



## Dates & Events

### August 2016

- 2-3 Distributed Energy Resources [Workshop](#)  
Atlanta, GA
- 5 Enforcement date for [CIP-010-2](#)
- 5 [Comments due](#) on Reliability Guideline: Power Plan Model Verification using PMUs.
- 5 [Comments due](#) on Reliability Guideline: Reactive Power Planning and Operations
- 15 Comments due to NERC on [FRCC Reliability Standard Development Process Manual](#)
- 19 [Comments due](#) on NOPR for Regulations Implementing FAST Act Section 61003 - CEII

# Electric Reliability Update

JULY 27, 2016

## FERC

**Notice of Proposed Rulemaking on Supply Chain Risk Management** - July 21 – In a final rule, FERC directed NERC to [develop a new Reliability Standard](#) that addresses supply chain risk management for industrial control system hardware, software, and computing and networking services associated with bulk electric system operations. The new Reliability Standard will address software integrity and authenticity, vendor remote access, information system planning, and vendor risk management and procurement controls. The rule will become effective 60 days after publication in the Federal Register.

**Notice of Proposed Rulemaking on Standards for Business Practices** - July 21 - [FERC proposes](#) to incorporate the latest version of certain Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB) into FERC regulations. The revised NAESB standards will update earlier standards that FERC previously used. The revision to FERC's regulations would incorporate two new standards developed by NAESB in coordination with NERC. The first standard establishes the NAESB Electric Industry Registry business practice standards that replace the NERC Transmission System Information Networks as the tool to be used in electronic tagging. The second new standard models business practices to support and complement NERC's proposed retirement of its "MOD A" Reliability Standards. Comments on the FERC proposal are due 60 days after publication in the Federal Register.

**Order No. 828 Requirements for Frequency and Voltage Ride Through Capability of Small Generating Facilities** - July 21 - FERC is [modifying the pro forma Small Generator Interconnection Agreement \(SGIA\)](#) to require newly interconnecting small generating facilities to ride through abnormal frequency and voltage events and disconnect during such events. Since generators interconnecting under the Large Generator Interconnection Agreement (LGIA) already meet these requirements, the Commission concluded that it would be unduly discriminatory not to also impose these requirements on small generating facilities.

**FERC Notice of Inquiry on Cyber Systems in Control Centers** - July 21 - [FERC seeks comment](#) on the need for modifications to the Critical Infrastructure Protection Reliability Standards regarding cybersecurity of Control Centers used to monitor the bulk electric system (BES). In the wake of a recent cyber attack on Ukraine, FERC specifically seeks comment on separation between the Internet and BES Cyber systems in Control Centers performing transmission operator functions, and computer administration practices that prevent unauthorized programs from running. Comments are due 60 days after publication in the Federal Register.

**FERC Denies Rehearing of Order No. 822** - July 21 – [FERC denied two requests for rehearing of Order No. 822](#) that were filed by the Foundation for Resilient Societies and Isologic. The groups had challenged Order No. 822, which Commission approval of seven modified critical infrastructure protection (CIP) Reliability Standards submitted by NERC.

**FERC Adjusts Civil Monetary Penalty Amounts** - July 6 - FERC issued an [interim final rule](#) to amend its regulations governing the maximum civil monetary penalties that can be imposed for violations of statutes, rules and orders within the Commission's jurisdiction. The penalties were adjusted for inflation, as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

## NERC

**NERC to Hold Distributed Energy Resources Workshop** - July 20 - NERC [announced](#) that it will hold a workshop to highlight the reliable integration of distributed energy resources into the bulk power system. NERC President and CEO Gerry Cauley will speak at the workshop, and speaking panels will address the challenges of integrating distributed energy resources while ensuring that those resources

## **NERC Balloting & Comment Deadlines**

### **August 2016**

- 1 [Comments Due](#): Enhanced Periodic Review – Standards Grading
- 3 [Initial Ballots and Non-binding Polls and Comments Due](#): Project 2016-01 – Modifications to TOP and IRO Standards – IRO-002-5 and TOP-001-4
- 1 [Comments Due](#): Project 2015-09 – Establish and Communicate System Operating Limits
- 15 [Initial Ballots and Non-binding Polls and Comments Due](#): Project 2015-08 – Emergency Operations – EOP-005-3, EOP-006-3 and EOP-008-2

### **September 2016**

- 6 [Initial Ballots and Non-binding Polls and Comments Due](#): Project 2016-02 – Modifications to CIP Standards – CIP-003-7, Implementation Plan, and Definition of LERC
- 3 [Comments Due](#): Functional Model Advisory Group
- 15 [Initial Ballots and Non-binding Polls and Comments Due](#): Project 2015-08 – Emergency Operations – EOP-004-4

## **Selected Regional Compliance / Training Events**

### **August 2016**

- 16-17 [RFC Protection System Training for Substation Workers](#)

provide essential reliability services without impacting the overall reliability of the bulk power system. The workshop will take place on August 2-3 in Atlanta, GA.

**NERC Celebrates 10 Year Anniversary as the ERO** - July 20 - On July 20th, [NERC celebrated its 10-year anniversary](#) as the Electric Reliability Organization (ERO). In a statement, NERC President Gerry Cauley asserted that NERC “has been a successful model to assure the reliability of the bulk power system by combining essential industry expertise and regional perspectives with independent governance and regulatory oversight.” Cauley also praised the organization for its work in “strengthen[ing NERC’s] partnerships across North America, including those with Canada, Mexico and other stakeholders.”

**NERC Signs Agreement with EU Energy Directorate** - July 14 - [NERC signed an administrative agreement](#) with the European Commission's Directorate General for Energy (DG Energy) to collaborate on electric grid reliability. Under the agreement, NERC and DG Energy plan to consult regularly on the exchange of information pertaining to electric grid reliability; to share best practices and studies; and to consider the possibility of short-term staff exchanges.

## **Cybersecurity and Grid Security**

**Utilities Aim to Enhance Grid Security in Wake of Ukraine Hack** - July 21 – U.S grid operators are taking steps to protect the electric power distribution system against the type of [cyberattack that crippled Ukraine's power grid](#) in December 2015. A number of responses to such an attack are being proposed, including a revival of older controls and bolstering of recovery plans. New policy solutions, such as the "Securing Energy Infrastructure Act," introduced by Senator Jim Risch (R-ID), would allow DOE to study the issues faced during cyberattacks.

## **Regional Developments**

**SERC Appoints New President and CEO** - July 14 - The SERC Reliability Corporation (SERC) [appointed Gary J. Taylor](#) to the position of President and Chief Executive Officer. Taylor previously served as SERC's Vice President and Chief Operating Officer.

## **Other Developments**

**Proposed Outline for US-Canadian Electric Grid Strategy** - July 20 - US and Canadian officials have come together to [develop a joint strategy](#) for strengthening the security and resilience of the North American electricity grid against cyber attacks and climate change impacts. According to Department of Energy's notice and request for public comment, the joint strategy aims to “Protect Today's Grid and Enhance Preparedness; . . . Manage Contingencies and Enhance Response and Recovery; . . . [and] Build a More Secure and Resilient Future Grid.” The Department of Energy is seeking public comment on or before August 10, 2016.

**DOE Announces \$15 Million in New Funding for Grid Security Efforts** - July 12 - The Department of Energy (DOE) [announced](#) that it would provide up to \$15 million in funding to support efforts by the American Public Power Association (APPA) and National Rural Electric Cooperative (NRECA) to improve the security and resilience of the electric power grid. The funds will be used to improve cyber and physical security culture through the development of security tools, educational resources, updated guidelines, and training. The funding is contingent upon congressional appropriation.

## **About Us**

The Van Ness Feldman Electric Reliability Update is published by [Malcolm McLellan](#), [Ilan Gutherz](#), [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.

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