

Announcement

NERC Board Approves 2014 Budget, ESCC Charter and Adopts 3 Reliability Standards

August 16, 2013

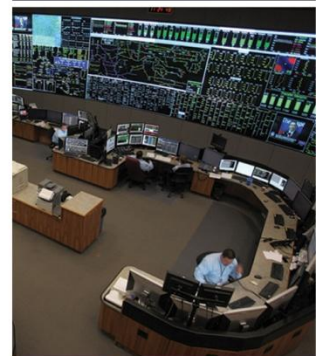
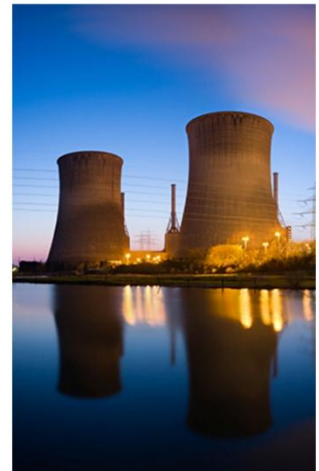
MONTREAL – The North American Electric Reliability Corporation (NERC) held its quarterly Board of Trustees meeting on August 15 in Montreal. Introductory remarks were made by Andre' Boulanger, president of Hydro-Quebec TransEnergie; while Ray Gorman, chair of the Canadian Association of Members of Public Utility Tribunals (CAMPUT), provided a Canadian regulatory update; and Jim Burpee, chief executive officer of Canadian Electricity Association, discussed the Canadian reliability-related initiatives.

NERC's President and Chief Executive Officer Gerry Cauley welcomed participants to Canada by recognizing NERC's ongoing initiatives to advance relationships with its Canadian partners, which include outreach and coordination with Canadian entities and regulators. NERC's elevated engagement with Canada demonstrates a more responsive electric reliability organization (ERO), he said.

At the Member Representatives Committee meeting earlier, Cauley commented on the 10th anniversary of the August 14, 2003, blackout. "The 2003 event was a turning point for industry that led to mandatory and enforceable standards for the bulk-power system, the creation of an international ERO and improved situational awareness," he said. Industry has made significant improvements toward achieving a better state of reliability, Cauley added.

The Board approved the 2014 Business Plan and Budget for the ERO, which includes NERC and the eight Regional Entities reporting to it. In addition, the Board endorsed the new Electricity Sub-Sector Coordinating Council charter. The ESCC will continue collaboration between industry leaders, stakeholders and federal government agencies to provide policy input and promote better public-private coordination on physical and cyber issues that may threaten the bulk-power system.

The Board passed a resolution regarding communications protocols, in particular



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COM-003-1, which directed the Reliability Issues Steering Committee, an Independent Expert Review Panel and NERC management to respond to five questions related to the development of communications standards for both emergency and non-emergency situations. Responses must be submitted no later than September 6 in order to share with the standards drafting team, post for industry comment and receive feedback from the Operating Committee. The Board will consider these responses and how best to act at the November Board meeting.

NERC also presented an independent expert assessment that analyzed current NERC Reliability Standards and identified possible reliability gaps and requirement retirements. The assessment will be used in the development of the 2014-2016 Reliability Standard Development Plan and as guidance for standard drafting teams. NERC will provide updates to the Board on progress in addressing the priorities and retirements identified in the assessment.

Also approved was the Western Electricity Coordinating Council's bylaw amendments and Regional Delegation Agreement, which facilitates the bifurcation of WECC into two functional areas, a Reliability Coordinator and a Regional Entity.

The Board also adopted three standards:

- **Phase 2 Relay Loadability: Generation – PRC-025-1**, which sets load responsive protective relays during transient time periods.
- **Phase 1 Balancing Authority Reliability-Based Controls – BAL-001-2**, which maintains interconnection steady state frequency within the defined limits by balancing real power demand and supply in real time.
- **Primary Frequency Response in ERCOT – BAL-001-TRE-1**, which maintains ERCOT's interconnection steady state within defined limits by balancing real power demand and supply in real time.

The next Board of Trustees meeting is scheduled for November 7 in Atlanta.

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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 in the United States to establish and enforce reliability standards for the bulk power system. NERC has equivalent relationships with provincial and federal authorities in Canada. 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.