

NERC 2017 Summer Reliability Assessment; Budget-to-Actual Spending; Quarterly Board Meeting; Electric Reliability Update - June 1, 2017



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NERC

NERC Releases 2017 Summer Reliability Assessment - May 25 - NERC released its 2017 Summer Reliability Assessment, which reports on potential summer resources deficiencies and operating reliability concerns, determines peak electricity demand and supply changes, and highlights unique regional challenges. The report found that most assessment areas have sufficient Anticipated Reserve Margins that meet or exceed their planned Reference Margin for the 2017 summer, although the Anticipated Reserve Margin for NPCC-New England falls below its Reference Margin level. The report also notes that the absence of Aliso Canyon is not expected to have an impact on reliability during the upcoming summer season due to the anticipated abundance of hydroelectric generation in California.

NERC Reports on Budget-to-Actual Spending - May 15 - NERC submitted a compliance filing to FERC reporting its budget-to-actual variance information for the first quarter of 2017.

NERC Holds Quarterly Board Meeting - May 11 - NERC's Board of Trustees held its quarterly board meeting. The Board (i) heard remarks from Patricia Hoffmann, acting assistant secretary at the Department of Energy (DOE), on reliability-related activities being undertaken by DOE, including security, resiliency and recovery efforts; (ii) accepted the Electricity Information Sharing and Analysis Center (E-ISAC) Long-Term Strategic Plan; (iii) approved amendments to NERC's Rules of Procedure; and (iv) received updates on the Summer Reliability Assessment, 2017 State of Reliability Report, and a March 8, 2017 memorandum of understanding between NERC and Mexican government authorities.

Regional Developments

CAISO Releases 2017 Summer Reliability Assessment - May 11 - The California Independent System Operator Corporation (CAISO) released its 2017 Summer Loads and Resources Assessment, which projects sufficient generation to meet peak summer demand. The report shows that under normal summer conditions, CAISO's operating reserve margins will average 19.5%, compared to the required 15%.

CAISO expects to have 52,785 MW of capacity to meet the predicted peak load of 46,877 MW, and 3,090 MW of new generation from solar, natural gas, storage batteries, hydropower, and biofuels. The report notes that projected reserve margins do not account for gas curtailment risks associated with the closure of the Aliso Canyon storage facility, and that gas storage facility restrictions pose a greater risk to local area resource adequacy than to CAISO system resource adequacy.

MISO Releases Summer Readiness Assessment - May 8 - The Midcontinent Independent System Operator, Inc. (MISO) released its 2017 Summer Readiness Report, which projects adequate power reserves to meet 2017 summer peak demand. MISO is expecting summer demand to peak at 125 GW with 148.5 GW of available capacity. The report attributes the increase in reserve to an overall negative demand growth from previous years.

NPCC Releases Summer Reliability Assessment - May 4 - The Northeast Power Coordinating Council, Inc. (NPCC) released its Summer 2017 Reliability Assessment, which projects adequate supply of electricity for the region. The report shows that the 2017 summer peak demand forecast is 1,113 MW lower than 2016.

SERC Releases Summer Reliability Assessment - May - SERC Reliability Corporation (SERC) released its 2017 Summer Reliability Assessment, which projects sufficient resources with reserve margins ranging from 17% to 36%. SERC does not anticipate any impacts to reliability from possible drought conditions or the August solar eclipse.

Other Developments

Trump Administration Issues Executive Order on Cybersecurity - May 11 -

The Trump Administration issued an [Executive Order](#) on strengthening cybersecurity in federal agencies and critical infrastructure. Among other things, the Executive Order directs the Secretary of Energy and the Secretary of Homeland Security to assess the potential scope and duration of a prolonged power outage associated with a significant cyber incident, the readiness of the United States to manage the consequences of such an incident, and any gaps or shortcomings in assets or capabilities required to mitigate the consequences of such an incident. The assessment must be submitted to the President by August 9.

Secretary of Energy Rick Perry Orders Study on Grid Reliability - April 14 - In a memorandum, Secretary of Energy Rick Perry has requested Department of Energy (DOE) staff to study challenges facing baseload generation and issues central to protecting the long-term reliability of the electric grid, including the following:

- The evolution of wholesale electricity markets, including the extent to which federal policy interventions and the changing nature of the electricity fuel mix are challenging the original policy assumptions that shaped the creation of those markets;
- Whether wholesale energy and capacity markets are adequately compensating attributes such as on-site fuel supply and other factors that strengthen grid resilience and, if not, the extent to which this could affect grid reliability and resilience in the future; and
- The extent to which continued regulatory burdens, as well as mandates and tax and subsidy policies, are responsible for forcing the premature retirement of baseload power plants.

The study is expected to be completed by June 18, 2017.

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