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FEDERAL ENERGY REGULATORY COMMISSION NEWS

FERC Approves NERC Risk-Based Registry Initiative

The Federal Energy Regulatory Commission (FERC) moved to improve reliability of the Bulk Electric System today by approving the North American Electric Reliability Corporation's (NERC) plans to implement a new risk-based assessment and registration initiative.

NERC's Compliance Registry is the starting point for monitoring and enforcing compliance with FERC-approved Reliability Standards. The registry consists of owners, operators and users of the Bulk Electric System categorized by the reliability functions each performs. The new Risk-Based Registration initiative is intended to ensure that the entities are subject to the correct sets of applicable Reliability Standards by using a consistent approach to risk assessment and registration. The initiative also is aligned with the 2012 revisions to the definition of the Bulk Electric System.

According to NERC, the effect of the initiative will be to reduce the regulatory burden on 700 of the 1,603 NERC-registered organizations, and allow them to focus more closely on issues with a greater potential to impact reliability. The initiative would effectively remove about 200 entities from the Compliance Registry.

Under the Risk-Based Registration initiative, NERC will modify the Compliance Registry criteria by removing purchasing-selling entities and interchange authorities as functional registration categories, raising the threshold for registering entities as distribution providers, and aligning five functional registration categories to the definition of Bulk Electric System.

The Commission found reasonable NERC's overall goal; however, it gave NERC 60 days to provide more information on the proposal to remove load-serving entities from the registry criteria to ensure that there are no reliability gaps. The Commission also directed NERC to include Reliability Standard PRC-005, Transmission and Generation Protection System Maintenance and Testing, as applicable to underfrequency load shedding-only distribution providers.

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