



Dates & Events

November 2017

- 27 [Comments due](#) on
Emergency
Preparedness and
Operations FERC
NOPR

December 2017

- 26 [Comments due](#) on
Cyber Security –
Security Management
Controls NOPR

Electric Reliability Update

NOVEMBER 7, 2017

FERC

FERC Approves NERC 2018 Business Plans and Budgets - November 1 - [FERC accepted the 2018 business plans and budgets](#) for NERC, the Regional Entities, and the Western Interconnection Regional Advisory Board (WIRAB). NERC's 2018 Business Plan and Budget proposal, originally filed on August 23, totals \$162,112,131, including \$56,968,506 for NERC funding, \$104,544,752 for Regional Entity funding, and \$598,873 for WIRAB funding.

FERC Accepts Amendments to WECC Reliability Standards Development Procedures - October 27 - FERC issued a [letter order](#) accepting amendments to the Western Electricity Coordinating Council (WECC) Regional Reliability Standards Development Procedures. The amendments align WECC voting sectors with NERC voting segments, change the vote required for WECC Regional Reliability Standards and WECC Regional Criteria from a simple majority to a two-thirds affirmative fractional majority, clarify treatment of Standard Authorization Requests, and add a new section on field tests, among other changes.

FERC Proposes to Approve CIP 003-7 (Cyber Security - Security Management Controls) - October 19 – FERC issued a [Notice of Proposed Rulemaking](#) (NOPR) proposing to approve Critical Infrastructure Protection (CIP) Reliability Standard CIP-003-7 (CyberSecurity – Security Management Controls). Proposed by NERC in response to FERC's directives in Order No. 822, proposed Reliability Standard CIP-003-7 would clarify obligations that pertain to electronic access control for low-impact cyber systems; adopt mandatory security controls for transient electronic devices, such as thumb drives and laptop computers; and require responsible entities to have a policy for declaring and responding to CIP exceptional circumstances related to low-impact cyber systems. In the NOPR, FERC also proposes to direct NERC to develop modifications to the Reliability Standards to provide clear, objective criteria for electronic access controls for low-impact cyber systems and to address the need to mitigate the risk of malicious code that could result from third-party transient electronic devices.

FERC Issues Order on NERC's Geometric Disturbance Research Work Plan - October 19 – In the ongoing proceeding in which FERC directed NERC to develop and submit Reliability Standards addressing geomagnetic disturbance (GMD) events, FERC issued an [order](#) accepting NERC's preliminary geomagnetic disturbance (GMD) research work plan and directing NERC to file a final plan within six months. NERC's preliminary work plan identifies nine GMD-related research areas and sets estimated time frames for their completion; FERC order also provides NERC with guidance on how to prioritize its GMD research.

FERC Accepts Joint Petitions for Approval of Regional Reliability Standards - October 16 - FERC issued (i) a [letter order](#) approving the petition of NERC and SERC for approval of regional Reliability Standard PRC-006-SERC-02 (Automatic Underfrequency Load Shedding (UFLS)), which establishes consistent and coordinated requirements for the design, implementation, and analysis of automatic UFLS programs among all SERC applicable entities; and (ii) a [letter order](#) approving the petition of NERC and ReliabilityFirst Corporation for approval of proposed regional Reliability Standard BAL-502-RF-03 (Planning Resource Adequacy Analysis, Assessment and Documentation), which establishes criteria based on "one day in ten year" Loss of Load Expectation principles for the assessment and documentation of Resource Adequacy for Load in the ReliabilityFirst region.

FERC Issues Report on Lessons Learned from CIP Reliability Audits - October 6 - FERC staff issued a report entitled "[Lessons Learned from Commission-Led CIP Version 5 Reliability Audits](#)." The report is based on non-public audits of compliance with applicable Critical Infrastructure Protection (CIP) Reliability Standards of several Registered Entities, and contains 21 lessons learned across 8 different areas of CIP compliance.

**NERC Balloting &
Comment Deadlines**

November 2017

- 13 [Initial Ballots and Non-binding Polls and Comments Due:](#)
Project 2015-09 – Establish and Communicate System Operating Limits – FAC-010-3, FAC-011-4, FAC-014-3, FAC-015-1, Implementation Plan, System Voltage Limit Definition

December 2017

- 11 [Additional Ballots and Non-binding Polls and Comments Due:](#)
Project 2016-02 – Modifications to CIP Standards – CIP-012-1
- 13 [Additional Ballots and Non-binding Polls and Comments Due:](#)
Project 2016-02 – Modifications to PRC-025-1 – PRC-025-2
- 13 [Comments Due:](#)
Project 2017-03 – FAC-008-3 Periodic Review – Team Recommendation

**Selected Regional
Compliance / Training
Events**

November 2017

- 7 [NPCC Fall Compliance & Standards Workshop](#)

FERC Approves Revisions to Disturbance Control Standard - October 2 - FERC issued a [letter order](#) approving NERC's proposed revisions to the Violation Risk Factors (VRF) of Requirements R1 and R2 of Reliability Standard BAL-002-2 (Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event). The revisions change the VRFs for Requirements R1 and R2 from "medium" to "high."

NERC

NERC Submits Comments in Response to Grid Resilience Pricing NOPR - October 23 – NERC submitted [comments](#) on the [Notice of Proposed Rulemaking](#) on grid resiliency pricing issued by the Department of Energy and FERC. In its comments, NERC recommends that FERC continue to pursue policy reform that recognizes the secure capacity and essential reliability attributes historically provided by coal and nuclear generation, incentivizes development of such reliability attributes in non-synchronous resources such as wind and solar facilities, and promotes fuel assurance for natural gas-fired resources.

NERC Penalty Activity - October 31 - NERC filed with FERC a [spreadsheet notice of penalty](#) resolving 12 violations of 10 reliability standards. No monetary penalty was imposed.

NERC Holds Annual Grid Security Conference - October 18 - NERC's annual [GridSecCon](#) conference, which brings together government and industry leaders to promote the security and resiliency of the bulk power system, was held in Saint Paul, MN. The conference addressed topics including Critical Infrastructure Protection (CIP) security threats, vulnerabilities, and lessons learned, and best practices with respect to reliability concerns, risk mitigation, and physical security and cybersecurity threat awareness.

NERC Files Answer in Proceeding to Revise NERC Rules of Procedure - October 17 - NERC filed an [answer](#) to the [joint comments](#) of the Alberta Electric System Operator, the California Independent System Operator Corporation, the Independent Electricity System Operator, ISO New England, Inc., and PJM Interconnection, LLC on NERC's proposal to revise portions of the NERC Rules of Procedure involving the Personnel Certification Program, the Training and Education Program, and the Continuing Education Program. NERC's answer states that the Personnel Certification Program and the Continuing Education Program are not redundant with Reliability Standard PER-005-2.

NERC Submits Supplemental Comments on Primary Frequency Response NOPR - October 10 - NERC submitted [supplemental comments](#) in response to FERC's Notice of Request for Supplemental Comments (Notice) on FERC's [Notice of Proposed Rulemaking](#) (NOPR) proposing to require all new generating facilities to install and enable primary frequency response capability as a condition of interconnection. In its comments, NERC supported applying the NOPR frequency response requirements to electric storage resources interconnecting with the BPS.

NERC Submits Annual Report on Find, Fix, Track and Report Program - October 4 - NERC submitted to FERC its [annual report](#) on the Find, Fix, Track and Report (FFT) and Compliance Exception (CE) programs. NERC and FERC staff reviewed FFTs and CEs posted between October 2015 and September 2016 to determine whether the Regional Entities were following the Compliance Monitoring and Enforcement Program. The report indicates that entities adequately mitigated all 123 instances of noncompliance, including 14 self-logged CEs, and shows consistent improvement in FFT and CE program implementation.

NERC Reports on Protection for High Impact Control Centers - October 2 - NERC submitted to FERC an informational [report](#) entitled "CIP-014 Report Physical Security Protection for High Impact Control Centers," in which NERC assesses whether Reliability Standard CIP-014 should apply to all High Impact Control Centers and not just primary Control Centers that operate "critical" Transmission stations and substations. CIP-014 requires Transmission Owners and Operators to perform risk assessments, evaluate threats, and develop security plans to protect against physical attacks that may compromise operability. The report states that given the importance of High Impact Control Centers to BES reliability, NERC plans to further consider applying the requirements of CIP-014 to primary and backup High Impact Control Centers.

NERC Submits Wide-Area Analysis of Technical Feasibility Annual Report - September 28 - NERC submitted to FERC its annual report on [Wide-Area Analysis of Technical Feasibility Exceptions](#) (TFE). Developed in consultation with the Regional Entities, the report details the TFE Request Process, the number of approved TFEs in effect and the number of TFEs that expired or are set to expire, and discusses TFE compliance and implementation, and future reliance on TFEs. The 2017 Report is the first that includes data for Critical Infrastructure Protection (CIP) cybersecurity Reliability Standards.

Cybersecurity

New York Cyber Task Force Report on Cyber Defense - September 29 – The New York Cyber Task Force issued a report entitled “[Building a Defensible Cyberspace](#),” which highlights strategies for government and industry to prevent cyber attacks. The report calls for more transparency, risk-based governance, increased cloud computing and new technology while stressing the importance of federal funding and collaboration. NERC Senior Vice President and Chief Security Officer Marc Sachs was part of the Task Force, which was sponsored by Columbia University’s School of International and Public Affairs.

About Us

The Van Ness Feldman Electric Reliability Update is published by [Malcolm McLellan](#), [Suzanne Keppeler McBride](#), [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 [@VANNESSFELDMAN](#)

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