



March 20, 2014

Commissioner Tony Clark

FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

Statement of Commissioner Tony Clark on Securing Electric Grid Reliability

"Today is the Commission's first regular monthly meeting since the release of our order directing the North American Electric Reliability Corporation to develop standards for the physical protection of key assets related to bulk power supply. As such, I will take this opportunity to offer a few thoughts and comments.

"Protection of the nation's electric grid is of the utmost importance to America's public safety, economy and quality of life. Potential threats to the grid come in many forms: physical threats, cyber threats, natural disasters and other threats such as geomagnetic disturbances and human error, to name a few.

"Any one of these has the potential to cause disruptions to the nation's bulk power supply. And truth be told, I suspect no one can predict with certainty which exact one will cause the next major blackout. There is, however, one certainty: after the next major outage, there will be no shortage of armchair quarterbacks saying they knew all along with crystal clear omniscience that what happened was going to happen, and that someone should have done "something" about it.

"And that illustrates one of the difficulties in this sphere. The threats and their potential scenarios are almost limitless. At the same time, the amount of money and resources that could be expended attempting to bring the chance of every threat to zero are also limitless. All of which would result in an electric grid that Americans likely would be unable to afford.

"The order we recently approved addressing physical threats, much like previous orders to deal with issues such as cyber threats and geomagnetic disturbances, are all attempts to strike reasonable balances; doing what we can to mitigate most risks within our control, but without violating the axiom that if everything is a priority, then nothing is a priority.

"While I personally would have been supportive of an order such as this at any point during my now not quite two years on the Commission, I do feel it appropriate to acknowledge and thank Acting Chairman LaFleur for her initiative in drafting and circulating this order for Commission consideration so soon after her tenure leading the agency began. As all of you who work with FERC know, the Chairman at any given time shoulders the responsibility of directing the drafting of orders and deciding what will be circulated to his or her colleagues for approval. In all honesty, something along these lines could have and perhaps should have been done months, if not several years ago, but nonetheless, we should give credit where it is due and thank Acting Chairman LaFleur for her efforts.

"I close with just a few comments on the nature of the reports that brought some of these issues to light recently. While I don't necessarily fault reporters for doing their jobs - which is, after all to report, I do find fault with those people who may possess sensitive or confidential information - and then choose to release it.

"Americans should expect that their government - at agencies like FERC, is doing the sorts of modeling that identify the weaknesses of our critical infrastructure so that these weaknesses can be noted and mitigated. And I thank FERC staff, as well as staff of other key federal and state agencies for the important work they are doing. I think most Americans also would hope that information be tightly controlled, so it doesn't fall into the wrong hands. I would acknowledge and echo the recent comments of Senator Murkowski, who I thought exactly identified the danger of the release of such information, and hope that the admonition be taken seriously by all those who have access to such information."