



Federal Energy Regulatory Commission

September 22, 2016

Open Commission Meeting

Staff Presentation

Item E-4

"Good morning Chairman Bay and Commissioners,

"Today we will provide a summary of Item E-4.

"Agenda item E-4 is a draft final rule that addresses proposed Reliability Standard TPL-007-1 (Transmission System Planned Performance During Geomagnetic Disturbances), also referred to as the Second Stage GMD Reliability Standard. The North American Electric Reliability Corporation (NERC) developed and submitted the proposed Reliability Standard in response to Order No. 779. The draft final rule approves the Second Stage GMD Reliability Standard, including the associated violation risk factors, violation severity levels, implementation plan and effective dates.

"While approving the Second Stage GMD Reliability Standard, the draft final rule, pursuant to the Commission's authority under section 215(d)(5) of the Federal Power Act, also directs NERC to develop three modifications to the Second Stage GMD Reliability Standard. First, the draft final rule directs NERC to modify the "benchmark GMD event" definition set forth in Attachment 1 of the Reliability Standard so that the "reference peak geoelectric field amplitude" component of the definition is not based solely on spatially-averaged data. Second, the draft final rule directs NERC to develop revisions to the Reliability Standard to require applicable entities to collect and make available necessary data from geomagnetically-induced current monitors and magnetometers to ensure a more complete set of data for planning and operational needs. Third, the draft final rule directs NERC to develop revisions to the Reliability Standard to establish specific deadlines for the development of corrective action plans and the completion of activities called for in corrective action plans. The draft final rule requires NERC to comply with these directives within 18 months of the effective date of this final rule.

"In addition to the three directives to modify the Second Stage GMD Reliability Standard, the draft final rule directs NERC to study and submit informational filings addressing GMD research areas including spatial averaging, earth conductivity models, and thermal impact assessments. In the first informational filing, which is due six months following the effective date of this final rule, NERC would submit a work plan that includes a schedule for conducting the directed research and for submitting one or more informational filings that apprise the Commission of the results of the additional research areas as well as any other relevant developments in GMD research.

"This concludes our presentation, we are happy to take any questions you may have."