

ELCON PRESS RELEASE

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ELCON CALLS FOR STRONG “TOP-DOWN” RELIABILITY ORGANIZATION

In a letter to Rick Sergel, President and CEO of the North American Electric Reliability Council (NERC), ELCON President John Anderson urged NERC to create a “top-down organization that will develop and enforce strong and consistent North American reliability standards.”

Anderson’s letter accompanied comments ELCON submitted to NERC in response to NERC circulating its Application Filing to be certified as the electric reliability organization (ERO) by FERC as called for in the Energy Policy Act enacted last year. NERC asked stakeholders for their views on the Filing.

ELCON’s letter emphasized that industrial end users favor a change from the status quo. As Anderson wrote, the process now underway “will determine whether the new ERO – presumably NERC – will basically continue the structures and procedures utilized in the past or, instead, create new processes and a new structure that will make the ERO a truly great North American reliability organization.” The letter went on to say the structure used by NERC in the past placed “far too much reliance on the regional reliability councils” and “hindered the development of strong and consistent North American reliability standards.”

Anderson emphasized the importance of the Application Form process, stating that “how the issue of grid reliability is decided in the near future will have a significant impact for years to come.”

ELCON has long supported the establishment of a statutorily sanctioned national electricity reliability organization. Anderson explained that “many observers believe that manufacturers are interested only in securing the lowest priced power. That is untrue. The prime objective of every industrial user is reliability. The 2003 Blackout in the Midwest and Northeast caused billions of dollars of losses for manufacturers in the affected regions. Some facilities closed for the Blackout and have never reopened. Reliability is essential. ELCON has participated in NERC ever since its proceedings were opened to consumers, and we look forward to participating actively in the new ERO 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 and copies of the letter and ELCON’s comments to NERC are available at ELCON’s website, www.elcon.org.