



# **Reliability: What is the Appropriate Role for Regional Entities and State Commissions?**

**NARUC Electricity Committee  
San Francisco, California**

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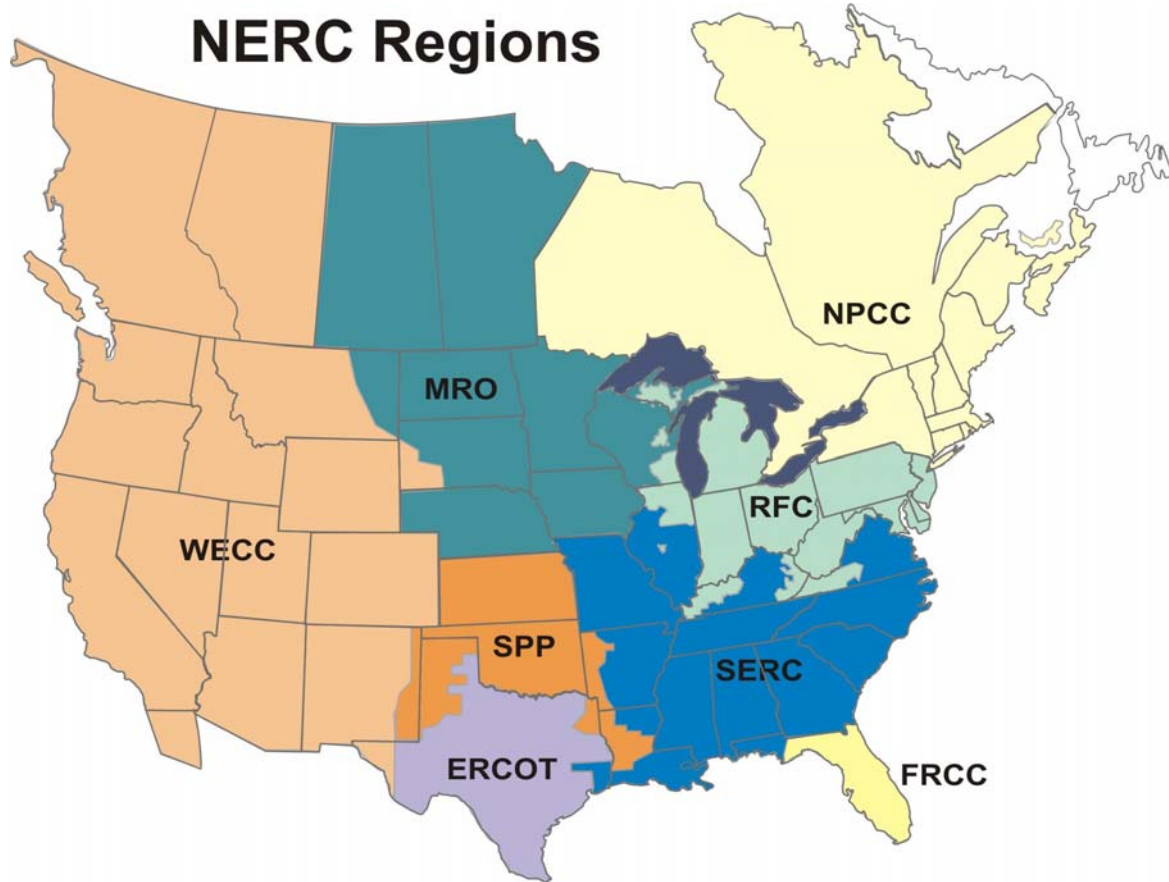


# **NPCC Restructuring: An Organizational Update**

- **Background**
- **Actions To Date**
- **Current Efforts**
- **Next Steps**



# Northeast Power Coordinating Council



## NPCC

- One million square miles
- 56 million people
- 45% US  
55% Canadian
- Represents 70% of Canadian Load

<http://www.npcc.org/>

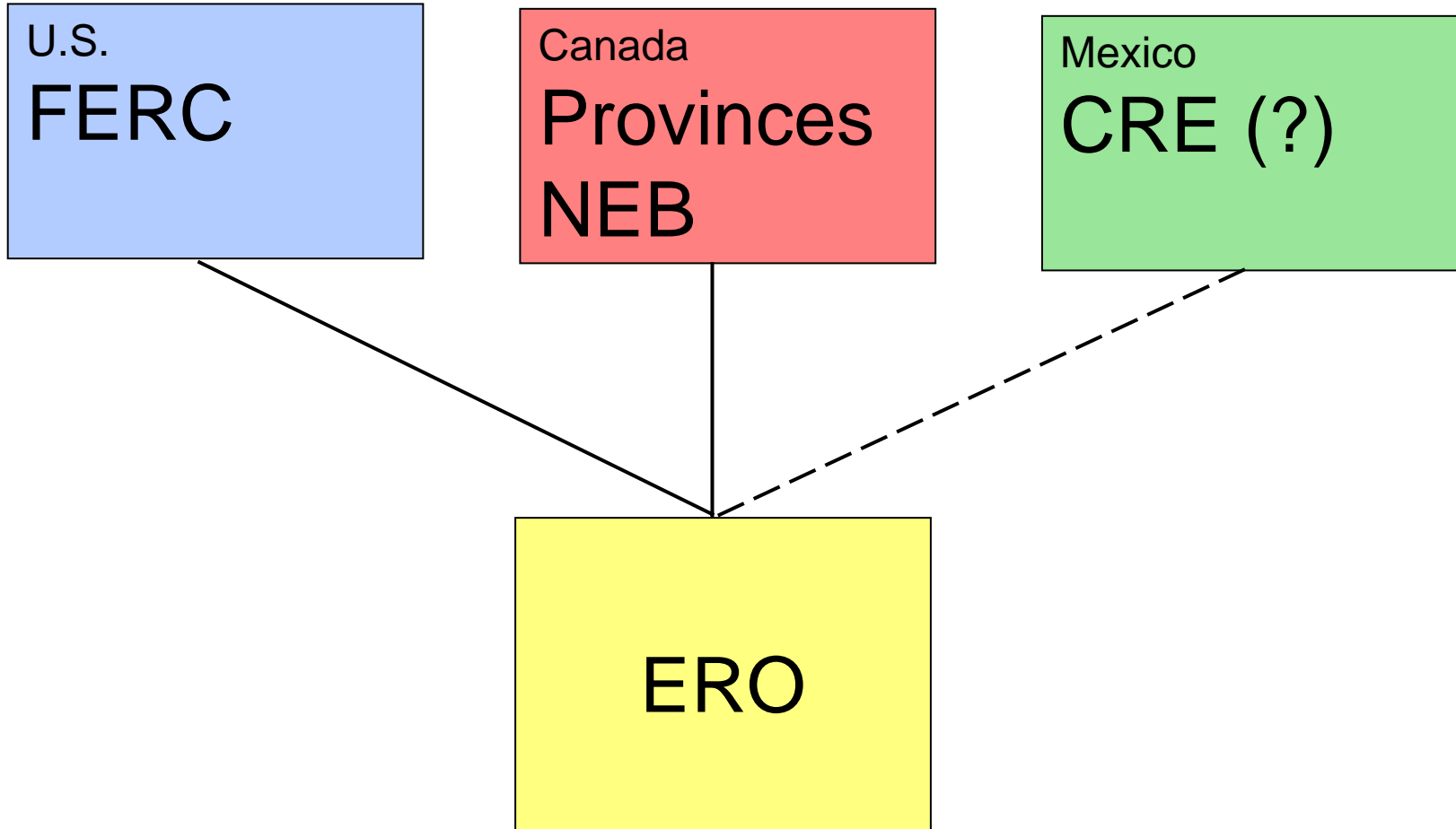


# Background

- **US EPA Act 2005**
- **FERC NOPR**
- **NERC–ERO Application**
- **US – Canadian Bilateral Commission**
- **FERC Rule Issued**
- **ERO Application & Standards Submitted to Canadian Provincial Authorities and FERC**
- **FERC ERO Order Issued**



# Government Oversight of the ERO



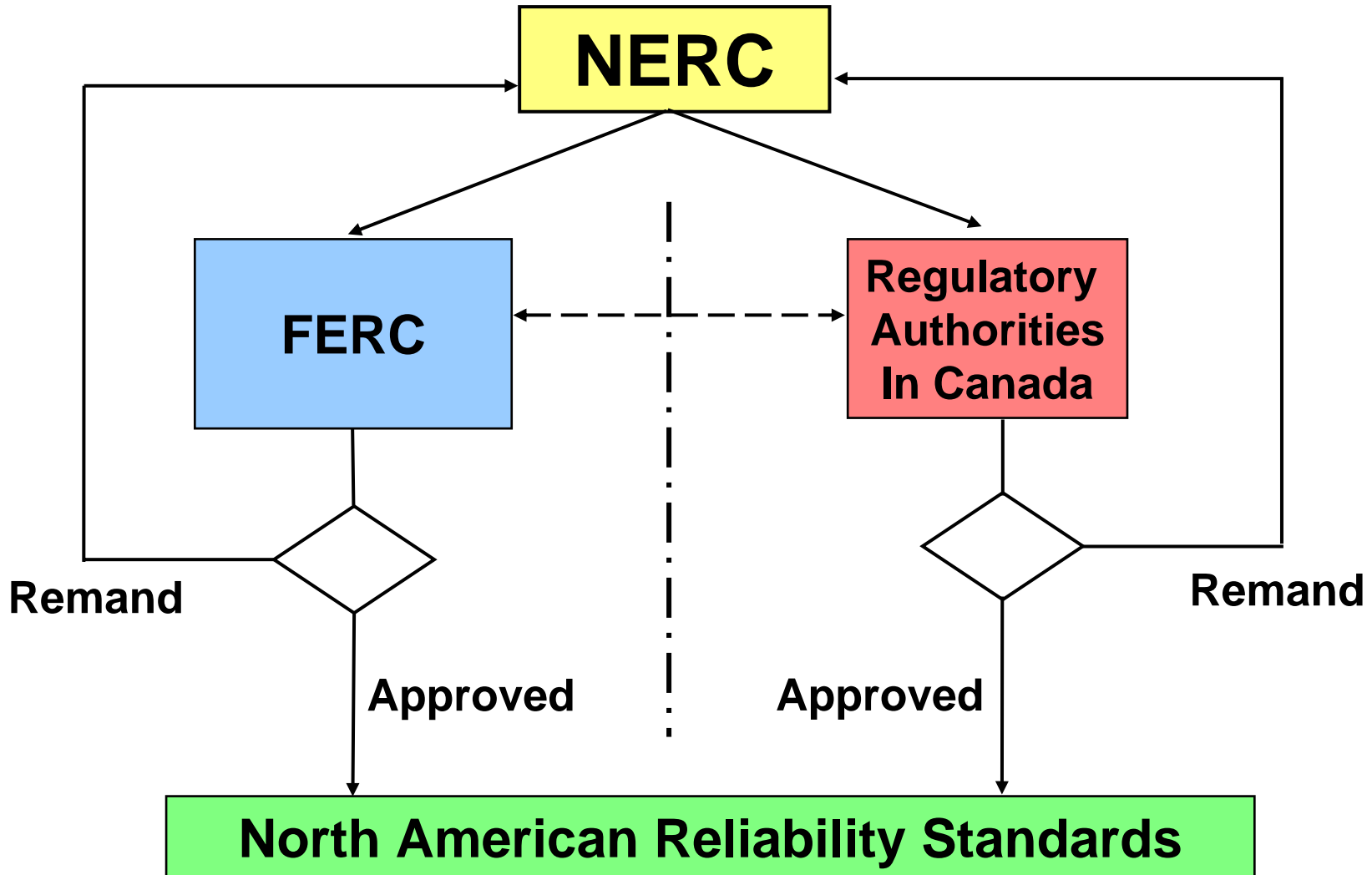


# ERO Recognition in Canada

- **Discussions with Canadian authorities**
- **NERC filed for recognition by:**
  - **Alberta, Nova Scotia, Ontario, British Columbia, Manitoba, New Brunswick, Québec, Saskatchewan, and National Energy Board**
- **Seeking recognition through MOUs:**
  - ✓ **Make standards mandatory and enforceable**
  - ✓ **Backstop NERC compliance enforcement actions**
  - ✓ **Ensure proportionate funding in Canada**
  - ✓ **Coordinate regulatory actions between U.S. and Canada**

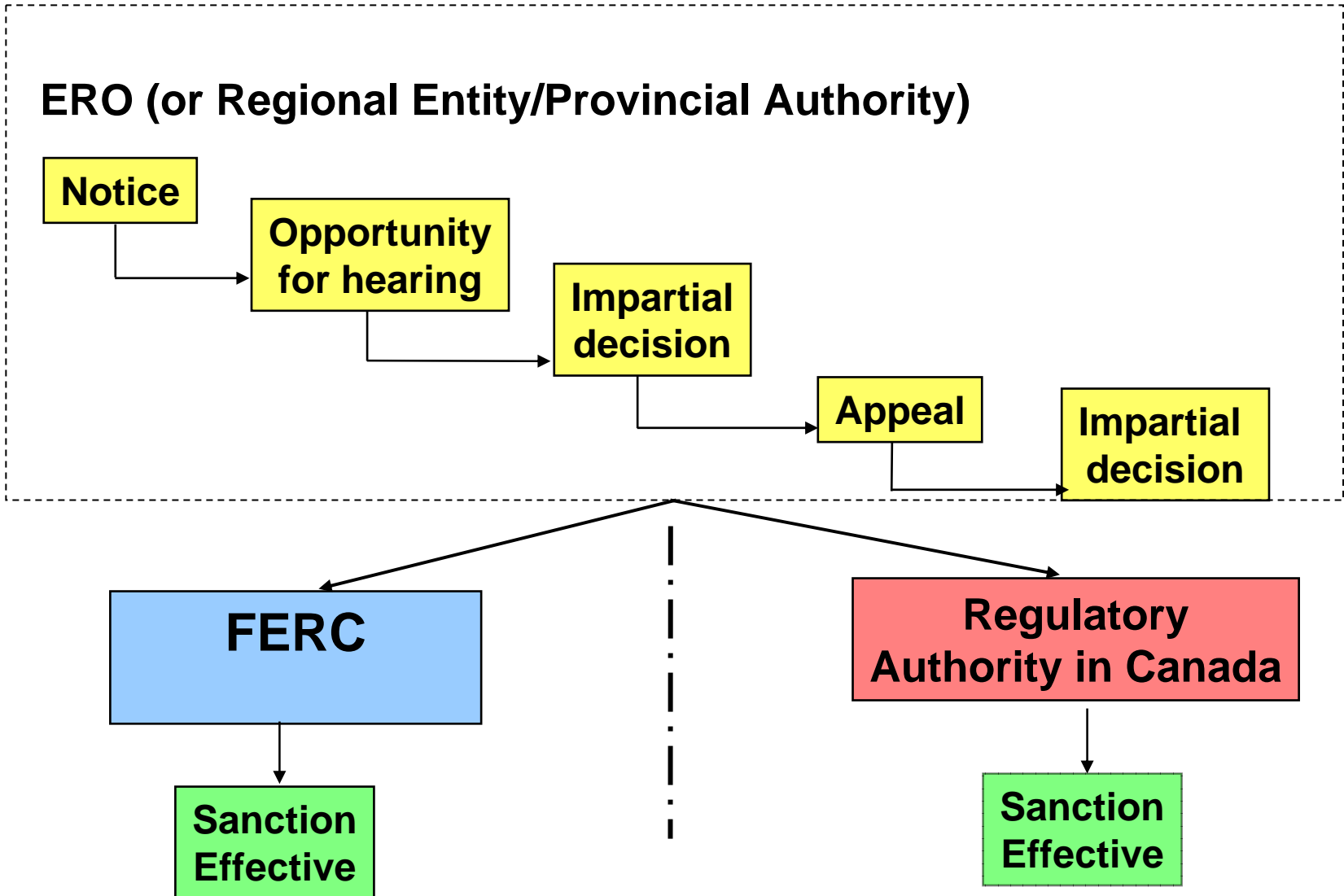


# ERO Standards Approval





# Enforcement



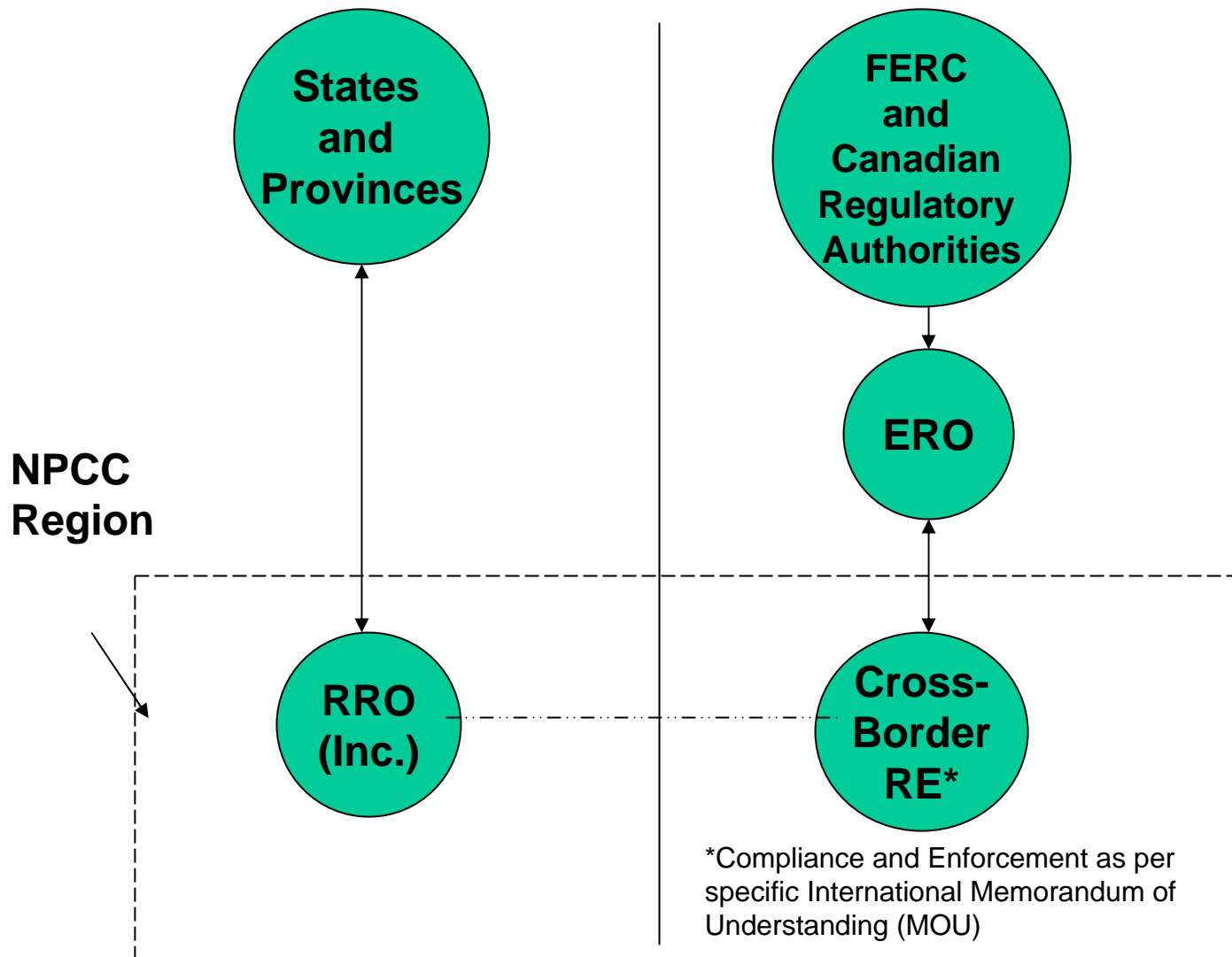


# **NPCC Actions**

- *Role of Regions Study*
- **Regional Member Services, Standards Development & Compliance Functions Identified**
- **Modified Organizational Structure**
  - **NPCC, Inc.**
  - **NPCC CBRE: Cross-Border Regional Entity, Inc.**



# Modified International Regional Structure





# International Regional Structure

- **Regional Reliability Organization (RRO)**
  - ✓ **Develop Regionally-specific Criteria**
  - ✓ **Assess and Enforce Regional Criteria**
  - ✓ **Coordinate Planning and Operations**
  - ✓ **Reliability Assessment**
  - ✓ **Other Member Services**
  
- **Cross-Border Regional Entity (CBRE)**
  - ✓ **Develop Regional Standards**
  - ✓ **Assess and Enforce Compliance with Standards**
  - ✓ **Register Functional Model Entities**



# **NPCC Current Efforts**

- **Regional Reliability Organization (RRO)**
  - ✓ **Transfer NPCC Membership to NPCC Inc.**
- **Cross-Border Regional Entity (CBRE)**
  - ✓ **NPCC CBRE Bylaws**
  - ✓ **Regional Reliability Standards Development Process**
  - ✓ **Reliability Standards Compliance & Enforcement Program**



# **ERO activity for 2006**

- **FERC certification**
- **Recognition in Canada**
- **Approval of reliability standards**
- **Budget for 2007**
- **Regional delegation agreements**
- **Building membership**



# **NPCC Next Steps**

- **NPCC CBRE Application Filed**
- **ERO & NPCC CBRE Approval**
- **ERO Funding (including NPCC CBRE) Approval**
- **Canadian Provincial Authorities Adopt ERO & Regional Reliability Standards**



# Northeast Power Coordinating Council

**?? QUESTIONS ??**

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