



FEDERAL ENERGY REGULATORY COMMISSION

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NEWS MEDIA CONTACT

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FERC Approves Settlement on FRCC's Role in Florida Blackout

The Federal Energy Regulatory Commission (FERC) today approved a settlement under which the Florida Reliability Coordinating Council (FRCC) will pay a \$350,000 civil penalty and undertake specific reliability improvements stemming from the Feb. 26, 2008, blackout that lost power for millions of Florida consumers.

Today's order is the second settlement from the Florida blackout; the Commission in October 2009 approved a settlement under which Florida Power and Light Company (FPL) would pay a \$25 million civil penalty. As with that settlement, today's order reflects joint enforcement effort with the North American Electric Reliability Corporation (NERC), the FERC-designated Electric Reliability Organization that oversees daily enforcement of the reliability standards.

FRCC is the regional entity responsible for enforcing wholesale transmission grid reliability standards in most of Florida and is also the reliability coordinator and planning authority for the registered entities in its region. On Feb. 26, 2008, consumers in portions of the lower two-thirds of Florida experienced a blackout caused by a fault at a substation on the FPL system in west Miami that rapidly cascaded through the system. It disabled 22 transmission lines, resulting in the loss of 4,300 megawatts of generation and 3,650 megawatts of customer service.

The joint FERC/NERC investigation resulted in allegations that FRCC violated nine reliability standards established under the Energy Policy Act of 2005. Among them: the communications standards that require adequate telecommunications facilities be staffed and available to address real-time emergencies; several interconnection reliability operations and coordination standards that detail the responsibilities and authorities of a reliability coordinator; personnel performance standards intended to ensure that personnel are suitably trained and qualified; and transmission operations standards that ensure the system is working within operating limits.

FRCC neither admits nor denies its actions violated the reliability standards, but will pay the \$350,000 civil penalty, with payments distributed equally between the U.S. Treasury and NERC. Since the event, FRCC has taken several steps to improve reliability, including increasing reliability coordinator staffing and improving communications protocols. FRCC also has agreed to undertake reliability improvements to its planning assessment process including the use of dynamic load modeling for system stability analysis across Florida. For one year, FRCC also will make semi-annual reports to FERC and NERC on its compliance with the agreement.

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