

## Selected Developments at FERC Since April

- On October 28, FERC issued a discussion draft of Possible Elements of a [National Action Plan on Demand Response](#) and notice of a November 19-20, technical conference for stakeholders to discuss the draft, [Notice of Technical Conference](#)
- On October 28, Nine Federal Agencies enter into a Memorandum of Understanding regarding Transmission Siting on Federal Lands [News Release](#) | [MOU](#)
- On October 15, FERC released the agency's [strategic plan](#). In releasing the plan, Chairman Wellinghoff said: "While the goals are familiar, the context in which we pursue them is changing with our Nation's energy challenges. For example, creating market opportunities that will help to unlock the still largely untapped potential of renewable energy resources and demand resources must be part of our strategy to move toward energy independence and to confront climate change. "The Strategic Plan also reflects our continued commitment to developing needed energy infrastructure; overseeing reliability standards; and effectively enforcing both market and reliability rules.

"Thus the Commission's new Strategic Plan reinforces our commitment to our core goals while encouraging the development of a wide range of tools that will help to achieve them. Thus, among other performance goals, the Commission will build on our efforts to: identify and eliminate barriers to participation by demand resources in organized wholesale electric markets; ensure that all resources capable of providing ancillary services have that opportunity; explore market reforms that will allow renewable resources to compete fairly; support open and transparent transmission planning processes; promote the use of cost-effective advanced technologies such as smart grid advancements; and promote efficient design and operation of natural gas facilities." [Staff Presentation](#)

- On October 15, FERC affirmed that [federal agencies are subject to penalties](#) for violating reliability standards in the same way as all other users, owners and operators of the bulk power system. FERC also approved the 2010 budgets of NERC, regional reliability entities such as WECC, and WIRAB.
- On October 9, FERC followed-up the conferences with [requests for comments](#) on questions related to transmission planning and cost allocation. The request for comments follows technical conferences FERC held in September on the implementation of the

transmission planning provisions in Order 890, the Commission's latest order related to open transmission access.

- On October 8, FERC announced a \$25 million [settlement agreement](#) with Florida Power and Light for a major power outage. This is the first civil penalty levied for violation of reliability standards. The brief settlement agreement provides few details on reliability standards violated and how FERC will be assessing penalties for violation of reliability standards. Thus, the settlement provides little guidance to those required to comply with reliability standards. \$10 million of the settlement goes to NERC and is used to reduce assessments used to finance NERC and Regional Entities such as WECC. \$10 million goes to the U.S. Treasury. The remaining \$5 million FPL will spend on reliability improvements.
- On September 17, FERC proposed to adopt [business practices related to demand response](#).
- On September 2, FERC issued its [State of the Markets Report](#).
- On July 16, FERC adopted a policy statement on [smart grid standards](#).
- On July 15, FERC reaffirmed the [need for demand response](#) in organized competitive markets.
- On June 18, FERC released a new study assessing [state-by-state potential for demand response](#) .
- On May 21 FERC announced plans to [convene regional conferences](#) to determine whether transmission providers' planning efforts can meet the challenges posed by wider integration of regional energy resources into the nation's power grid for the benefit of consumers.
- On April 9, Secretary Salazar, FERC Chairman Wellinghoff sign agreement to spur renewable energy on the U.S. Outer Continental Shelf [News Release](#).