



## Dates & Events

### March 2015

- 31 FERC [Central Regional Reliability Conference](#) on Reliability Considerations of EPA CO<sub>2</sub> Regulations, St. Louis, MO

### April 2015

- 1-3 [Spring Standards and Compliance Workshop](#), Atlanta, GA
- 2 Comments due to NERC on [Draft Pro Forma Regional Delegation Agreements](#)
- 7 Industry Webinar – [Generator Governor Frequency Response Advisory](#)
- 21-23 CIPv5 Workshop and Small Group Advisory Session, Atlanta, GA ([in-person](#) and [online](#) attendance)

# Electric Reliability Update

MARCH 26, 2015

## FERC

**FERC Approves NERC Risk-Based Registry Initiative** - March 19 - FERC issued an [order](#) approving in part and denying in part NERC's December 11, 2014 petition for approval of proposed revisions to the NERC Rules of Procedure to implement NERC's Risk-Based Registration (RBR) initiative.

FERC approved NERC's proposals to (1) eliminate the purchasing-selling entity and interchange authority function registration categories; (2) raise the threshold for registering entities as distribution providers from 25 MW of peak load to 75 MW to align with the 75 MVA threshold for certain generating resources set forth in the definition of "bulk electric system"; (3) establish a subset of Reliability Standards applicable to underfrequency load shedding-only distribution providers; (4) establish a materiality test for registration to determine whether an entity has a material impact on reliability; and (5) establish a process to review registration, deactivation, and deregistration decisions, and requests for subset lists of Reliability Standards.

In the order, FERC denied NERC's proposal to eliminate the load-serving entity functional registration category without prejudice, and directed NERC to submit a compliance filing addressing FERC's concerns about the proposal. FERC also added Reliability Standard PRC-005 to the list of Reliability Standards applicable to underfrequency load shedding-only distribution providers and directed NERC to submit a twelve-month compliance filing on RBR implementation. [FERC](#) and [NERC](#) each issued a statement on the order. Approximately 200 entities are expected to be deregistered as a result of the order.

**NERC Affirms NextEra Penalty Assessment** - March 19 - NERC [affirmed a Compliance Committee Decision](#) that NextEra Energy Resources, LLC had violated Reliability Standards IRO-001-1 Requirement R8 and TOP-001-1 Requirement R3 by "failing to timely comply with a reliability directive," when it failed to reduce the output of a generator after being ordered to do so by the Electric Reliability Council of Texas, Inc. (ERCOT). NextEra had argued that NERC and the Texas RE Board did not properly demonstrate that a reliability violation had occurred, but NERC dismissed the argument and upheld the \$52,000 penalty assessment.

**FERC Grants NERC's Motion for Extension of Time to Submit Rules of Procedure Revisions** - March 16 - [FERC granted NERC's motion 45-day extension of time to submit changes to its rules of procedure](#) in accordance with [FERC's Feb. 19, 2015 order](#), which required NERC to submit a further compliance filing containing changes to its rules of procedure. [In its motion](#), NERC indicated that the extension of time was necessary to accommodate the open participation process that applies to the development of revisions to the rules of procedure. NERC's compliance filing is now due on July 6, 2015 in FERC Docket No. RR15-2-000.

## NERC

**New Standards Effective in Q2 2015** - On April 1, 2015, the following NERC standards will become effective:

- [BAL-003-1](#) (Frequency response and frequency bias setting) is intended to maintain interconnection frequency and arrest any deviations.
- [EOP-010-1](#) (Geomagnetic disturbance operations) requires reliability coordinators to implement measures to prevent harm from, and quickly recover from, a geomagnetic disturbance event.

**NERC Balloting &  
Comment Deadlines**

**April 2015**

- 7 [Initial Ballot and Non-Binding Poll Closes and Comments Due](#): Project 2008-02.2 – Phase 2 of Undervoltage Load Shedding (UVLS): Misoperations – PRC-004-5 and PRC-010-2
- 9 [Initial Ballot and Non-Binding Poll Closes and Comments Due](#): Project 2014-04 – Physical Security – CIP-014-2
- 10 [Comments Due](#): Project 2007-17.4 – PRC-005 Order No. 803 Directive – SAR
- 13 [Comments Due](#): Project 2015-04 – Alignment of NERC Glossary of Terms and Definitions Used in the Rules of Procedure (Appendix 2 of the Rules of Procedure) – SAR
- 15 [Comments due](#): Project 2015-06 – Interconnection Reliability Operations and Coordination – SAR
- 15 [Comments Due](#): Project 2010-14.2.2 – Phase 2 of Balancing Authority Reliability-based Controls – SAR

**Selected Regional  
Compliance / Training  
Events**

**April 2015**

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

**May 2015**

- 13 [TRE Spring Standards and Compliance Workshop](#)
- 19-21 [NPCC Spring Compliance and Standards Workshop](#)

- [PRC-005-2](#) (Protection system maintenance) requires documentation and implementation of protective maintenance programs.
- [WECC Standard VAR-002-WECC-2](#) (automatic voltage regulators) requires generator and transmission operators to keep automatic voltage regulators in service and controlling voltage.
- [WECC Standard VAR-501-WECC-2](#) (power system stabilizer) requires generator operators to keep power system stabilizers in service.

A full list of currently-effective and future standards can be found [on the NERC website](#).

**NERC Files Annual Frequency Response Report** - March 20 - NERC filed with FERC its [annual frequency response analysis](#) for 2014, used for support of standard BAL-003-1 (Frequency Response and Frequency Bias Setting). The report includes analysis and makes recommendations regarding Interconnection Frequency Response Obligations, including the level of frequency response procurement recommended through November 2015.

**NERC Submits Revised TOP/IRO Standards** - March 18 - NERC submitted a [petition to FERC to approve new proposed Transmission Operations \(TOP\) and Interconnection Reliability Operations and Coordination \(IRO\) Reliability Standards](#). The new Standards would replace currently pending Reliability Standards under Docket Nos. RM13-12-000, RM13-14-000, and RM13-15-000, for which NERC concurrently filed a [Notice of Withdrawal](#). The proposed Reliability Standards aim to consolidate and eliminate gaps and ambiguities in existing TOP and IRO standards, and will facilitate more effective cooperation between Reliability Coordinators, Transmission Operators, and functional entities.

**NERC Files Supplemental Petition for Approval of Proposed PRC Reliability Standards** - March 13 - [NERC filed with FERC a supplemental petition for approval of three proposed reliability standards - PRC-001-1.1\(ii\), PRC-019-2, and PRC-024-2](#). The supplemental petition includes revisions to the applicability section of each of the PRC standards in order to clarify whether they are applicable to dispersed generation resources. The proposed revisions reflect an in-depth technical analysis conducted by NERC's Dispersed Generation Resources Standard Drafting Team.

**Cybersecurity and Grid Security**

**DHS Releases Report on Energy Cybersecurity Attacks** - March 13 - The Department of Homeland Security (DHS) Industrial Control Systems Cyber Emergency Response Team published a [report on cyberattacks on critical infrastructure facilities in FY 2014](#). The Energy Sector reported the most incidents (32%) of any sector. Reported incidents include SCADA attacks, zero-day exploits, malware, SQL injection, network scanning, and spear-phishing, and watering hole attacks.

**Jason Woodring Pleads Guilty to Attacks on Central Arkansas' Power Grid** - March 10 - [The FBI announced that Jason Woodring plead guilty to charges relating to attacks on the Central Arkansas' power grid between August and October of 2013](#). The attacks on First Electric Cooperative's system included sabotaging an electric support tower, downing a 500,000-volt power line onto a rail track, setting fire to an extra high voltage switching station, and cutting down two power poles. Under the terms of the plea agreement, Woodring should be sentenced to 15 years in federal prison. The total cost of the attacks was estimated to exceed \$5 million.

**Congress**

**Cybersecurity Information Sharing Act Introduced in the Senate** - March 17 - Senator Richard Burr (R-NC) [introduced the Cybersecurity Information Sharing Act of 2015 \(CISA\)](#), which was co-sponsored by Sen. Dianne Feinstein (D-CA). If passed, the bill would create additional incentives to increase sharing of cybersecurity threat information and facilitate voluntary cooperation between private companies and the government in sharing cyber threat indicators. The bill would also protect companies that monitor or share cybersecurity information with the federal government from lawsuits related to those activities. The bill has been placed on the Senate Legislative Calendar.

**Rep. Franks Introduces Legislation to Respond to EMP Threats** - Feb. 27 - Rep. Trent Franks (R-AZ) introduced H.R. 1073, the [Critical Infrastructure Protection Act](#). The bill would require Department of Homeland Security threat assessments to consider electromagnetic pulses (EMP) caused by nuclear devices or geomagnetic disturbances, and would provide for research and development to mitigate EMP threats.

### About Us

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