

News Release

FOR IMMEDIATE RELEASE

March 5, 2010

MEDIA CONTACT

Carl Dombek
202-383-2622
Carl.Dombek@nerc.net

NERC, FERC, FRCC reach agreement regarding 2008 Florida outage

PRINCETON, N.J — The North American Electric Reliability Corporation (NERC), the Federal Energy Regulatory Commission (FERC), and the Florida Reliability Coordinating Council (FRCC) have reached an agreement regarding the role of the FRCC Reliability Coordinator in the February 26, 2008 power outage that left nearly one million homes and businesses in the state without electricity. The FRCC Reliability Coordinator function is operated through the member services division of the FRCC.

“Our priority is to learn from this event and reduce the risks of future outages by encouraging compliance excellence and reliability improvements,” said Gerry Cauley, president and CEO of NERC. “We believe this agreement gives transparency to several shortcomings associated with this outage and lays out the necessary steps to minimize the risk of future occurrences.”

Under the agreement, FRCC will pay a \$350,000 civil penalty, to be split equally between the United States Treasury and NERC. As the designated Electric Reliability Organization under Section 215 of the Federal Power Act, NERC is charged with developing and enforcing reliability standards for the interconnected bulk power system.

In the agreement, FRCC neither admits nor denies that its actions constitute any violations of NERC Reliability Standards or that it committed any violations of the Reliability Standards.

Following the 2008 event, the FRCC member services division increased its staffing of the Reliability Coordinator function at the Florida Power & Light control center, and created a new manager position to independently oversee the Reliability Coordinator. In addition, FRCC will make a number of reliability enhancements under the terms of the agreement.

The agreement closes a joint NERC-FERC investigation into FRCC’s part in the event. Funds received by NERC will be used to offset its operating expenses, which are otherwise collected through allocations to load-serving entities in the U.S. and Canada.

The agreement is available at: http://www.nerc.com/files/Order_FRCC_Settlement_03052010.pdf

About NERC

The North American Electric Reliability Corporation (NERC) is an international regulatory authority for the reliability of the bulk power system in North America. NERC develops and enforces reliability standards; assesses adequacy annually via a 10-year forecast and winter and summer forecasts; monitors the bulk power system; and educates, trains, and certifies industry personnel. NERC is a self-regulatory organization, subject to oversight by the U.S. Federal Energy Regulatory Commission and governmental authorities in Canada. Learn more at www.nerc.com.

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