

ELCON *PRESS* RELEASE

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ELCON EXPRESSES CONCERN OVER IMPACT OF CHANGES IN DEFINITION OF BULK ELECTRIC SYSTEM ON MANUFACTURING FACILITIES

ELCON President John Anderson has written FERC Commissioner Cheryl LaFleur expressing the concern of industrial energy users over potential changes in the definition of the Bulk Electric System (BES) which may unintentionally make “numerous manufacturing entities” subject to Reliability Standards developed by the North American Electric Reliability Corporation (NERC). Approval of the new definition, which was first developed by a NERC drafting team, was reaffirmed by FERC in an Order dated April 18, 2013.

Anderson’s letter, which followed a meeting between the Commissioner and ELCON’s membership, described her as the “Commissioner who has focused on the reliability of the electricity grid.” It noted that the definitional change is “of paramount concern to industrial electricity users” because it could make any industrial facility with assets that receive s power at greater than 100 kV subject to NERC standards. Anderson observed that almost all major industrial sites have substations that meet that threshold, but there is no “one-size-fits-all” pattern for their operations or their ownership. Anderson asserted that these substations “cannot affect grid reliability”, yet their owners will have to either expend significant resources to meet reliability standards that serve no purpose or seek an exception from FERC.

Anderson said that ELCON is pursuing several options as to how FERC might address this issue. He added that he hoped to meet with Commissioner LaFleur and other FERC Commissioners to explain how the consequences of the new definition would have a significant and harmful impact on industrial facilities even though FERC “did not intend that the re-write of the BES would result in substantially more facilities being subject to NERC Reliability Standards.”

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. Many members have on-site generation, generally combined heat and power. 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.