

Reliability Rules: Theory and Practice With a Look to the Future

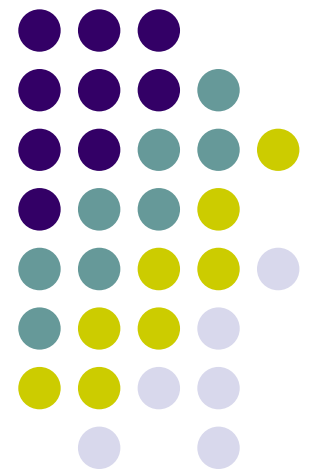
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Harvard Electricity Policy Group

Fifty-fourth Plenary Session

The Lodge at Torrey Pines, La Jolla, CA

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Always had rules so what is different now?



Publicity

Sanctions

Independent review



Publicity -

Blackouts were obvious. Now the public hears about near misses and warning signs (and about preventative measures like tree trimming!)

Sanctions –



The cost of penalties is now weighed against the benefits of violations



Independent review –

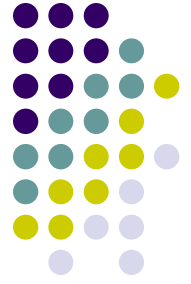
Less chance for the “old boys network” to work its magic. Audit teams are taken seriously.

Enforcement will always need more resources

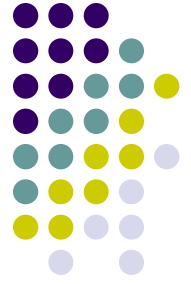


There will always be delays and backlogs in adjudication. But, information is more important than ever –

Is NERC getting the right information? Is FERC? Is TOOF a help or a vestige?



Why is credible and effective reliability
regulation important?



Unprecedented growth in transmission which will go beyond traditional boundaries.

SCE

AEP

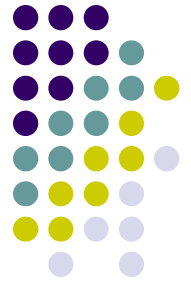
ITC



Reliability record is a key measure for
regulatory approval



What are the next steps?



NERC/FERC process going well.

Vegetation management issue was an interesting kink. Ultimately successful but necessitated a different communications approach and even changed some corporate strategies. Should serve the industry well for the future - self-policing is growing in effectiveness



NERC mission expansion is a good thing.

End thought – Should planning be done at
NERC?