

Electric Reliability Update - July 6, 2017: FERC Releases 2017 Summer Reliability Report; NERC Publishes 2017 State of Reliability Report; Ransomware Infections Reported Globally



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FERC

FERC and NERC Issue Review of Compliance Programs - June 27 - FERC coordinated with NERC staff to [conduct the annual oversight](#) of the Find, Fix, Track, and Report (FFT) program. FERC staff reviewed 23 out of 46 FFT possible violations, as well as 100 out of 470 Compliance Exception (CE) instances of noncompliance posted by NERC between October 2015 and September 2016. FERC staff concluded that the FFT and CE programs are meeting expectations and that all possible violations have been remediated.

Materials from June 22 Technical Conference Now Available - June 23 - As follow up from the Reliability Technical Conference that took place at FERC on

Thursday, June 22, the conference's final agenda and speaker presentation materials have been posted to FERC Docket AD17-8.

FERC Releases 2017 Summer Reliability Report - June 15 - FERC issued its Summer 2017 Energy Market and Reliability Assessment, which provides FERC staff's summer outlook on the electricity and natural gas markets and related reliability matters. FERC anticipates adequate regional reserve margins in most areas, and high hydroelectric generation in the West. FERC continues to monitor the limited availability of the Aliso Canyon natural gas storage facility and the possible risks it could pose to gas and electric reliability. FERC has also made available a podcast discussing the Summer Assessment.

NERC

Eight NERC Standards or Requirements to Become Effective on July 1st

The following Reliability Standards became enforceable on July 1st:

- MOD-033-1 - Steady-State and Dynamic System Model Validation;
- TPL-007-1 - Transmission System Planned Performance for Geomagnetic Disturbance Events

The following Requirements also became enforceable:

- Requirements 2.3, 4.3, and 4.4 of CIP-004-6 - Cyber Security - Personnel & Training
- Requirement 3.1 of CIP-006-6 - Cyber Security — Physical Security of BES Cyber Systems
- Requirement 2.1 of CIP-008-5 - Cyber Security — Incident Reporting and Response Planning
- Requirement 2.1 - 2.2 of CIP-009-6 - Cyber Security — Recovery Plans for BES Cyber Systems
- Requirement 3.1 of CIP-010-2 - Cyber Security — Configuration Change Management and Vulnerability Assessments
- Requirement 1, 2, 4, and 5 of VAR-501-WECC-3 - Power System Stabilizer (Requirement 3 has an effective date of July 1, 2017 for first-time service after regulatory approval)

NERC Files Petition for the Approval of Proposed Revisions to the NERC Rules of Procedure - June 26 - NERC filed a petition requesting approval of proposed revisions to Sections 600 and 900 of the NERC Rules of Procedure ("ROP"). The purpose of these revisions is to: (i) clarify the scope of the Personnel Certification Program, the Training and Education Program and the Continuing Education Program; and (ii) streamline and align the language of the ROP with current practices of those programs.

NERC Publishes 2017 State of Reliability Report - June 15 - NERC published its 2017 State of Reliability Report. This year's report found that the Bulk Power System (BPS) provided an adequate level of reliability during 2016. The report also identifies risks to reliability, key areas for improvement, and highlights the ongoing work by industry to improve system reliability and resiliency. In addition to the report itself, NERC released a News Announcement discussing the report.

Cybersecurity and Grid Security

Ransomware Infections Reported Globally - June 27 - The United States Computer Emergency Readiness Team (US-CERT) received multiple reports of ransomware infections after a computer virus spread to more than 60 countries including Ukraine, where workers at Chernobyl were forced to manually check radiation levels. The ransomware, known as "Petya," restricts users' access by encrypting the master boot records of infected Windows machines until a ransom is paid. US-CERT continues to monitor the situation and asks system administrators to report any ransomware incidents.

Other Developments

Department of Energy Invests \$7.5 Million to Improve Electric Grid Reliability and Resiliency - June 21 - The United States Department of Energy (DOE) announced an award of \$7.5 million for a joint five-year collaborative project between the U.S. and India to help modernize both nations' power grids. DOE's investment will be matched by the Indian Ministry of Science and Technology and industry partners.

Energy Secretary Rick Perry Delays Study on U.S. Electric Grid Reliability until July - June 20 - On April 14, 2017, Energy Secretary Rick Perry ordered the Department of Energy (DOE) to produce a 60-day study examining how federal policy was shaping wholesale electricity markets and whether or not those policies are forcing the early retirement of baseload power plants. The study, which was originally due in June, will now be published in July. The American Wind Energy Association and Advanced Energy Economy have pre-empted the release of the DOE's study with a jointly-commissioned study of their own, which was conducted by the consulting firm Analysis Group.

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