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## **NERC Projects Reliable Electricity This Summer, Barring Extreme Weather**

### **Southern California, Greater Connecticut, and British Columbia Areas of Concern; Conditions Improved in the Southeast, Texas, Southwestern Connecticut, and Boston**

PRINCETON, N.J., May 17, 2007 – Electricity capacity margins are expected to be adequate to ensure reliable electric service throughout North America this summer, under normal summer weather conditions, according to Rick Sergel, president and CEO of the North American Electric Reliability Corporation (NERC). However, widespread and sustained hot and humid weather could threaten that reliability. NERC will release this and other conclusions in its *2007 Summer Assessment* tomorrow.

“The numbers tell us we will be OK, but the weather has been challenging in recent years. If areas of North America experience extended periods of extreme weather this summer, utilities may need to implement emergency procedures to reduce customer demand,” said Rick Sergel, president and CEO of NERC.

In summer 2006, when extreme weather was experienced across much of North America, some utilities issued emergency alerts and public appeals, implemented voltage reductions, and exercised contracts with customers that allowed them to interrupt electricity supply in return for lower rates. All these actions helped keep supply and demand in balance and maintained the reliability of the bulk power system.

Extreme weather can impact the electricity grid in numerous ways. Higher demand for electricity, mainly from air-conditioning, stresses the electricity supply and delivery system. Generating units cannot be cooled as easily so their output has to be reduced to maintain appropriate operating temperatures. The amount of electricity flowing over transmission lines must be limited during extreme heat to prevent excessive line sagging and damage. Levels in US hydro reservoirs, already lower than normal, could drop even more.

**Concerns** — Areas of the greatest concern, which NERC has put on its Summer Watch List, are:

- Southern California, which relies on significant amounts of imported power, transported across transmission lines that are heavily loaded during normal operation.
- The Greater Connecticut region, which relies heavily on imported power; although the addition of 200 megawatts of demand-reduction measures since last summer will help the situation.

- British Columbia, which faces the risk of severe flooding that could damage transmission equipment or require taking equipment out of service.

**Improvements** — Areas with improved conditions since last summer include:

- The Southeast, where utilities invested more than \$1.21 billion in transmission in 2006.
- Boston, where the ability to import electricity has been boosted by 1,000 megawatts due to two new 345 kV transmission lines running from Stoughton, Mass., into Boston, which became operational in October 2006 and May 2007 respectively.
- Southwestern Connecticut, which can import 230 more megawatts of electricity since a 345 kV transmission line from Bethel to Norwalk was put into service in October 2006.
- Texas, which has reduced its transmission congestion, allowing it to reduce the number of less-efficient generating units that must run in tight reliability situations from seven to one.

Several issues highlighted in NERC's Long-term Reliability Assessment issued in October 2006 are being addressed. The amount of demand represented by customer Interruptible Demand and Direct Control Load Management programs increased since last year by more than 10 percent in Florida, 13 percent in other parts of the southeastern United States, and almost 20 percent in the western United States and Canada. Many regions are studying the interdependence of fuel delivery and reliability, and improving coordination between fuel suppliers and generators.

Also, in Nebraska, all 37 transmission lines damaged in December 2006 ice storms are back in service, six weeks ahead of schedule.

**Background** — The 2007 Summer Assessment represents NERC's independent judgment of the reliability and adequacy of the bulk power system in North America, based on data and information provided by eight regional reliability organizations, and subject to a peer review and analysis by NERC staff. It addresses projections for June through September 2007.

NERC's mission is to improve the reliability and security of the bulk power system in North America. To achieve that, NERC assesses adequacy annually via a 10-year forecast and winter and summer forecasts; develops and enforces reliability standards; monitors the bulk power system; audits owners, operators, and users for preparedness; and educates, trains and certifies industry personnel. NERC is a self-regulatory organization, subject to oversight by the U.S. Federal Energy Regulatory Commission and governmental authorities in Canada.

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