

Western staff plays key roles in North American Electric Reliability Council

On Nov. 9, 1965, much of the Northeast found itself in darkness. In the aftermath of this massive blackout, electric utilities across the United States, Canada and parts of Mexico formed the North American Electric Reliability Council to prevent recurrences.

NERC is a voluntary, not-for-profit company that promotes the reliability of bulk electric systems serving North America. Under NERC auspices, all segments of the electric utility industry work together to develop, and encourage compliance with, the rules for reliably operating the interconnected grid.

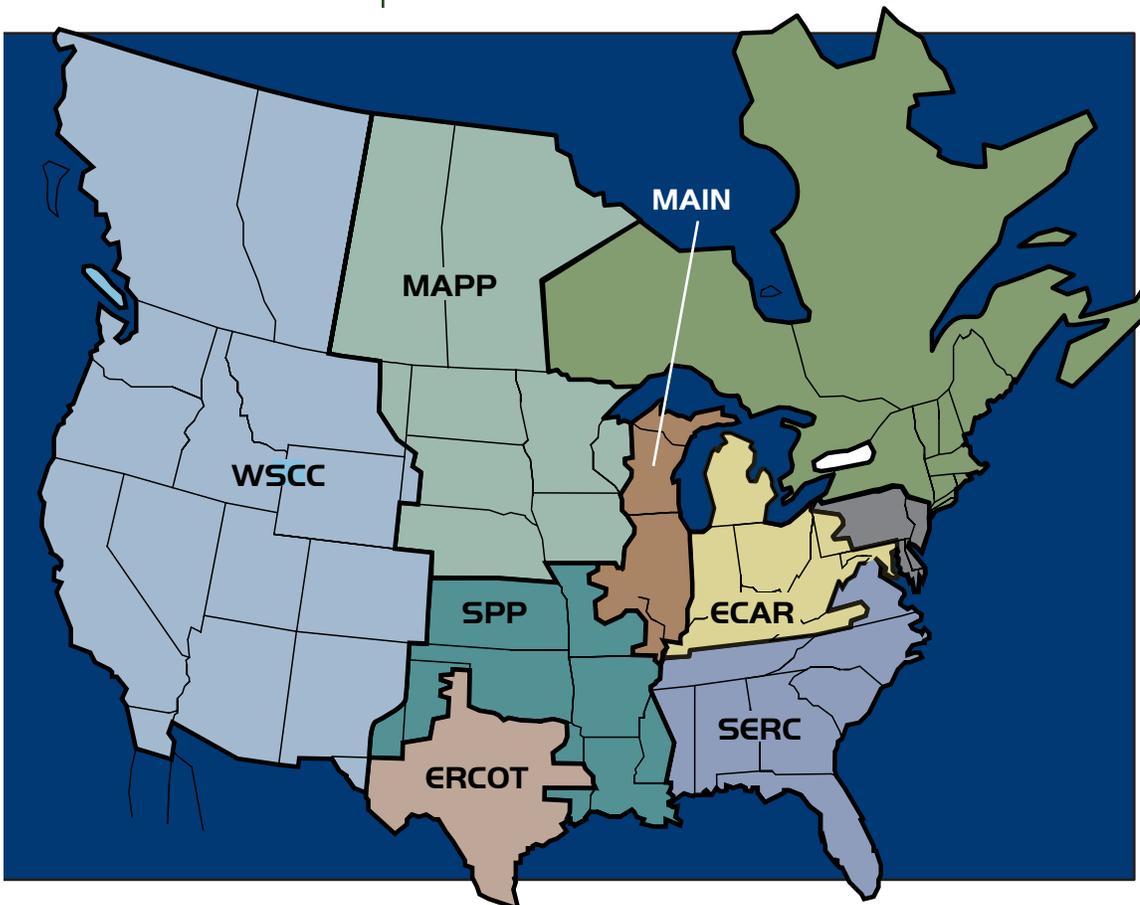
Western has played an active role in NERC, and that trend continues. At the recent annual NERC meeting in Montreal, Administrator **Mike Hacskaylo** was elected to a second, two-year term on the NERC Board of Trustees. "There are 47 members on the Board of Trustees, representing all sectors of the electric utility

industry in the United States, Canada and Mexico. Bonneville Administrator Judy Johansen and I are the two representatives of the Federal sector," explained Hacskaylo. "The board works through its committees, which provide the technical advice on issues affecting the industry today. The board establishes policy by voting on initiatives presented by the NERC committees," he continued.

Two other Western employees were elected to two NERC standing committees. **Dale Strege**, UGP energy management and marketing manager, now serves on the Market Interface Committee. Recognizing that marketing and reliability are quickly intertwining, the MIC will tackle issues such as congestion management, next-hour markets, security coordinator criteria and tagging from a marketing perspective. In addition, it will assess the impacts of NERC reliability standards, practices and tools on the commercial electricity market.

"NERC is trying to establish marketplace rules that will encourage unimpeded, seamless energy transactions between all participants," Strege said. But he noted that it's an uphill battle: "A combination of the competitive marketplace, load growth and uncertainty on returns on new transmission and powerplant construction has limited capital improvements, which has stressed our existing transmission system to the limit in parts of most reliability regions."

CSO Power Operation Specialist **Mark Meyer** was elected to the influential



(See next page)

Operating Committee. Its primary function is to develop the rules of the road for bulk power transmission. "Currently, there is a lot of tension between the marketing and reliability sides of the industry," Meyer commented. "With the advent of FERC Order No. 889, there has been decreased coordination between transmission and generation operators. At the same time, new power marketers are adding to the competition for a limited amount of capacity. Sometimes this leads to overloads that can only be resolved through curtailment. Then nobody's happy," he commented. "Reliability people want to facilitate marketing, but we can't jeopardize reliability just to make money."

Building on experience gained as a NERC representative for the Rocky Mountain Power Pool (2 years) and as a Federal representative to NERC (2 years), Meyer will also serve on two key subcommittees. The first is the Compliance Subcommittee, which is responsible for developing procedures to implement mandatory requirements following the transition to North American Electric Reliability Organization (see side bar). The second is the Operating Executive Committee, which consists of the OC chairman and vice chairman plus three additional representatives. This group handles urgent business occurring between established meetings, in addition to preparing meeting agendas and other administrative tasks.

Three UGP employees also serve NERC in various capacities. UGP Power Marketing Manager **Bob Harris** serves on the Board of Trustees as one of two representatives from the Mid-Continent Area Power Pool. Electrical Engineer **Ed Weber** is vice chairman of the Reliability Assessment Subcommittee, where he helps prepare seasonal and 10-year assessments of the interconnected grid's status and stability. Watertown Electronic Engineer **Mike McElhany** is part of the Electronic Scheduling Task Force, which is developing procedures for integrating NERC-required e-tagging with scheduling procedures.

As the third largest owner of high-voltage transmission lines in the country, Western is a key player in maintaining the reliability and stability of the nation's electrical transmission system. Holding key positions in NERC ensures that we have active roles in decision-making processes affecting hydropower generation and transmission as the electric industry continues to evolve through restructuring. 

The changing winds at NERC

As the electric industry restructures itself, many see a growing need for NERC to change as well. "With the continued growth of competition and the structural changes taking place in the industry, incentives and responsibilities are changing making it necessary for NERC to transform from a voluntary system of reliability management to one that is mandatory....," states the organization's web page.

The transformed NERC would become the North American Electric Reliability Organization—NAERO. But the change would require new legislation. A big step was made toward realizing this change when the Senate passed the Electric Reliability Act 2000 on June 30. The bill, S. 2071, authorizes the creation of an industry self-regulatory organization that has the ability to make and enforce mandatory reliability standards. In the United States, the Federal Energy Regulatory Commission would oversee this new entity to ensure that NAERO and its reliability councils operate efficiently and fairly.

The next hurdle in the transition

from the voluntary NERC to the mandate-wielding NAERO is legislation. "The passage of S. 2071 moves us a giant step closer to enactment of the legislation needed for NERC to form a self-regulatory reliability organization," explained Michel Gent, NERC president.

But nothing is guaranteed. According to Administrator **Mike Hacskeylo**, there is strong opposition to the Senate bill and a lack of consensus within the industry: "When all sectors are polled, we see increasingly divergent views. Representatives of power marketers are usually at odds with representatives of industrial users who are at odds with traditional utility representatives. The big question is cost: Who will pay for reliability?"

Nonetheless, Western's administrator believes NERC will become the "umbrella" reliability organization with enforcement authority. He also believes the Mid-Continent Area Power Pool and the Western Systems Coordinating Council will play significant roles in reliability planning and enforcement. Whatever the outcome, Western will be an active participant.