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Dates & Events

<u>June 2018</u>

- 13 NERC <u>Inverter-Based</u> <u>Webinar Series</u>: Recommended Performance
- 20-21 NERC <u>Power System</u> <u>Modeling Conference</u> New Albany, OH

Electric Reliability Update

MAY 24, 2018

FERC

FERC Approves Transfer of SPP RE Registered Entities to MRO and SERC- May 4 - In response to a joint petition filed by NERC, Midwest Reliability Organization (MRO), and SERC Reliability Corporation (SERC) in connection with the dissolution of the Southwest Power Pool Regional Entity (SPP RE), FERC issued an <u>order</u> approving (i) the termination of the Regional Delegation Agreement between NERC and the Southwest Power Pool, Inc; (ii) the petitioners' proposal to transfer registered entities within SPP RE to MRO; and (iii) revisions to Regional Delegation Agreements between NERC and NERC and SERC, to reflect the changed geographic footprints of MRO and SERC.

FERC Approves Reliability Standard PRC-025-2 (Generator Relay Loadability) - May 2 - FERC issued a <u>letter order</u> approving NERC's petition for approval of Reliability Standard PRC-025-2 (Generator Relay Loadability). Reliability Standard PRC-025-2 enhances currently effective PRC-025-1 by better addressing the risk of unnecessary generator tripping when voltage is depressed and the generator is capable of increased reactive power output and voltage support during the voltage disturbance.

FERC Approves Reliability Standard CIP-003-7 (Cyber Security – Management Controls) - April 19 – FERC issued a <u>Final Rule</u> approving Reliability Standard CIP-003-7 (Cyber Security – Security Management Controls), which: (1) clarifies the obligations pertaining to electronic access control for low impact BES Cyber Systems; (2) requires mandatory security controls for transient electronic devices (e.g., thumb drives, laptop computers, and other portable devices frequently connected to and disconnected from systems) used at low impact BES Cyber Systems; and (3) requires responsible entities to have a policy for declaring and responding to CIP Exceptional Circumstances related to low impact BES Cyber Systems.

NERC

NERC Submits Comments in FERC Grid Resilience Proceeding - May 9 - NERC filed <u>comments</u> in response to the comments of regional transmission organizations and independent system operators (together, RTOs) in FERC's proceeding exploring RTO grid resilience. In its comments, NERC noted that NERC activities already address several aspects of resilience, including robustness, resourcefulness, rapid recovery, and adaptability of the grid, and that the NERC Reliability Issues Steering Committee has proposed a resilience framework to reexamine resilience and whether NERC should take additional action. NERC also noted that policies recognizing the value of essential reliability services and a diverse portfolio with sufficient fuel assurance, and grid security, should be supported.

Joint FERC-NERC Report Shows Grid Operators Have Blackstart Capability - May 2 – FERC, NERC, and the NERC Regional Entities released a report on <u>Blackstart Resource Availability</u> considering the availability of registered entities' blackstart resources, the potential impact of recent changes to registered entities' blackstart resources, the manner in which any such impact could be mitigated, and registered entities' blackstart resource testing. The study found that although some of the study participants experienced a decrease in the availability of blackstart resources in the past decade, the participants currently have sufficient blackstart resources in their system restoration plans, as well as comprehensive strategies for mitigating against loss of any additional blackstart resources going forward. The report also makes recommendations for industry-wide consideration regarding practices, procedures and methodologies aimed at improving system restoration overall, and blackstart capability planning and testing in particular.

NERC Submits Revised Geomagnetic Disturbance (GMD) Research Plan - April 19 - In Order No. 830, FERC approved Reliability Standard TPL007-1 (Transmission System Planned Performance for Geomagnetic Disturbance Events) and directed NERC to submit a work plan describing how NERC would research GMD-related topics. After FERC accepted NERC's preliminary work plan and directed that a final plan be filed, NERC submitted an <u>updated work plan</u>.

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NERC Balloting & Comment Deadlines

<u>June 2018</u>

28 <u>Comments Due</u>: 2018 Periodic Review Standing Review Team – Standards Grading

<u>July 2018</u>

2 Additional Ballot, Nonbinding Poll, and Comments Due: Project 2016-02 – Modifications to CIP Standards – CIP-012-1 **NERC Penalty Activity** - April 30 - NERC filed with FERC a <u>spreadsheet notice of penalty</u> resolving 3 violations of 12 Reliability Standards totaling \$245,000 in penalties.

Cybersecurity

NIST Releases Version 1.1 of Cybersecurity Framework - April 16 - The National Institute of Standards and Technology released its <u>Framework for Improving Critical Infrastructure Cybersecurity Version 1.1</u>. Changes from Version 1.0 include updates on authentication and identity, self-assessing cybersecurity risk, managing cybersecurity within the supply chain, and vulnerability disclosure. NIST plans to hold a Cybersecurity Risk Management Conference, which will include a major focus on the framework, in Baltimore, Maryland on November 6, 2018.

Congress

House Committee Approves Grid and Cybersecurity Bills - May 9 - The House Energy and Commerce Committee approved the following bills relating to electric grid cybersecurity:

- <u>The Energy Emergency Leadership Act</u> (H.R.5174) introduced by Rep. Tim Walberg (R-MI), would charge DOE leadership with energy emergency and security functions.
- <u>The Cyber Sense Act of 2018</u> (H.R.5239) introduced by Rep. Robert Latta (R-OH), would establish a voluntary DOE program to identify and promote cyber-secure products intended for use in the bulk-power system.
- <u>Enhancing Grid Security through Public-Private Partnerships Act</u> (H.R.5240) introduced by Rep. Jerry McNerney (D-CA), would require DOE to create a program to promote cybersecurity to smaller or rural utilities, and to submit a report to Congress on cybersecurity issues relating to electricity distribution systems.

Senate Introduces Resolution on Value of Baseload Power Generation and Energy Reliability Act of 2018 - April 17 - Senator Joe Manchin (D-WV) introduced <u>S.Res. 470</u>, a "sense of Congress" <u>resolution</u> expressing the sense of the Senate that electricity markets do not appropriately value the reliability attributes of baseload power generation, and <u>S.2681</u>, the Energy Reliability Act of 2018, which would provide coal-fired power plants a five-year tax credit for a portion of their operation and maintenance expenses.

About Us

The Van Ness Feldman Electric Reliability Update is published by <u>Malcolm McLellan</u>, <u>Suzanne P. Keppeler</u>, <u>Van Smith</u>, <u>Gabe Tabak</u>, <u>Darsh Singh</u>, <u>Tyler Elliott</u>, and <u>Michael Weiner</u>. <u>Van Ness Feldman</u> counsels, advises and trains a wide range of clients on reliability matters</u>. Please <u>email us</u> or call us at 206.829.1814 or 202.298.1800 for additional information. Click <u>here</u> to sign up for the Reliability Update. Follow us on Twitter @VANNESSFELDMAN

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