



Dates & Events

May 2015

- 19 Industry Webinar – [Periodic Review of System Operating Limit Standards](#)
- 21 Industry Webinar – [Monitoring and Situational Awareness](#)
- 21 Comments due to [ROPComments@NERC.net](#) on [Reliability Assurance Initiative-based changes](#) to Rules of Procedure
- 28 Comments due to [ROPComments@NERC.net](#) on [Risk-Based Registration changes](#) to Rules of Procedure

June 2015

- 4 [FERC Technical Conference](#) on Reliability of the Bulk-Power System, Washington, DC
- 18 Industry Webinar – [Infrastructure Maintenance](#)
- 22 [Comments due to FERC](#) on PRC-002-2 (Disturbance Monitoring and Reporting) proposed rule
- 22 [Comments due to FERC](#) on PRC-005-4 (Protection System, Automatic Reclosing, and Sudden Pressure Relaying Maintenance) proposed rule

Electric Reliability Update

MAY 15, 2015

FERC

FERC Issues Geomagnetic Disturbance Proposed Rule - May 14 – FERC issued a [Notice of Proposed Rulemaking](#), which would require owners and operators of bulk-power system facilities to assess their level of vulnerability to a geomagnetic disturbance (GMD), and to develop a plan to protect against the consequences of a GMD event. FERC largely accepted the elements of NERC's suggested standard into the proposed rule, with changes to reduce reliance on spatial averaging of presumed impacts from a GMD. While the proposed rule has not yet been published to the Federal Register, comments will be due 60 days after publication.

FERC Approves Amendments to Delegation Agreement with Texas Reliability Entity, Inc. (TRE) - May 5 - [FERC approved, via letter order, amendments to the Delegation Agreement between NERC and TRE](#). The amendments to the Delegation Agreement include revisions to the TRE Bylaws regarding: 1) term limits and selection process for Independent Directors; 2) stock restrictions for Independent Directors; 3) selection and approval of corporate officers; 4) term limit for members of the Member Representatives Committee; and 5) other clerical edits.

Agenda for Bulk Power System Technical Conference Released - April 28 - FERC [released the agenda](#) for its June 4, 2015 technical conference, which will discuss policy issues related to the reliability of the bulk power system. The technical conference will review the present state of reliability, assess emerging issues such as shrinking reserve margins and EPA's Clean Power Plan, and evaluate NERC's performance and ongoing improvement initiatives. [Registration is now open](#), and comments will be accepted in Docket No. AD15-7-000 through July 9, 2015.

FERC Denies Rehearing on Physical Security Reliability Order - April 23 - FERC [denied a request for rehearing](#) of [FERC Order No. 802](#), which approved Reliability Standard CIP-014-1 (Physical Security). The Foundation for Resilient Societies requested rehearing on the grounds that the Commission erred by not properly addressing the risk of simultaneous physical attacks on multiple facilities, excluding generator operators and reliability coordinators from the scope of the rule, arbitrarily exempting NERC for two years from standard-setting for high-impact control centers, failing to require specific security measures, and failing to consider the adverse consequences of excluding certain generation facilities and control centers from the scope of the Reliability Standard. In denying rehearing, the Commission concluded that Order No. 802 satisfied the [directives](#) for which it was issued.

FERC Grants 60-Day Extension for RBR Compliance Filing - April 20 - FERC [granted](#) a motion by NERC requesting a 60-day extension to submit a compliance filing revising the NERC Rules of Procedure (ROP) to implement NERC's Risk-Based Registration (RBR) initiative. NERC's compliance filing is now due July 17.

NERC

NERC Submits Errata to Petition for Approval of Protection System Maintenance Standards – May 8 - NERC filed an [errata](#) to its petition for approval of Reliability Standards PRC-005-2(i) and PRC-005-3(i) (Protection System Maintenance), originally filed on February 6. The errata clarifies the implementation schedules for PRC-005-2(i) and PRC-005-3(i) so that they become effective concurrently with or after PRC-005-2 and PRC-005-3, respectively.

NERC Board Adopts Four Standards - May 7 - At its quarterly meeting, the NERC Board [adopted four standards](#).

- PRC-004-5 (Protection System Misoperation Identification and Correction) addresses undervoltage load shedding (UVLS) protection systems that are intended to trip bulk electric system elements.

NERC Balloting & Comment Deadlines

May 2015

- 15 [Additional Ballot and Non-Binding Poll Closes and Comments Due](#): Project 2007-06 – System Protection Coordination – PRC-027-1
- 19 [Comments Due](#): Project 2010-04.1 – MOD-031 – FERC Order No. 804 Directives – SAR
- 20 [Comments Due](#): Project 2010-05.3 – Phase 3 of Protection Systems: Remedial Action Schemes (RAS) – PRC-012-2

June 2015

- 17 [Comments Due](#): Project 2015-03-014 – Periodic Review of System Operating Limit Standards – FAC-010, FAC-011, and FAC-014

Selected Regional Compliance / Training Events

May 2015

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

June 2015

- 2-3 [SPP CIP 2015 Workshop](#)
- 2-4 [WECC CUG & CIPUG Meetings](#)

- PRC-010-2 (Undervoltage Load Shedding) addresses the performance of the UVLS program equipment.
- PRC-005-5 (Protection System, Automatic Reclosing and Sudden Pressure Relaying Maintenance) modifies standards' applicability to exclude certain dispersed power-producing resources.
- CIP-014-2 (Physical Security) provides for identification of and physical security of critical stations and substations, and control centers for these stations and substations.

Having been approved by the NERC board, these standards will likely be submitted for FERC consideration in the near future.

NERC Posts Informational Document on Coordinated Oversight of Multi-Regional Registered

Entities - April 27 - NERC posted an [FAQ document](#) on NERC's Development and Implementation of its Coordinated Oversight Program for Multi-Regional Registered Entities (MRRE). The voluntary initiative, which began in January 2015, assigns a Lead Regional Entity to each Registered Entity with assets in more than one Regional Entity's territory as a means to streamline risk assessment, compliance monitoring and enforcement, and event analysis activities.

U.S. Court of Appeals for the Second Circuit Upholds Scope of NERC's Jurisdictional Authority - April

22 - [The U.S. Court of Appeals for the Second Circuit issued its decision in *New York v. FERC* wherein the court upheld the scope of NERC's jurisdiction under Section 215 of the Federal Power Act](#). The Petitioners argued that NERC had improperly asserted jurisdiction over certain facilities that were more properly characterized as local distribution facilities outside the scope of NERC's jurisdiction by creating a 100 kV threshold in defining the "Bulk Electric System" (BES) and whether certain facilities were presumptively included as part of the BES. On this point, the court found NERC's use of the 100 kV threshold warranted *Chevron* deference and thus, upheld NERC's use of the 100 kV test for initial determination of whether a facility is subject to its jurisdiction.

Cybersecurity and Grid Security

Congressional Research Service (CRS) Issues Report on Cybersecurity Issues for the Bulk Power

System (BPS) - April 16 - [The CRS issued a report entitled, "Cybersecurity Issues for the Bulk Power System."](#) The report highlights several areas that its author believes warrant congressional consideration to improve grid security from cyberattacks. Specifically, the report raises three significant issues: 1) the ability of utilities to make the necessary financial investments and recruit the necessary staff to adequately address this issue; 2) the applicability of NERC's CIP standards and the vulnerability of grid connections with distribution systems, to which the CIP standards do not apply; and 3) the adequacy of NERC's CIP standards to address cybersecurity concerns.

NRC To Begin Cybersecurity Rulemaking for Fuel Cycle Facilities - March 24 - The Nuclear Regulatory

Commission (NRC) has [approved](#) initiation of a cybersecurity rulemaking for fuel cycle facilities. The NRC had previously undertaken a voluntary initiative with industry to increase security. Although it initiated the rulemaking, the NRC declined to issue a security order to fuel cycle facilities, which would have instantly required fuel cycle facilities to taken cybersecurity protective measures.

Congress

Senator Cantwell Introduces Enhanced Grid Security Act – May 7 – Senator Maria Cantwell (D-WA) introduced the [Enhanced Grid Security Act of 2015](#) (S. 1241), which would require the Secretary of Energy to allocate funds towards a research and development programs to improve grid risk assessment and security. The bill also directs the Secretary of Energy to establish programs that will test the Department of Energy's emergency response capabilities and expand coordination with other agencies, the intelligence community, and private industry.

Sen. Murkowski Introduces Reliability Legislation - May 6 - Along with several other energy bills, Sen. Lisa Murkowski introduced [S.1221, the Bulk-Power System Reliability Impact Statement Act](#). The bill

would require an assessment of the potential impact of any major federal regulation on the reliability of the nation's bulk power system.

Cybersecurity Addition to Federal Power Act Introduced - April 27 - Sen. James Risch (R-ID) [introduced S.1068](#), which would add a new section 224 to the Federal Power Act addressing cybersecurity issues. The proposed section allows the Secretary of Energy to issue orders to any bulk-power system entity to avert or mitigate a cybersecurity threat, authorizes coordination with Canadian and Mexican grid regulators, recommends consultation with NERC and bulk-power system entities, and requires FERC to develop a cost-recovery mechanism for actions taken under the authority of the new section.

U.S. House of Representatives Passes the National Cybersecurity Protection Advancement Act of 2015 (H.R. 1731) - April 23 - [The U.S. House of Representatives passed H.R. 1731 - the National Cybersecurity Protection Advancement Act of 2015](#). The act aims to amend the Homeland Security Act of 2002 to improve multi-directional sharing of cybersecurity threat information and strengthen the civil liberties protections associated with the sharing of such information. To accomplish this, the act seeks to grant more authority to the Department of Homeland Security's (DHS's) national cybersecurity and communications integration center (NCCIC). Several amendments were introduced and also passed by the House on issues such as: ensuring federal agencies stay current on cybersecurity innovation occurring in the private sector, making self-assessment tools available to small and medium-sized businesses to determine their cybersecurity readiness, and directing certain reports to be provided to Congress on the status of these efforts, as well as potential impacts to privacy and civil liberties. In response to the bill passed by the House, [the Office of President Obama issued a Statement of Administration Policy wherein the administration expresses concerns with certain aspects of the bill that passed the House](#).

House Passes Cybersecurity Legislation - April 22 - The House of Representatives passed [HR 1560, the Protecting Cyber Networks Act](#) with bipartisan support. Among other things, the bill would permit private entities to voluntarily share certain kinds of cyber threat information with the private sector and the federal government and provide liability protections for such sharing. The bill is opposed by a [host of civil liberties groups](#), which are concerned about breaches of privacy and the potential for government abuse. The White House has issued a [Statement of Administrative Policy](#) on the legislation, which calls for several modifications to the bill's text.

Regional Developments

WECC Considers Name Change - May 5 - The Western Electricity Coordinating Council (WECC) [released a white paper](#) indicating that it was considering a name change based upon events of the past several years, including the formation of Peak Reliability as the Reliability Coordinator for the Western Interconnection, a change in corporate tax status, and changes to WECC's governance and advisory committees. WECC's initial timetable calls for submittal of bylaw changes to FERC in the fourth quarter of 2015, with the revised organizational name and structure going live in January 2016.

SERC Releases 2014 Annual Report – April 22 – SERC posted its [2014 Annual Report](#). The report evaluates SERC's performance against previously stated 2014 goals and provides an overview of its performance in other areas, including its response to the 2014 Polar Vortex, support of NERC ERO initiatives, compliance and enforcement, and service of the SERC region. The report also discusses SERC's planning and goals for 2015.

SERC, WECC, and Peak Reliability Post Draft 2016 Budgets and Business Plans - Each of SERC, WECC, and Peak Reliability have posted on their respective websites their Draft 2016 Budgets and Business Plans. [The SERC Draft 2016 Business Plan and Budget is posted for comment until May 31, 2015, which can be submitted via e-mail to the address posted on SERC's website](#). The [WECC Draft 2016 Business Plan and Budget](#) is posted on WECC's website and [comments can be submitted until May 15, 2015 using WECC's website](#). The [Peak RC Draft 2016 Business Plan and Budget](#) is posted on Peak RC's website and [comments are due May 15, 2015, which can be submitted through Peak RC's website](#).

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. Click [here](#) to sign up for the Reliability Update. Follow us on Twitter [@VNFELECTRIC](#).

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