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U.S. - Canada Task Force Presents Final Report on Blackout of August 2003

OTTAWA — August 14, 2003, saw the worst blackout in North American history. Today, Spencer Abraham, U.S. Secretary of Energy, and the Honorable R. John Efford, Minister of Natural Resources Canada, released the Final Report of the U.S. -Canada Power System Outage Task Force.

This report identifies the causes of the power outage and why the outage was not contained. It also presents comprehensive technical and policy recommendations to prevent or minimize the likelihood of future blackouts, and reduce the scope of those that do occur.

“I wish to thank the Task Force, and all those on both sides of the border, who contributed their hard work, skill and dedication,” said Secretary Abraham. “Their recommendations provide a roadmap for solving this critical international challenge.”

“The Final Report is a thorough examination of the electricity system before and during the blackout,” said Minister Efford. “It is very important that these recommendations be implemented. I am looking forward to working with Secretary Abraham, my provincial colleagues and industry in both Canada and the U.S. as we move to implement changes to reinforce the reliability of the North American electricity system.”

Recommendations include the following:

- Implementation of mandatory and enforceable electricity reliability standards in both the United States and Canada, with penalties for noncompliance, backed by appropriate government oversight;
- Strengthening the institutional framework of the North American Electric Reliability Council (NERC) and its initiatives on compliance;
- Developing a funding mechanism approved by regulators for NERC and the regional reliability councils, in order to ensure their independence from the parties they oversee;
- Addressing deficiencies identified in FirstEnergy and some reliability

- organizations in the United States, by June 30, 2004;
- Strengthening the technical recommendations made by NERC on February 10, 2004;
 - Improving near-term and long-term training and certification requirements for operators, reliability coordinators and operator support staff; and
 - Increasing the physical and cyber security of the network.

After the publication of the Interim Report in November 2003, the investigation team probed further into the state of reactive power supplies in northern Ohio prior to August 14, 2003. The team found that the ability to supply reactive power within the area had been inadequate for several years, and that the regional reliability council had not previously identified this vulnerability. As a result, there are now four groups of causes of the blackout:

1. Inadequate system understanding;
2. Inadequate situational awareness;
3. Inadequate tree trimming; and
4. Inadequate reliability coordinator diagnostic support.

The Report also identifies seven violations of the voluntary reliability standards administered by NERC.

The Final Report is comprehensive and covers all work done through the three Working Groups: electric system, security and nuclear. The Working Groups drew substantially on the work of NERC and input from three public forums, two technical workshops and electronic submissions to the U.S. Department of Energy and Natural Resources Canada.

The Task Force reviewed previous major North American power outages and found that the causes of the August 14, 2003, blackout were strikingly similar to those of earlier outages. This finding reinforces the need for effective implementation of the Task Force recommendations. We expect the collaboration between our two countries to continue as we implement the recommendations of this report. As a result, the Task Force mandate has been extended by one year, underscoring the two governments' commitment to ensuring that the recommendations are acted upon. This collaboration will also facilitate the necessary ongoing work by a number of federal, state and provincial government departments and agencies, and industry reliability organizations, as well as the industry itself on both sides of the border.

Canada's Prime Minister and the President of the United States established the Canada-U.S. Power System Outage Task Force on August 15, 2003, to identify the causes of the blackout that affected North America, and to make recommendations toward reducing the likelihood of future outages.

The report is available at <https://reports.energy.gov/> and <http://www.nrcan-ncan.gc.ca/inter/index.html> .

FOR BROADCAST USE:

Today, U.S. Energy Secretary Spencer Abraham and Natural Resources Canada Minister John Efford release the final report on the August 2003 blackout. The report identifies what caused the blackout and why it could not be contained. It also recommends steps to minimize the probability of future blackouts, including setting up mandatory reliability standards for electric utilities in both Canada and the U.S.

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