

June 21, 2011

Ladies and Gentlemen,

During the past several months, I have participated in multiple forums where the potential impacts from geomagnetic disturbances (GMD) on the reliable operation of the bulk power system of North America have been discussed. In these forums, I have communicated actions taken by NERC and the bulk power system's owners and operators to address GMD. By means of this letter, I wish to summarize these points for your information.

The potential risks to bulk power system reliability from severe geomagnetic events were identified in *High-Impact, Low-Frequency Event Risk to the North American Bulk Power System*, a joint report published by NERC and the U.S. Department of Energy in June 2010.<sup>1</sup> The Electricity Sub-sector Coordinating Council (ESCC), a CEO-level group that I chair, built on the action items identified in that report, filing its *Critical Infrastructure Strategic Roadmap*<sup>2</sup> with NERC's Board of Trustees in November 2010. At this time, among other threats identified in this roadmap, we have chosen to focus on GMD more than electromagnetic pulse (EMP) risks. NERC's Technical Committees, jointly acting to support the ESCC roadmap, developed the *Critical Infrastructure Strategic Initiatives Coordinated Action Plan*.<sup>3</sup> Hundreds of subject matter experts from throughout industry are engaged to support this important plan.

The NERC Geomagnetic Disturbance Task Force (GMDTF) is investigating and fully vetting bulk power system reliability implications of geomagnetic disturbances, assessing available studies and associated models, and developing interconnection-wide technical solutions that are complete and accurate. In coordination with this effort, the Severe Impact Resilience Task Force (SIRTF) is assessing the existing and desired resiliency levels of the bulk power system, and the Spare Equipment Database Task Force (SEDTF) is developing parameters to inventory long-lead time equipment, with initial focus on transformers.

NERC also released a NERC Alert<sup>4</sup> to the industry on GMD in May 2011, providing suggested bulk power system owners and operators with near-term operating and planning actions that could be taken. As part of this Alert release, NERC held a workshop in April 2011 to coordinate the development of the NERC Alert with industry stakeholders and subject-matter experts.


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<sup>1</sup> <http://www.nerc.com/files/HILF.pdf>

<sup>2</sup> [http://www.nerc.com/docs/escc/ESCC\\_Critical\\_Infrastructure\\_Strategic\\_Roadmap.pdf](http://www.nerc.com/docs/escc/ESCC_Critical_Infrastructure_Strategic_Roadmap.pdf)

<sup>3</sup> [http://www.nerc.com/docs/ciscap/Critical\\_Infrastructure\\_Strategic\\_Initiatives\\_Coordinated\\_Action\\_Plan\\_BOT\\_Apprd\\_11-2010.pdf](http://www.nerc.com/docs/ciscap/Critical_Infrastructure_Strategic_Initiatives_Coordinated_Action_Plan_BOT_Apprd_11-2010.pdf)

<sup>4</sup> [http://www.nerc.com/fileUploads/File/Events%20Analysis/A-2011-05-10-01\\_GMD\\_FINAL.pdf](http://www.nerc.com/fileUploads/File/Events%20Analysis/A-2011-05-10-01_GMD_FINAL.pdf)



The recent efforts of the NERC's technical committees through these task forces and issuance of the GMD Alert show NERC and its stakeholders are making significant progress towards addressing geomagnetic disturbances and their affects on the bulk power system.

I sincerely appreciate industry's efforts on this important reliability issue and solicit your continued support for the work of the task forces.

Respectfully,



Gerry Cauley  
President and CEO

cc: Commissioner Cheryl LaFleur  
Congressman Trent Franks

