

State of Reliability Report

Preview of Key Findings

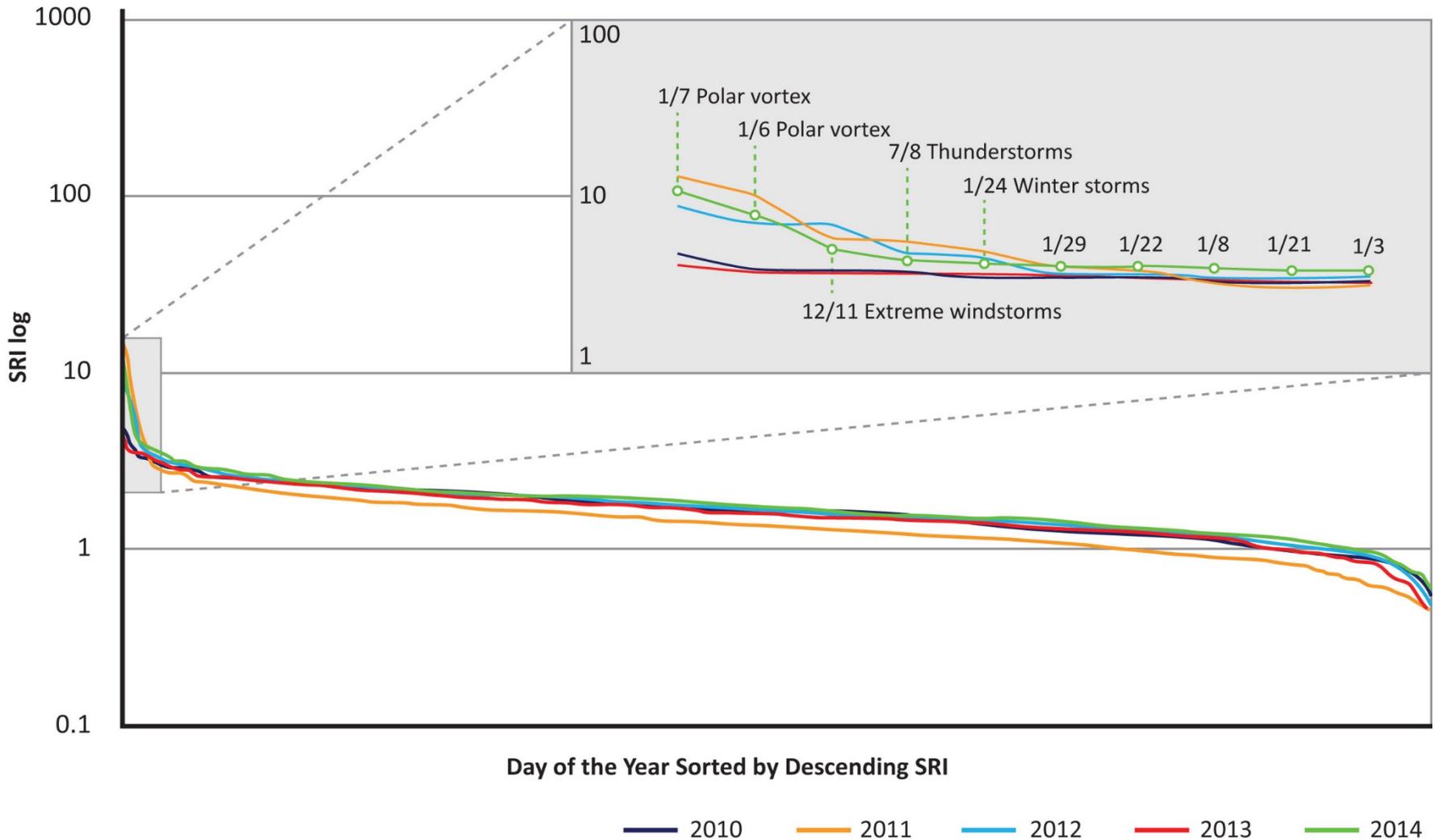
Mark Lauby, Senior Vice President and Chief Reliability Officer

RELIABILITY | ACCOUNTABILITY

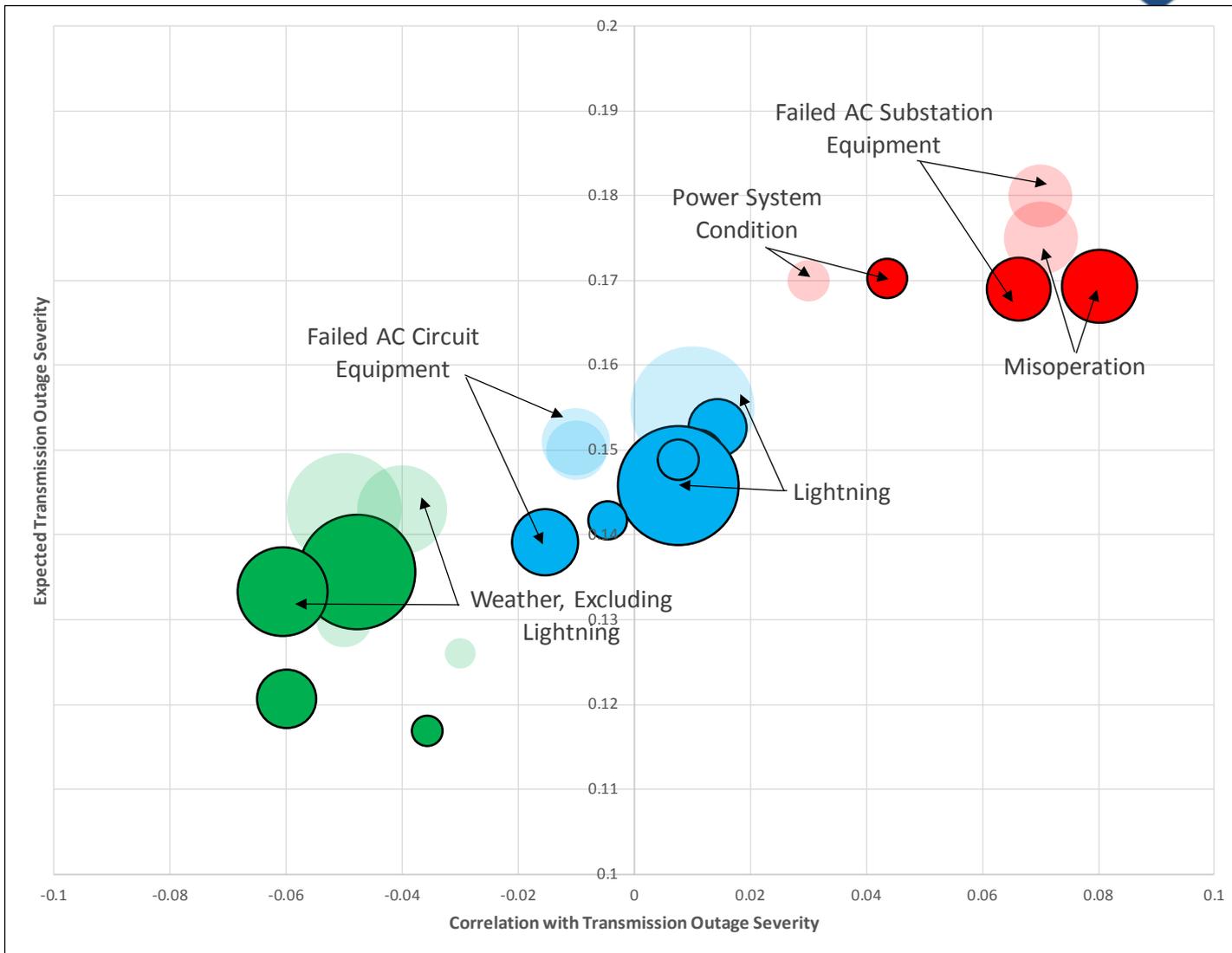


- Excluding weather, the bulk-power system (BPS) remains within Adequate Level of Reliability (ALR) objectives
 - Weather continues to stress BPS reliability
- No load loss due to cyber or physical security events
- Average transmission outage severity declined
- Significant decrease in transmission forced outages resulting in loss of load
- Stable frequency response trend
- Increased risk in protection system misoperations
- Continued decline in Energy Emergency Alert Level 3

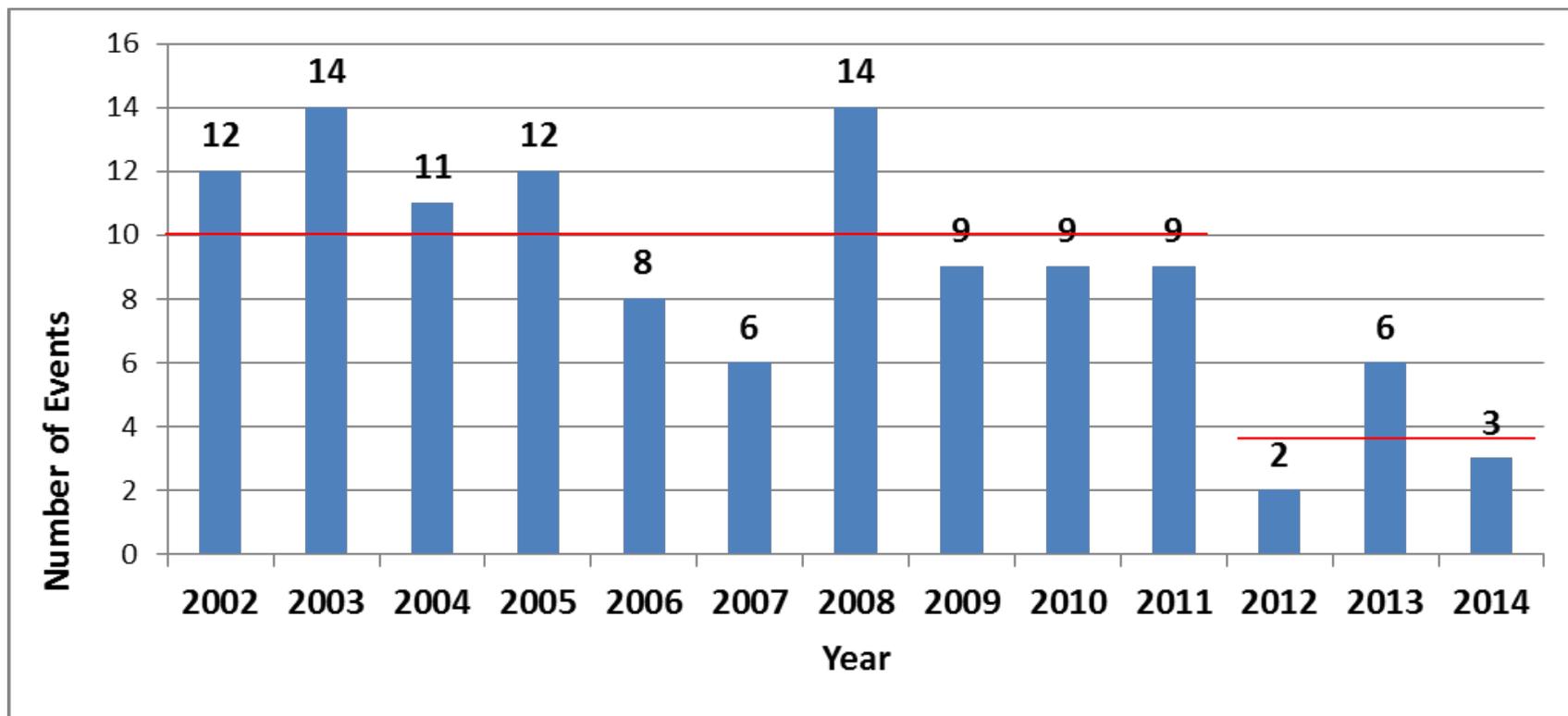
Weather Stresses BPS Reliability



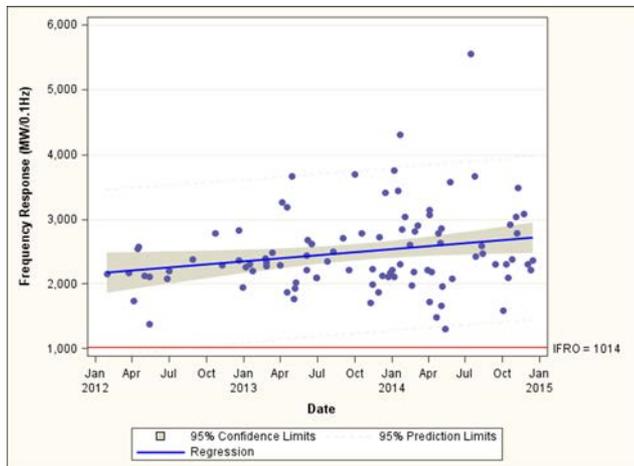
Continued Decline in Average Transmission Outage Severity



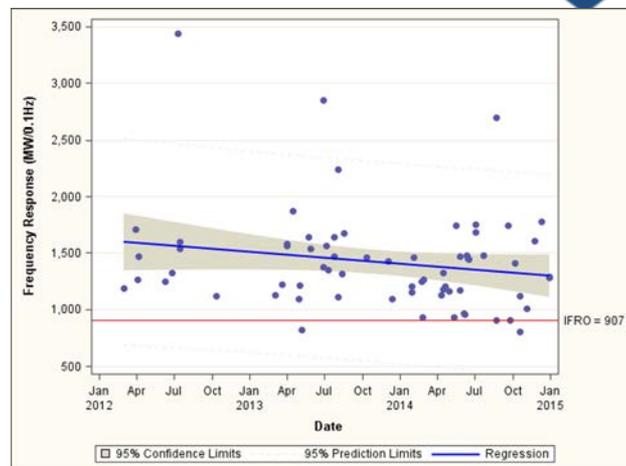
Significant Decrease in Forced Transmission Outages Resulting in Loss of Load



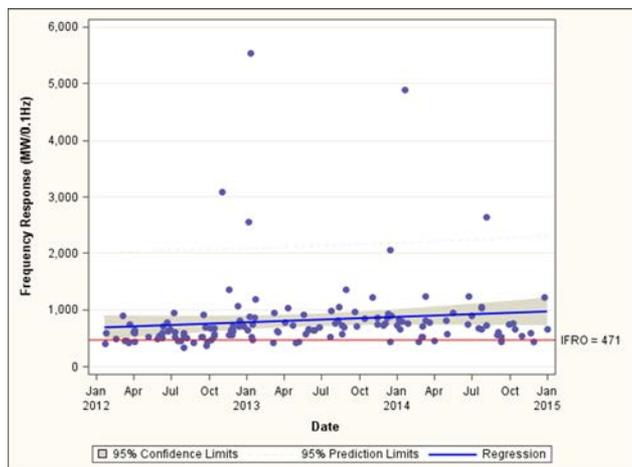
Frequency Response Trend Stable



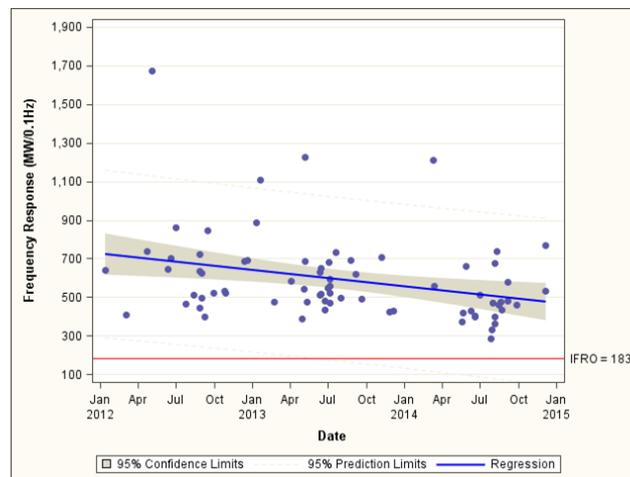
Eastern Interconnection



Western Interconnection



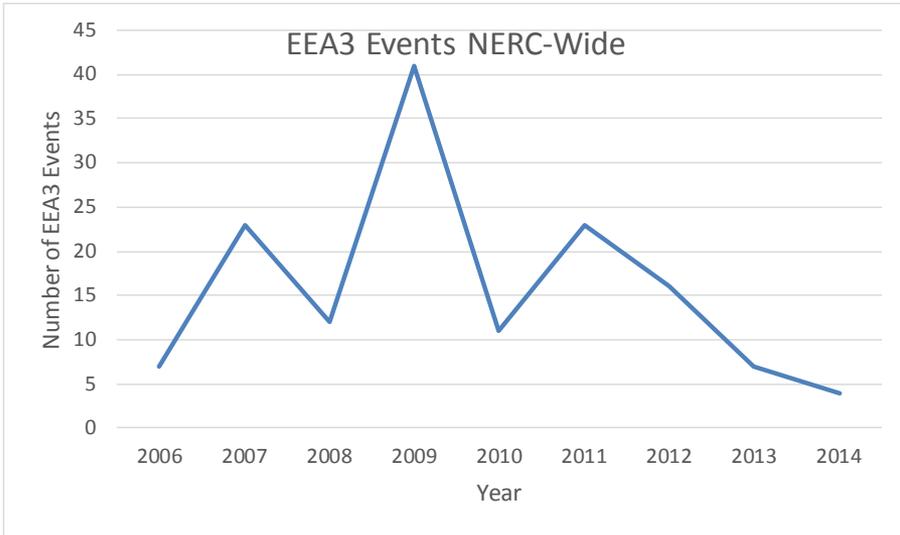
ERCOT Interconnection



Québec Interconnection

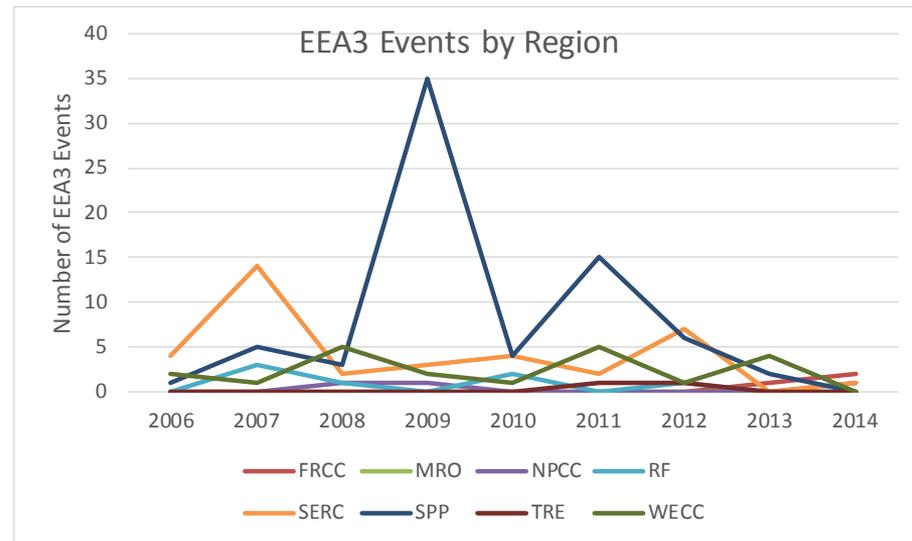
- **BES Security Metric 1: Reportable Cyber Security Incidents**
 - 3 Reportable Cyber Security Incidents in 2014
 - None resulted in loss of load
- **BES Security Metric 2: Reportable Physical Security Events**
 - 47 reports of physical security threat events
 - 9 caused physical damage or destruction
 - None resulted in loss of load

Use of EEA Level 3 Continues to Decline



Steady decline NERC-wide since 2011

Overall regional rate declining





Questions and Answers