

Abraham Pushes For Comprehensive Energy Bill

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By Rob Wells and Kristen McNamara **DOW JONES NEWSWIRES**

WASHINGTON - (Dow Jones) - U.S. Secretary of Energy Spencer Abraham said Wednesday the investigation he is heading up has yet to draw conclusions about what caused the Aug. 14 blackout or produce a final timeline of the events leading to North America's biggest outage.

At the same time, he urged the Congress to pass comprehensive energy legislation, saying the U.S. faces problems with natural gas, gasoline and other energy sources - in addition to electricity - that would benefit from the broader bill.

His position was at odds with that held by Democrats, led by Rep. John Dingell, D-Mich., who called for stand-alone legislation aimed at improving reliability on the electric transmission grid instead of a broader, more controversial energy bill pending in Congress.

"Let's get an energy bill done quickly," Abraham said in testimony at the House Energy and Commerce Committee, which opened two days of hearings into the blackout. "There are a lot of provisions in the energy bill that enjoy the consensus support that the reliability provisions enjoy."

He said House and Senate negotiators have "plenty of momentum" to finish a bill this year. The Bush administration will provide more detailed recommendations to House and Senate negotiators about the energy bill, probably by next week.

The broader bill includes many of the electric reliability provisions that have gained support following the blackout, but Democrats oppose measures in the House version like a provision to open the Arctic National Wildlife Refuge in Alaska to oil drilling.

"We should immediately pass a noncontroversial bill with reliability provisions," Rep. Bobby Rush, D-Ill., said.

Investigation Has Narrow Scope

Rep. Janice Schakowsky, D-Ill., said provisions in the broader bill such as drilling in Alaska "would do nothing to prevent future blackouts."

In any event, the investigation into the blackout by the U.S.-Canadian task force led on the U.S. side by the Department of Energy probably won't yield broad public policy pronouncements and instead will focus on mechanical failures of the electric grid, Abraham told reporters after his testimony.

"I don't think it's likely that either American officials or Canadian officials are going to be commenting on the public policies - the broad macro public policies - of the other country," Abraham said.

Instead, the task force will recommend standards for operating and maintaining the North American transmission system to correct problems the task force identifies, Abraham said.

The task force is likely to release findings of its investigation in weeks, rather than months, but hasn't set a deadline, said Abraham, who wouldn't speculate on the cause of the Aug. 14 blackout or why it wasn't better contained.

"I think we're making good progress," the secretary said. "We won't draw any conclusions until the facts are in."

The group is collecting data on more about 10,000 individual events that occurred over thousands of miles of transmission lines in about nine seconds, Abraham said.

The process is laborious, because many of the timestamps on data from equipment such as circuit breakers is inaccurate, because computers that recorded the information became backlogged or clocks recording data hadn't been calibrated to the national time standard, said Michehl Gent, chief executive of the North American Electric Reliability Council, an organization created after the blackouts of 1965 to prevent future outages.

Calls For Mandatory Rules

Investigators also want to know communications between system operators broke down and why certain areas were able to isolate the problem and protect themselves from outages.

Officials in hard-hit Michigan and New York complained they had little warning of trouble elsewhere in the grid that links high-voltage transmission lines from the Rockies to the East Coast and from Canada south to Texas.

Pat Wood III, chairman of the Federal Energy Regulatory Commission, urged the committee to approve mandatory reliability rules established and enforced by a group subject to FERC oversight.

"Currently, there is no direct federal authority or responsibility for the reliability of the transmission grid," Wood said in prepared remarks.

Wood also urged repeal of the Public Utility Holding Company Act in order to attract new investment to the transmission grid. And he backed tax incentives, such as accelerating depreciation of transmission assets from 20 years to 15 years, which would provide an incentive for private investment.

In addition to complaining of poor communication from neighboring utilities and grid operators, J. Peter Lark, chairman of the Michigan Public Service Commission, pointed to inadequate maintenance or overloading that have stressed the transmission grid.

"Plainly, a lack of enforceable standards for the reliable operation of the transmission system was a significant contributor to the blackout," he said.

William Flynn, chairman of the New York Public Service Commission, and Ohio Gov. Bob Taft also backed making reliability standards mandatory. Those standards are set by NERC, but compliance is voluntary now.