



Dates & Events

March 2015

- 5 NERC Industry Outreach Event: [Risk-Based Compliance Enforcement and Monitoring](#), Atlanta, GA
- 10 NERC CIP Workshop – [IED Counterterrorism](#), Jacksonville, FL
- 11 FERC [Eastern Regional Reliability Conference](#) on Reliability Considerations of EPA CO₂ Regulations, Washington, DC
- 12 Industry Webinar – [Lessons Learned](#)
- 17 [Risk-Based Registration Phase II Workshop](#) for Generator Owners and Operators, Tempe, AZ
- 17-19 NERC [Human Performance Conference](#), Atlanta, GA
- 19 [Risk-Based Registration Phase II Workshop](#) for Generator Owners and Operators, Atlanta, GA
- 24-26 CIP v5 Workshop and Small Group Advisory Session, Atlanta, GA ([in-person](#) and [online](#) attendance)

Electric Reliability Update

FEBRUARY 26, 2015

FERC

FERC Holds Two of Four Technical Conferences on Clean Power Plan – February 19 – In advance of and following FERC's first two Technical Conferences on the implications of compliance approaches to EPA's proposed Clean Power Plan, organizations including [NERC](#), [EEI](#), [NRECA](#), and [APPA](#) submitted comments on the proposed rule and its potential effects on reliability and the electric power system. The first two conferences were held in Washington, DC and Denver, CO. FERC will hold two additional [Regional Technical Conferences](#) in Washington, DC on March 11 and St. Louis, MO on March 31. For more information on key issues to watch related to the Technical Conferences, [see this VNF Alert](#).

FERC Approves MOD-031-1 Reliability Standard – February 19 – [FERC approved proposed reliability standard MOD-031-1, which deals with demand and energy data](#). In particular, MOD-031-1 provides transmission planners and operators with the authority to collect demand, energy, and related data as support for reliability studies and assessments. [FERC's rule approving the proposed reliability standard was published in the Federal Register on February 24](#). As such, the rule becomes effective April 27, 2015.

FERC Approves Reliability Assurance Initiative Proposal – February 19 – FERC [issued an order](#) approving the implementation of NERC's Reliability Assurance Initiative (RAI). Under the proposal, NERC will transition to registration of resources based upon their potential risk to the bulk electrical system, which will lead to risk-based compliance monitoring and enforcement efforts. FERC largely approved the RAI filing as proposed, but required a compliance filing within 90 days proposing revisions to NERC's Rules of Procedures reflecting the RAI and providing more detail on NERC's oversight plans, as well as an annual implementation report for the RAI.

FERC Dismisses Complaints Regarding Establishment of Michigan Upper Peninsula Balancing Authority – February 19 – FERC [dismissed the complaints regarding efforts to establish the Michigan Upper Peninsula Balancing Authority](#), which were filed against MISO and Wisconsin Electric Power Company. FERC's order indicates that, once MISO develops a new System Support Resource cost tool, the creation of a new balancing authority in the Michigan Upper Peninsula area will not affect allocation of costs for a proposed new generating unit, as the complainants alleged. As a result, FERC declined to address the complainants' arguments on the requirements to approve a new balancing authority.

NERC

NERC Files Request to Revise Metrics in its Business Plan and Budget Filings – February 18 – NERC filed a [Request to Revise Certain "Metrics" Filing Components for its Annual Business Plan and Budget Filings with FERC](#). In the filing, NERC proposes to eliminate or revise the reporting of certain metrics in its annual business plan and budget filings, which includes: 1) NERC's status reports on processing of alleged violations, 2) NERC's status report on the achievement of its goals, 3) Metrics comparing regional entity operations based on future year budget, and 4) Metrics on NERC and Regional Entity indirect (administrative services) costs based on the current year and upcoming year budgets. NERC is seeking modifications to the reporting of this information because, according to NERC: a) it is already provided in a comparable format elsewhere, b) there are more efficient methods for reporting the information, or c) the information provided is no longer useful or meaningful.

NERC Submits Budget Compliance Filing – February 13 – NERC submitted a [compliance filing](#) detailing its Actual to Budget Variance Analysis for 2014. In 2014, NERC was \$1.98 million (3.5%) under budget, which includes expenses associated with the Cyber Risk Information Sharing Program (CRISP), a program funded entirely by its participants.

Dates & Events **Continued**

March 2015

- 31 FERC [Central Regional Reliability Conference](#) on Reliability Considerations of EPA CO₂ Regulations, St. Louis, MO

April 2015

- 1-3 [Spring Standards and Compliance Workshop](#), Atlanta, GA

NERC Balloting & Comment Deadlines

March 2015

- 16 [Additional Ballot Closes and Comments Due](#): Project 2010-14.1 – Phase 1 of Balancing Authority Reliability-based Controls: Reserves – BAL-002-2
- 23 [Joint Ballot Pools Close](#): Project 2014-04 – Physical Security – CIP-014-2
- 23 [Joint Ballot Pools Close](#): Project 2008-02.2 – Phase 2 of Undervoltage Load Shedding (UVLS): Misoperations – PRC-004-5 and PRC-010-2

April 2015

- 7 [Initial Ballot and Non-Binding Poll Closes and Comments Due](#): Project 2008-02.2 – Phase 2 of Undervoltage Load

Selected Regional Compliance / Training Events

March 2015

- 10-11 [SPP Spring Compliance Workshop](#)

April 2015

- 15-16 [FRCC Spring Compliance Workshop](#)

NERC Files CIPv5 Revisions – February 13 – NERC [filed with FERC](#) proposed revisions to version 5 of its Critical Infrastructure Protection (CIPv5) standards. The revisions, required by FERC in Orders No. 791 and 791-A, modify or remove "identify, assess, and correct" language, change requirements for low-impact systems, add requirements for transient devices such as flash drives, and add standards for communication networks.

NERC Board Approves Three New Standards – February 12 – At its [quarterly meeting](#), NERC's board approved three new standards for submittal to FERC. The standards approved are Critical Infrastructure Protection version 5 (CIPv5), applicability for dispersed generation resources (PRC standards), and TOP-001-3, which deals with instability, uncontrolled separation, and cascading outages.

NERC, MRO Release 2014 Annual Reports – February – NERC and Midwest Reliability Organization (MRO) released their 2014 Annual Reports. The [NERC report](#) lists its accomplishments and highlights significant reports issued in the last year, while the [MRO report](#) details the results of its operations and cooperation with other regional entities, along with its strategic direction and priorities for 2015.

Cybersecurity and Grid Security

President Issues Executive Order on Cybersecurity Information Sharing – February 13 – President Obama announced and signed a [new executive order](#) promoting private-sector information sharing on cybersecurity risks. The Order instructs the Secretary of Homeland Security to develop information sharing and analysis organizations (ISAOs) incorporating public and private sector representatives, and to coordinate ISAO activities with the National Cybersecurity and Communications Integration Center (NCCIC). The NCCIC is also designated as a critical infrastructure protection program, and is allowed to enter into agreements with ISAOs to defend against cybersecurity threats to critical infrastructure.

Congress

Cyber Threat Sharing Act Introduced in Senate – February 11 – Sen. Thomas Carper (D-DE) introduced [the Cyber Threat Sharing Act of 2015](#) before the U.S. Senate. The purpose of the act is to enable cybersecurity threat indicator sharing between public and private entities, as well as among certain private entities. The bill has been referred to the Committee on Homeland Security and Governmental Affairs.

About Us

The Van Ness Feldman Electric Reliability Update is published by [Andrew Art](#), [Malcolm McLellan](#) and [Gabe Tabak](#), with assistance from [Chris Zentz](#), [Ilan Gutherz](#), and [Van Smith](#). [Van Ness Feldman](#) counsels, advises and trains a wide range of clients on reliability matters. Please [email us](#) or call us at 202.298.1817 or 206.829.1814 for additional information.

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