

ELCON *PRESS RELEASE*

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FERC DESERVES PRAISE FOR REVERSING NERC ON REGISTRATION ISSUE

“FERC got it exactly right,” said John Anderson, president of the Electricity Consumers Resource Council (ELCON). Anderson was responding to a recent Commission ruling (Dockets RC07-1-000 and RC07-2-000) that remanded a decision by the North American Electric Reliability Corporation (NERC) to place several small cogeneration facilities on its Compliance Registry and therefore make the generators subject to NERC reliability standards.

The Florida Reliability Coordinating Council (FRCC) had originally designated several facilities owned or operated by Mosaic Fertilizer that have minimal cogeneration capacity on-site, as well as a waste-to-energy facility owned by the City of Tampa, for inclusion on its Compliance Registry. Mosaic and Tampa both appealed the decision to NERC and that appeal was rejected. A further appeal to FERC resulted in yesterday’s decision directing NERC to either reconsider and provide further explanation for its decision denying Mosaic and Tampa’s appeal or to reverse its determination.

“These are very small generators,” noted Anderson. “In fact, two of the facilities operated by Mosaic Fertilizer are inoperable at present. How NERC can decide that they should be subject to reliability standards when they aren’t even generating power is beyond me. In addition, these generators are not directly connected to the bulk-electric system and therefore cannot have a ‘material impact’ on bulk-electric system reliability.”

Anderson charged that “NERC and FRCC clearly overstepped their own criteria. They tried to argue that these small generators must be considered in the aggregate when determining their potential impact on the electricity grid in Florida. That is not the way NERC wrote the rules. If you carry NERC and FRCC’s argument a step further, almost every small generator, even those selling only 1 MW, would have to be included, because ‘in the aggregate’ they might be able to impact the grid.”

Anderson observed that “Large industrial users want and need a reliable grid in order to manufacture our products. The criteria in place should guarantee that reliability. If not, let’s revisit the registration criteria. But we believe the criteria, as written, are pretty good and do not unduly burden loads that choose to cogenerate their own power needs. FERC clearly understands that. I hope that NERC and FRCC do as well.”

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON’s website, www.elcon.org.