



May 16, 2013

Commissioner John R. Norris

**STATEMENT**

FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RM12-12-000

Item No. E-5

## Statement of Commissioner John R. Norris on Reliability Standards for Geomagnetic Disturbances

"I support today's Final Rule because I believe addressing the potential impacts of geomagnetic disturbances (GMD) through reliability standards is an appropriate and prudent step at this time. As the record developed through the course of last year's Technical Conference and subsequent Notice of Proposed Rulemaking (NOPR) demonstrates, geomagnetic disturbances can lead to voltage instability and subsequent voltage collapse, potentially threatening the reliable operation of the bulk power system. Additionally, nearly everyone agrees that the existing reliability standards do not address this particular matter. For these reasons, I believe it is appropriate for the Commission, pursuant to section 215(d)(5) of the Federal Power Act, to direct NERC to fill this gap in the reliability standards.

"I want to emphasize the flexible and balanced approach we are taking. The Final Rule directs NERC to fill the gap we have identified in the standards, and provides high level direction and guidance regarding the issues we believe the standards development process should consider. However, we make clear that we are not prejudging NERC's process or the content of the standards ultimately produced, and we give NERC and industry stakeholders room to apply their technical expertise in addressing GMD. In addition, we clarify that we are not requiring the use of any particular technologies, such as automatic blocking, to protect against the impacts of GMD. We also make clear that our intent is not to outlaw GMD-related blackouts; rather, our overall objective is standards that require entities to reasonably plan to protect the system from the impacts of GMD events.

"Finally, and of great importance to me, the Commission recognizes in the Final Rule that costs and benefits must be a consideration when weighing measures to protect against the impact of GMDs. We state our expectation that NERC and industry will consider costs and benefits of proposed measures in the standards development process. My hope is that NERC, industry and the Commission will develop a record of those cost considerations as we go forward, so that other policymakers and the public will understand the choices and tradeoffs we will inevitably make in crafting standards to address GMD risks."