

Announcement

Summer Full of Historic Anniversaries for Electric Industry; Board Approves Resolutions on ES-ISAC Strategic Review

August 13, 2015

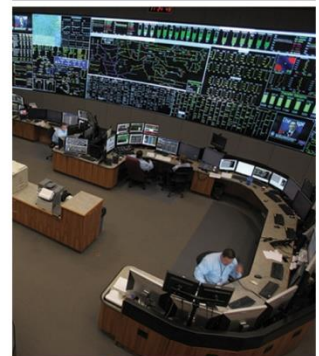
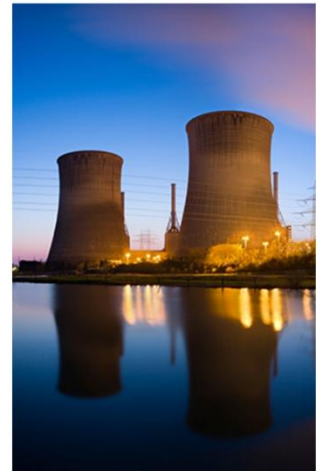
TORONTO – Highlighting the international nature of the electric reliability organization at its summer meeting in Toronto, the North American Electric Reliability Corporation noted several important anniversaries in the organization’s history. NERC’s President and Chief Executive Officer Gerry Cauley highlighted key dates: the 10th anniversary of the Energy Policy Act and the United States/Canadian Bilateral Principles, the 12th anniversary of the 2003 North American blackout and the 95th anniversary of the Federal Power Act.

“A lot has been accomplished in the ten years since the Energy Policy Act became law. We have made improvements to situational awareness, vegetation management and technical relay issues,” Cauley said. “Much progress has been made on traditional reliability issues with NERC Reliability Standards, among many other efforts. While we continue to improve reliability in the traditional areas, we see a significant shift underway toward emerging issues – such as cyber and physical security, and the changing resource mix.”

Going forward, Cauley said we must recognize the changing threat environment and work to ensure our strategic plans address these changes.

“Partnerships will continue to be important in addressing these challenges going forward. NERC’s primary duty is to identify issues and do independent, technically sound assessments for industry to map their way ahead,” Cauley said. “The Electricity Sector Information Sharing and Analysis Center also is a key asset during this changing environment to analyze and share information with industry emerging physical and cyber issues.”

The Board passed two resolutions concerning the ES-ISAC Strategic Review done by the Electricity Sub-sector Coordinating Council. The resolutions accept the Strategic Review and direct staff to support the ESCC Executive Committee and ask for an



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amendment to the Executive Committee's charter to formally recognize the legal and fiduciary duties of the NERC Board of Trustees for the ES-ISAC.

Board Chair Fred Gorbet announced his plans to step down as chair in February 2017, but plans to remain on the Board. The Board designated Roy Thilly to be the next Board of Trustees chair following the end of Gorbet's term. In other Board changes, Bob Clarke was elected to serve as vice chair, effective August 15, replacing Doug Jaeger, who resigned due to his appointment as president and chief executive officer of Ulteig, an engineering, surveying and consulting firm.

In other action, the Board approved the 2016 ERO Business Plan and Budget, as well as the 2016 business plans and budgets for the Regional Entities and the Western Interconnection Regional Advisory Body. The Board also adopted two standards and an errata:

- **Interconnection Reliability Operations and Coordination – IRO-006-East-2 and IRO-009-2.** These changes remove administration requirements and improve consistency between standards.
- **PRC-004 Implementation Plan Errata Correction.** The implementation plan for PRC-004-4 contained an inadvertent error that failed to retire a prior version of PRC-004. The errata corrects this error and directs the modification to be filed with applicable authorities.

The meeting opened with remarks by Ken Quesnelle, chair of Canadian Association of Members of Public Utility Tribunals (CAMPUT); the Honorable Sergio Marchi, president and chief executive officer of Canadian Electricity Association; and Paul Murphy of Advanced Energy Centre.

Board presentations may be found by clicking [here](#). The next NERC Board of Trustees meeting is November 5 in Atlanta.

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The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to ensure the reliability of the bulk power system in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the bulk power system through system awareness; and educates, trains, and certifies industry personnel. NERC's area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the electric reliability organization for North America, subject to oversight by the Federal Energy Regulatory Commission and governmental authorities in Canada. NERC's jurisdiction includes users, owners, and operators of the bulk power system, which serves more than 334 million people.

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Background

In June 1920, the Federal Water Power Act was enacted (renamed the Federal Power Act in 1935). The act was developed to more effectively coordinate the development of hydroelectric projects in the United States and created the organization that became the Federal Energy Regulatory Commission.

Ten years ago, the Energy Policy Act was enacted in response to the 2003 North American blackout. This law changed federal energy policy by establishing an electric reliability organization to develop and enforce mandatory reliability standards for the North American bulk power system. The United States and Canadian government representatives agreed to a set of principles to guide implementation of an international electric reliability organization. These principles have been the touchstone for what has been accomplished in building an international ERO with mandatory standards across North America. These principles continue to guide efforts going forward.

The August 2003 blackout left 50 million customers in eight Northeastern states and the province of Ontario without power. The 2003 event was a turning point that led to mandatory and enforceable standards for the bulk power system, the creation of an international electric reliability organization and renewed industry focus on reliability. The 2003 Blackout report can be found [here](#).