



# Customers First!

## *Plugging Wisconsin In*

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### **BLACKOUT STUDY SHOWS NEED TO FOCUS ON RELIABILITY** *Customers First! Coalition Statement on the Interim Report into the Causes of the August 14<sup>th</sup> Blackout*

MADISON, WI – An interim report released this week by a joint Canadian and American task force cites malfunctioning computer systems, poor communication, human error and inadequate tree trimming as the primary causes of the August 14<sup>th</sup> blackout. MISO, the Midwest Independent System Operator charged with overseeing the reliability of the transmission system in the Upper Midwest including in Wisconsin, was among the operators cited for violations.

The study concluded that a series of errors at First Energy, an Ohio utility, compounded by inadequate computer systems and a lack of communication at MISO led to the blackout that left nearly 50 million people on the east coast of the U.S. and Canada without power for up to two days. First Energy's problems began when an alarm system used to alert control room operators stalled. Then, First Energy's main computer system and back up servers began to fail, slowing the operators' ability to respond to events. Finally, due to heavy load demands, three of First Energy's high voltage transmission lines sagged into overgrown trees causing them to trip out of service.

Concurrently, MISO, which is headquartered in Indiana, was also experiencing computer malfunctioning. MISO's tool used to monitor the transmission system in its region, called the state estimator, was turned off while a technician worked on a computer glitch. Although the technician fixed the glitch, he failed to turn the state

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estimator back on. Nearly an hour and a half later the state estimator was returned to service, but it was unable to account for outages that had occurred while it was off line. Functioning on incomplete data inputs, MISO was left with no early warning system. It wasn't until 4:04 EDT that MISO operators were able to return their system to full and accurate operations; two minutes before the blackout cascaded across the east coast, Ohio, Michigan, and eastern Canada.

The report cites two specific violations on the part of MISO on August 14<sup>th</sup>. First, MISO failed to alert other reliability coordinators about the potential problems due to an inadequate system of communication; and secondly, MISO did not have adequate monitoring tools in place to identify problems in the system. The report states that MISO considers its assessment tools "to be still under development and not fully mature" (Interim Report, pg. 24).

Wisconsin should be concerned about these findings. Over the last year, MISO has largely been focused on implementing its Midwest Market Initiative, a wholesale competitive market for electricity designed to increase costs in constrained areas such as Wisconsin. This market was to be launched in early 2004 but has been delayed in the aftermath of the August blackout due to stakeholder concerns over reliability and MISO's readiness to implement such a market.

Instead of focusing on prematurely restructuring the Upper Midwest's wholesale electric pricing system, Customers First! believes MISO should get back to the basics for which it was created – to oversee the reliability of the transmission system. Its recently enacted Reliability Charter, which details the roles, responsibilities and functions of MISO and its members, has not been fully implemented. The August 14<sup>th</sup> blackout illustrates that MISO has yet to demonstrate that it has mastered its role as reliability coordinator. It should focus its efforts on the reliability of the system first.

*CFC is a broad-based alliance representing Wisconsin customer, environmental, labor, business and low-income groups, the Wisconsin municipal and cooperative utilities and Madison Gas & Electric Company. Since 1996, the coalition has advocated for energy policies in Wisconsin that preserve our state's historically safe, affordable, reliable and environmentally responsible electricity. For more information, please see [www.customersfirst.org](http://www.customersfirst.org)*

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