

August 14, 2003

Lessons Learned

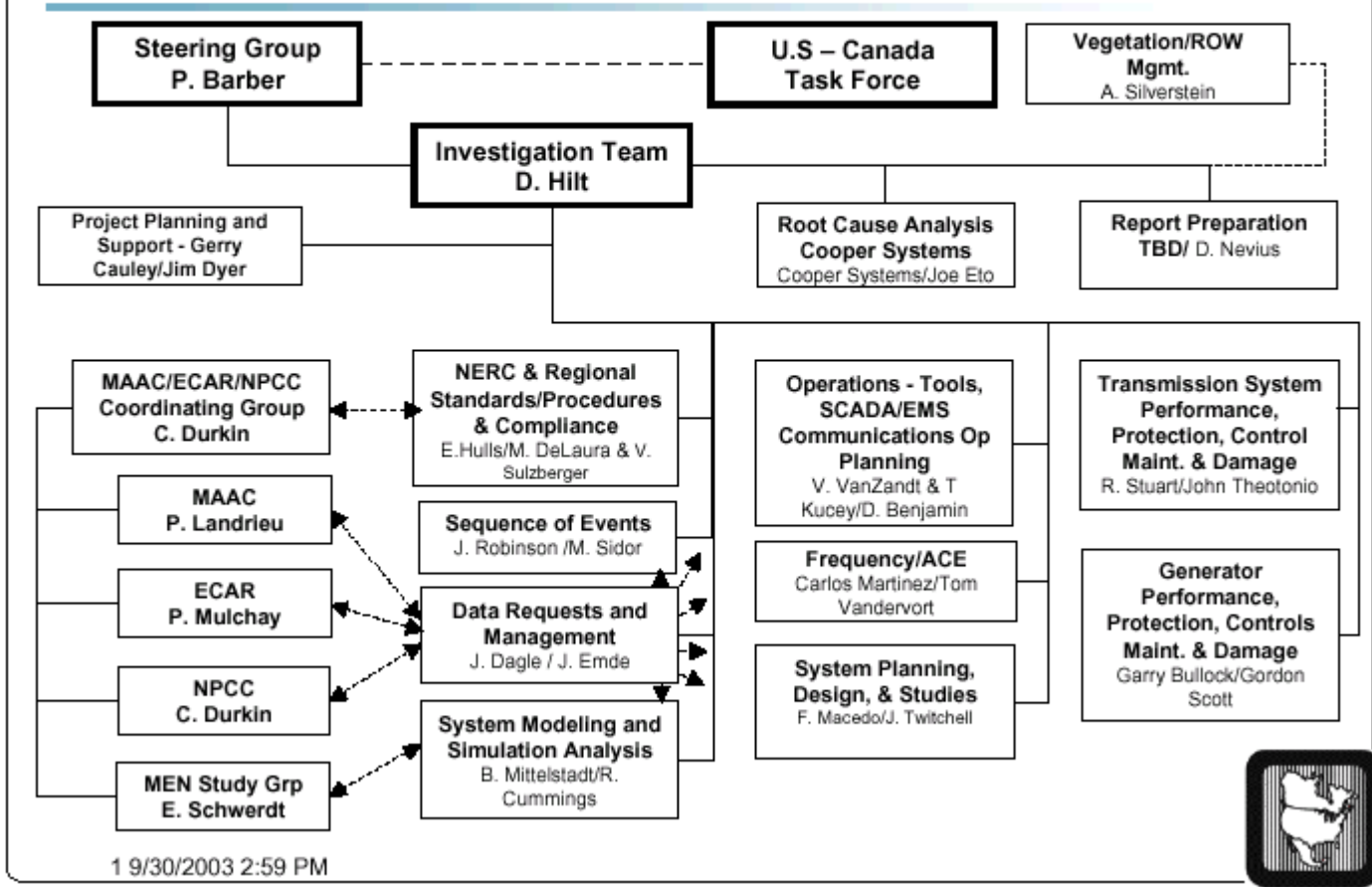
Harvard Electric Policy Group

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Investigation Organization Overview



Positive Outcomes

- NERC/FERC/DOE - a new synergy
- Weakness of past (voluntary) model evident.
- Alternatives to legislation emerge.
- Recognition that industry application of best practices has been inconsistent, time-wise and region-wise.

Myths

and

Truths

- Too little transmission
- Deregulation caused the blackout
- Scope is unimportant
- Independent oversight is unnecessary

- Too few markets
- Poor execution caused the blackout
- Too many too small control areas
- Need for a 2nd set of eyes.

déjà vu
all over again

- Nuclear Industry parallel – INPO

August 14 Implications

- Generation and transmission infrastructure was adequate on August 14.
- O&M execution needs to be addressed.
- Need for large regional grid planning and operation - voltage collapse and dynamic instability occur over large areas.
- Too many, too small control areas.
- Need for an independent 2nd set of eyes.
- Large security constrained dispatches internalize loop flows, automate congestion management and reduce communications challenges.

Q&A and Comments

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