



September 22, 2016

Commissioner Cheryl A. LaFleur

FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

Docket No. RM15-11-000

Item No. E-4

Statement of Commissioner Cheryl A. LaFleur on New Reliability Standard on Geomagnetic Disturbances

"I am excited that the Commission is voting out today's Final Rule, which is a milestone reflecting over five years of work by the Commission, our staff, NERC, industry, and stakeholders to address the threats posed to the bulk-power system by geomagnetic disturbances (GMD). I fully support the Final Rule, which I believe appropriately balances the need for action on this important issue with a recognition that our understanding of the science around GMD events and their operational impacts on the grid is still evolving.

"The Final Rule addresses the second stage requirements of Order No. 779, following the Commission's approval of the first stage standards in Order No. 797. As a result of today's order, transmission owners and operators will, for the first time, be required to conduct assessments of potential impacts of benchmark GMD events on their systems and mitigate adverse impacts that could cause instability, uncontrolled separation, or cascading failures of the bulk-power system. This assessment and mitigation cycle, including deadlines for preparation of corrective action plans and implementation of both non-hardware and hardware mitigation, will provide a long-term foundation for protection of the grid against GMD events. Importantly, I also believe the recurring five-year framework approved in the order is readily adaptable to improvements in our understanding of GMD events, which can be incorporated as updates to, for example, the benchmark GMD events or thermal impact assessments included in the standard.

"While the Final Rule approves NERC's proposed standard, it also recognizes that there is much work to be done to improve our understanding of GMD events and their potential impact on the grid. To that end, the Final Rule directs NERC to develop a GMD research plan addressing several critical research topics, including spatial averaging, earth conductivity models, and thermal impact assessments. NERC must submit that plan for stakeholder comment and Commission review within six months.

"The Final Rule also requires new data collection and sharing to support ongoing research efforts in this space. Specifically, the Final Rule directs NERC to propose modifications to the standard to require responsible entities to collect geomagnetically-induced current (GIC) monitoring and magnetometer data, while providing flexibility regarding how those entities may collect that data. In addition, we direct NERC to collect GIC monitoring and magnetometer data from registered entities and make it available to the public, based on our conclusion that, as a general matter, the data in question should not be treated as Confidential Information under the NERC Rules of Procedure. I believe these data collection and sharing requirements will be critical to our long-term efforts to protect the grid against GMD events.

"In my view, it is essential that our GMD standards evolve as our understanding of GMD improves. As today's order recognizes, the work conducted through NERC's GMD research plan, as well as third-party research conducted using data made available to the public, is essential to that longer-term effort, and I expect that it will lead to refinements of the GMD reliability standards over time. I thank those who will take this effort forward, and I look forward to continuing to work with you.

"Thank you."