

Response to April 17 Wall Street Journal Article

April 18, 2014

ATLANTA – The North American Electric Reliability Corporation would like to clarify some important facts based on the Wall Street Journal’s April 17 article on NERC’s standards process and the current draft physical security standard.

First, the standard drafting team has developed a draft physical security standard that addresses the directives in the Federal Energy Regulatory Commission’s March 7 order. FERC recognized that a “one-size-fits-all,” prescriptive approach to protecting the bulk power system from physical security threats would not provide the most benefit. This takes into account the fact that NERC does not have the authority to dictate building of facilities and remains technology neutral. The directive allows flexibility for organizations with critical assets to work with the characteristics of their particular area, as well as their law enforcement specifications.

The draft physical security standard was posted for the 15-day formal comment period with five-day initial ballot beginning on April 10. While the industry is involved in the development and balloting of standards, that is just one step of the process. Once approved, the standard is submitted to NERC’s independent Board of Trustees for approval before filing with FERC. After NERC Board approval, the proposed standard must go to FERC for review and approval.

In all cases, FERC can direct NERC to do what is needed within the scope of reliability and security of the bulk power system. FERC can order a standard be developed – as it did with the recent physical security standard and have on past occasions, including a geomagnetic disturbance standard and changes to critical infrastructure protection standards. FERC also has the authority to remand a standard for additional changes. Finally, FERC can approve a standard with additional directives or approve as filed. As with all standards approved by FERC, the final standard includes a deadline for implementation.

Since 2007, NERC has responded to hundreds of FERC directives. The consequences of not complying with a FERC order are severe, including civil action or decertification as the electric reliability organization. We take all FERC orders seriously and seek to comply as expeditiously as possible.

NERC’s standards drafting teams are well represented by stakeholders. The highly technical nature of the grid necessitates that owners and operators be involved in developing the standards to ensure they are the best for reliability, are practical and do not cause unintended consequences.

Standards are one piece of this complex, dynamic endeavor of providing a comprehensive approach to reliability. NERC also has various other tools to fulfill this mission, including guidelines, training, assessments and alerts. This multi-pronged approach has resulted in a secure and reliable bulk power system for North America.

3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com