



## Dates & Events

### December 2016

- 6 NERC [Webinar](#) on Node-Breaker Modeling Representation
- 7-9 [DOE peer review](#) of Cybersecurity for Energy Delivery Systems Program Arlington, VA
- 9 NERC [Webinar](#) on Dynamic Load Modeling Task Force
- 9 NERC Generator Surveys [Webinar](#)

### January 2017

- 1 Enforcement date for Reliability Standards: [IRO-010-2](#) and [TOP-003-3](#)
- 24 [Comments](#) on NOPR re: Essential Reliability Service due to FERC

# Electric Reliability Update

DECEMBER 6, 2016

## FERC

**FERC Releases 2016 Report on Enforcement** - November 17 - The FERC Office of Enforcement (OE) released its tenth [annual Report on Enforcement](#) providing information on the OE Divisions of analytics and surveillance, audits and accounting, energy market oversight, and investigations. The report focuses on the four distinct areas of fraud and market manipulation, serious violations of the Reliability Standards, anticompetitive conduct, and conduct that threatens transparency in regulated markets. The report also details 17 new investigations in which 12 involve potential market manipulation, and 2 FERC approved settlement agreements that resolved violations of Reliability Standards.

**FERC Adopts FAST Act Provisions on Critical Infrastructure Information** - November 17 - FERC issued a [final rule](#) to amend 18 CFR sections 375.313, 388.112, and 388.113 of FERC's regulations to implement the requirements of the Fixing America's Surface Transportation (FAST) Act of 2015, identified in section 215A(d)(2) of the FPA. FERC also amends its existing Critical Energy Infrastructure Information (CEII) procedures. The revisions will allow FERC to comply with the FAST Act and improve the overall efficiency of the CEII process for information that is submitted to or generated by FERC. The rule will become effective 60 days after publication in the Federal Register.

**FERC Issues NOPR Regarding Essential Reliability Services and the Evolving Bulk-Power System** - November 17 - [FERC proposes](#) to revise the *pro forma* Large Generator Interconnection Agreement ("LGIA") and *pro forma* Small Generator Interconnection Agreement ("SGIA") to require all newly interconnection large and small generating facilities, both synchronous and non-synchronous, to install and enable primary frequency response capability as a condition of interconnection. [Comments are due](#) January 24, 2017.

**FERC Issues NOPR Regarding Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators** – November 17 – FERC issued a [notice of proposed rulemaking](#) aimed at allowing energy storage resources and all categories of aggregated distributed energy resources to more fully participate in organized electricity markets. FERC seeks comment on "whether and to what extent the Commission-approved NERC Glossary of Terms and associated Reliability Standards or regional reliability requirements may create barriers to the participation of electric storage resources or other nonsynchronous technologies in the organized wholesale electric markets." Comments are due January 30, 2017. A [VNF Alert](#) discusses the NOPR in more detail.

## NERC

**NERC Petitions FERC on Interpretation of "Shared BES Cyber Systems" Term** - November 28 - [NERC proposed an interpretation](#) to clarify the meaning of the phrase "shared BES Cyber Systems," in Criterion 2.1 of Attachment to Reliability Standard CIP-002-5.1. In its petition, NERC interprets the term to refer to discrete Bulk Electric System Cyber Systems that are shared by multiple generation units. NERC proposes the evaluation of whether a BES Cyber System is shared should be performed individually for each discrete BES Cyber System.

**NERC Submits Comments in Support of Balancing Authority Control and Facility Interconnection Requirements** - November 28 - NERC [submitted comments](#) to a FERC Notice of Proposed Rulemaking (NOPR) in support of the Commission's proposal to approve Reliability Standards BAL-005-1 (Balancing Authority Control) and FAC-001-3 (Facility Interconnection Requirements) and retire Reliability Standard BAL-006-2 (Inadvertent Interchange). The NOPR also solicited additional information on Requirement R15 of Reliability Standard BAL-002-0.2B, which NERC provided in its comments. NERC requested that FERC issue a final rule in this proceeding.

## **NERC Balloting & Comment Deadlines**

### **December 2016**

- 9 [Final Ballots Due](#): Project 2015-08 – Emergency Operations – EOP-008-2
- 9 [Additional Ballots and Comments Due](#): Project 2015-08 – Emergency Operations – EOP-005-3 and EOP-006-3

### **January 2017**

- 6 [Additional Ballots and Non-binding Polls and Comments Due](#): Project 2015-08 – Emergency Operations – EOP-004-4

**NERC and IEEE Agree to Collaborate on Bulk Power System** - November 23 - NERC and the [Institute of Electrical and Electronics Engineers \(IEEE\) signed an agreement](#) to launch joint initiatives on key reliability issues including bulk power system analysis, cyber security, and the connection between Reliability Standards and equipment standards. The agreement encourages increased communication between NERC and IEEE while prioritizing collaboration on geomagnetic disturbance standards, synchrophasors, essential reliability services, voltage stability, and frequency response.

**NERC and WECC Submit Supplemental Information on Proposed Retirement of System Operating Limit Standard** - November 16 - NERC and the Western Electricity Coordinating Council (WECC) [submitted to FERC supplemental information](#) to their March 23, 2016 petition (joint petition) requesting retirement of WECC regional Reliability Standard TOP-007-WECC-1a (System Operating Limits). The primary purpose of TOP-007-WECC-1a is to ensure that actual flows and associated scheduled flows on major WECC transfer paths do not exceed System Operating Limits for more than 30 minutes. In their joint petition, NERC and WECC asserted that the issues addressed by regional Reliability Standard TOP-007-WECC-1a are addressed by continent-wide Reliability Standards thereby making the regional Reliability Standard redundant and unnecessary. The supplemental information addresses the shift away from path-centric operating unique to the Western Interconnection, and toward alignment with framework established in the continent-wide TOP/IRO Reliability Standards.

**NERC Winter Reliability Assessment Finds Adequate Levels of Fuel Supply** - November 15 - NERC's [2016-2017 Winter Reliability Assessment](#) found that adequate natural gas supplies, along with adequate capacity, transmission resources, and winter preparedness signal adequate levels of generation and fuel supply for the coming winter season. Many Regional Entities have developed dual-fuel capabilities that employ alternative resources in the event of natural gas restrictions caused by cold weather.

**NERC Submits Annual Report on Find, Fix and Track** - November 14 - Pursuant to a 2013 FERC order, NERC submitted its [annual report](#) on the Find, Fix Track and Report (FFT) and Compliance Exception (CE) programs, which are used to resolve instances of noncompliance that pose a moderate risk to the bulk power system. The FFT program has led to a significant reduction in noncompliance caseload to be processed, and the FFT and CE programs also help Regional Entities reduce the average age of noncompliance in their inventories. The report also outlines minor adjustments that can improve the programs.

**NERC Submits Quarterly Budget Compliance Filing** - November 14 - NERC filed the unaudited [report of its budget-to-actual variance](#) information for the third quarter of 2016. The report was accepted by the NERC Board of Trustees on November 2.

**NERC Submits Petition for Retirement of Time Error Correction Standard** - November 10 - NERC [submitted to FERC](#) a request for approval of the retirement of Reliability Standard BAL-004-0 (Time Error Correction) and the associated Implementation Plan. Since Reliability Standard BAL-004-0 became effective, improvements have been made to mandatory Reliability Standards that ensure continued adherence to frequency approximating 60 Hertz over long-term averages making BAL-004-0 redundant.

## **Congress**

**"Utility Scam Awareness Day" Bill Referred to House E&C Committee** - November 16 - [House Resolution 927](#), which expresses support to designate the third Wednesday of November as "Utility Scam Awareness Day" was referred to the House Committee on Energy and Commerce. The resolution, sponsored by Rep. Brad Wenstrup (R-OH), also "encourages utilities to use this day to raise awareness and knowledge amongst themselves and the general public regarding the threat posed by scams against utility customers, and the techniques and tools used to identify and avoid them."

## **Regional Developments**

**NERC Petitions for Approval of Amendments to the Florida Reliability Coordinating Council Manual** - November 10 - the Florida Reliability Coordinating Council, Inc. ("FRCC") revised its Regional Reliability Standards Development Process Manual ("SDPM" to improve upon and clarify its standard development

process as well as establish consistency with NERC's and the other Regional Entities' processes. NERC filed [a Petition](#) requesting FERC's approval of the revised standards.

### Other Developments

**DOE Approves Great Northern Transmission Line** - November 16 - The Department of Energy announced the [approval of the Great Northern Transmission Line](#), a 224-mile overhead alternating current transmission line. The project expects to bring up to 883 megawatts of hydropower from Manitoba Power to Grand Rapids, Minnesota and wind power generated in North Dakota to Manitoba Power. Streamlined by the new Integrated Interagency Pre-Application Process, the Great Northern Transmission Line's review was completed in 2.5 years and has the potential to enhance system reliability and provide reliable and carbon-free electricity to 600,000 residential customers.

### About Us

The Van Ness Feldman Electric Reliability Update is published by [Malcolm McLellan](#), [Van Smith](#), [Gabe Tabak](#), [Darsh Singh](#), [Tyler Elliott](#), and [Michael Weiner](#). [Van Ness Feldman](#) counsels, advises and trains a wide range of clients on reliability matters. Please [email us](#) or call us at 206.829.1814 or 202.298.1800 for additional information. Click [here](#) to sign up for the Reliability Update. Follow us on Twitter [@VNFELECTRIC](#).

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