent. Key assessment highlights include:

- **Demand increases, reserve margins sufficient.** Generating and transmitting resources are forecast to be adequate to meet project demand for the summer. Demand is expected to increase by approximately 10,000 MW to more than 851,000 MW in August, but reserve margins remain sufficient in both the United States and Canada.
- **Drought conditions remain in portions of North America.** The 2011 National Oceanic and Atmospheric Administration Drought Forecast shows large sections of the southwestern United States experiencing drought conditions through August. While drought conditions do not have a direct correlation to reliability of the bulk power system, extreme weather conditions can stress the system during peaking periods.
- **Incremental growth of demand response.** Several NERC Regions project increases in demand response activities. The PJM Interconnection has 2,419 MW of additional demand response activities, compared with 2010. The Electric Reliability Council of Texas (ERCOT), which had no contractually interruptible demand response in 2010, projects a total of 370 MW in 2011.
- **Operational flexibility required for unforeseen events.** Overall operating conditions, including variable resources, appear adequate to address forecast conditions this summer. All areas have operational strategies and procedures in place to mitigate potential reliability impacts.

“All areas are projected to have sufficient reserve margins, ensuring reliability throughout the 2011 summer months,” said John Moura, manager of Reliability Assessments for NERC. “Adequate reserve margins are essential for maintaining bulk power system reliability by providing system operators with the flexibility needed to withstand unexpected generation or transmission outages and deviations from the demand forecast.”

The report also addresses recent extreme weather conditions and finds that, while there was much local damage, there is no indication of prolonged generation or transmission issues impacting the reliability of the bulk power system during this summer. Real-time actions taken by system operators prevented widespread bulk power system issues, keeping the bulk power system intact, preliminary reports found. Aggressive restoration efforts are being undertaken to prepare affected areas to meet summer electricity demands.

The primary objective of NERC’s summer assessment is to identify areas of concern regarding the reliability of the North American bulk power system and to make recommendations for actions as needed.

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*The North American Electric Reliability Corporation’s mission is to ensure the reliability of the North American bulk power system. NERC is the electric reliability organization (ERO) certified by the Federal Energy Regulatory Commission to establish and enforce reliability standards for the bulk-power system. NERC develops and enforces reliability standards; assesses adequacy annually via a 10-year forecast, and summer and winter forecasts; monitors the bulk power system; and educates, trains and certifies industry personnel. Learn more at [www.nerc.com](http://www.nerc.com).*