



Electric Reliability Update

DECEMBER 11, 2014

FERC

FERC Nominee Honorable Testifies in Senate - December 11 – The Senate Energy and Natural Resources Committee [voted to advance](#) the nomination for FERC Commissioner of Nominee Colette Honorable, currently the Chairman of the Arkansas Public Service Commission. Chairman Honorable had [testified](#) before the Senate Energy and Natural Resources Committee on December 9.

Trade Associations File Joint Motion to Intervene Regarding NERC RAI - December 3 - The American Public Power Association, the Electricity Consumers Resource Council, the Large Public Power Council, the National Rural Electric Cooperative Association, and the Transmission Access Policy Study Group jointly [filed a motion to intervene and comment](#) on NERC's Reliability Assurance Initiative (RAI) filing. In their comments, the groups generally support the RAI, but urge FERC to require NERC to increase transparency and provide consistency and credibility by maintaining a searchable database of instances of noncompliance by registered entities for the first two years of RAI implementation.

FERC Issues Letter Order Accepting WECC Data Request Process - December 2 - FERC issued [a letter order accepting for filing WECC's proposed Data Request Process](#), which allows WECC staff to issue data requests for reliability data to entities in the Western Interconnection. Requests for rehearing are due within 30 days, or January 1, 2015.

FERC Issues Deficiency Letter to MISO Regarding Revised Cost Allocation Schedules - November 28 - FERC issued a [deficiency letter to the Midcontinent Independent System Operator \("MISO"\) regarding cost allocation rate schedules](#). The deficiency letter addresses rate schedules associated with system support service in Michigan's Upper Peninsula and allocation of potential costs amongst load serving entities. MISO has 30 days to submit its response.

Settlement Reached with CAISO Over 2011 Blackout - November 28 - [FERC announced](#) that its Office of Enforcement and NERC [had reached a settlement with](#) the California Independent System Operator (CAISO) over its role in a 2011 blackout affecting much of Southern California and Arizona. FERC and NERC determined that CAISO had violated Transmission Operations (TOP) and Facilities Design, Connection, and Maintenance (FAC) standards, which contributed to the cascade from a line outage to a broader regional blackout. CAISO will pay \$2 million in civil penalties (split equally between FERC and NERC), will invest a further \$4 million in reliability enhancement measures including network improvements and real-time analysis capabilities, will be subject to mitigation measures, and must complete semi-annual reports to FERC and NERC over the next year.

FERC Issues Letter Order on VRF and VSL Revisions - November 26 - In a [letter order](#), FERC approved NERC's uncontested petition to revise Violation Risk Factors and Violation Severity Levels for various Reliability Standards.

FERC Issues Letter Order on Errata to Interchange Standards - November 26 - FERC issued a [letter order](#) approving errata changes to four reliability standards: INT-004-3; INT-009-2; INT-010-2; INT-011-1.

NERC

NERC Submits Comments on COM NOPR - December 1 - NERC [submitted comments supporting](#) FERC's Notice of Proposed Rulemaking, which would approve proposed reliability standards COM-001-2 (Communications) and COM-002-4 (Operating Personnel Communications Protocols). In its comments NERC provided additional information on the applicability of the proposed standards to categories of Registered Entities and responded to FERC's inquiries regarding the lack of a testing requirement in COM-001-2.

Dates & Events

December 2014

- 11 NERC [Cause Analysis Training](#), Atlanta, GA
- 11 NERC Industry Webinar – [Update on CIP vs Revisions](#)
- 18 NERC Industry Webinar – [Physical Security Standard Update](#)

January 2015

- 26 Comments due to FERC on [BAL-001-2 NOPR](#)

**NERC Balloting &
Comment Deadlines**

December 2014

- 16 [Final Ballot Closes](#): Project 2013-03 – Geomagnetic Disturbance Mitigation
- 16 [Final Ballot Closes](#): Project 2010-13.3 – Phase 3 of Relay Loadability: Stable Power
- 19 [Initial Ballot Closes and Comments Due](#): Project 2014-01 – Standards Applicability for Dispersed Generation Resources – PRC-001-1.1(X), PRC-019-2, PRC-024-1(X)

January 2015

- 6 [Final Ballot Closes and Comments Due](#): Project 2014-03 – Revisions to TOP and IRO Standards
- 7 [Joint Ballot Pools Close](#): Project 2014-01 – Standards Applicability for Dispersed Generation Resources – PRC-005-5
- 9 [Additional Ballot and Non-Binding Poll Closes and Comments Due](#): Project 2014-02 – Critical Infrastructure Protection Standards Ver. 5 Revisions
- 22 [Initial Ballots Close and Comments Due](#): Project 2014-01 – Standards Applicability for Dispersed Generation Resources – PRC-005-5

NERC Submits Comments on MOD NOPR - December 1 - NERC submitted [comments](#) supporting FERC's proposal to approval reliability standard MOD-031-1.

November Penalty Activity - November 30 - NERC [filed with FERC](#) a spreadsheet notice of penalty detailing 24 violations of 12 standards by 7 registered entities, as well as four separately docketed penalty proceedings totaling over \$575,000 in penalties. Separately, on November 28 FERC indicated that it would [review one October notice of penalty](#), and [would not review six others](#).

NERC Files Errata to Petition for Approval of Amendments to Bylaws and Regional Reliability Standards Development Procedure of WECC - November 21 - NERC filed an [errata to its Petition for Approval of Amendments to Bylaws and Regional Reliability Standards Development Procedure \("RSDP"\) of the Western Electricity Coordinating Council, Inc.](#) The errata notes that an erroneous clause was inserted that instructed the drafting team to make a recommendation to the Standing Committee for retirement of certain documents. The errata corrects this issue, as well as updates an outdated footnote in the table of contents.

Cybersecurity and Grid Security

National Institute of Standards and Technology ("NIST") Issues Update to Cybersecurity Framework - December 5 - [The NIST issued an update to its cybersecurity framework](#). In particular, the update reflects responses received by the NIST from its August 26th Request for Information, as well as lessons learned from its Sixth Cybersecurity Framework Workshop held on October 29th and 30th.

Congress

Critical Infrastructure Protection Act Passed by House - December 1 - The House of Representatives passed the [Critical Infrastructure Protection Act \(CIPA\)](#), which was sponsored by Representative Trent Franks (R-AZ). The bill includes provisions requiring the Department of Homeland Security (DHS) to educate owners and operators of critical infrastructure (including electricity infrastructure) and emergency planners of the threat of attack or naturally occurring Electromagnetic Pulse events.

Regional Developments

Peak Reliability Submits Informational Filing - December 5 - Peak Reliability submitted an [informational filing](#) to FERC in response to a FERC order approving a special assessment for Peak Reliability.

NPCC Issues Winter Reliability Assessment - December 2 - NPCC issued its [Winter 2014/15 Reliability Assessment](#). NPCC estimates its net minimum margin to be 18.1% for this winter.

SERC Submits Data Response Regarding 2011 and 2014 Winter Weather Events - November 25 - SERC [submitted its response](#) regarding follow-up actions in response to the Joint FERC-NERC Staff Report on 2011 and 2014 winter weather events. The data response addresses, among other things, the causes of equipment failures during these winter events, policy and procedural changes implemented to prevent future equipment failures at low temperatures, and risk planning for future winter events.

Comment Period Concludes for EPA's Clean Power Plan; FERC Technical Conferences to Follow

On December 1, the comment period closed for EPA's proposed rule to regulate carbon emissions from existing generators. The agency received over 1.4 million comments, which are available [here](#). Reliability Update readers may specifically be interested in the following comments:

- Individual comments of [FERC Commissioner Phillip Moeller](#)
- [ISO/RTO Council](#)
- [MISO](#)
- [NYISO](#)
- [PJM](#)
- [SPP](#)
- [WECC](#)

Additionally, [FERC has announced](#) a series of technical conferences regarding compliance approaches to the Clean Power Plan rule, beginning on February 19, 2015.



**Selected Regional
Compliance / Training
Events**

January 2015

27-29 [WECC CUG & CIPUG
Meetings](#)

Other Developments

DOE Announces Funding for Grid Resiliency - December 2 - The Department of Energy (DOE) announced it is making up to \$3.5 million available for communities to deploy smart grid tools and technologies to advance climate preparedness and resiliency of the electricity delivery infrastructure. For more information, see Van Ness Feldman's [Federal Funding Opportunity Update](#).

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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