



NEWS RELEASE

January 23, 2020

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Docket Nos. RR19-7-000, RM19-10-000,
RM18-20-000

FERC Accepts NERC Performance Assessment, Bolsters Grid Reliability

The Federal Energy Regulatory Commission (FERC) today took additional action to ensure the continued reliability and security of the nation's bulk power system by approving two reliability standards and endorsing the continued work of the North American Electric Reliability Corporation (NERC), now in its 13th year as the Electric Reliability Organization (ERO).

In today's NERC 2019 Five-Year Performance Assessment (RR19-7-000), the Commission recognized the NERC continues to demonstrate its ability to develop and enforce Reliability Standards and continues to satisfy the criteria for certification as the ERO that is responsible for developing and enforcing the Commission's mandatory reliability standards. The order also finds NERC's Regional Entities continue to meet the requirements for delegated authority to enforce the standards.

"NERC and the Regional Entities have made significant achievements over the last five years, including a risk-based approach to focus resources on matters of most significance to reliability," FERC Chairman Neil Chatterjee said.

As with earlier assessments of NERC's performance, the Commission identified areas for improvement: the ERO's periodic audits of the Regional Entities, its use of reliability and security guidelines to address risks, performance metrics and oversight of the Electricity Information Sharing and Analysis Center, sanctions guidelines and its organization certification program.

FERC also directed NERC to amend its Sanction Guidelines to provide more transparency into how it applies penalties, adjustment factors and non-monetary sanctions. The filing also must submit for Commission review any tools or formulas used to implement the guidelines.

In other action today, FERC approved reliability standards for Transmission System Planning Performance Requirements (RM19-10-000, TPL-001-5) and Cyber Security – Communications between Control Centers (RM18-20-000, CIP-012-1). The Commission also issued a Notice of Proposed Rulemaking (RM19-16-000) that would approve NERC's proposed retirement of 74 of the 77 Reliability Standards developed under NERC's Standards Efficiency Review Project, which identifies standards that provide little benefit, are administrative in nature, or are redundant.

The transmission planning standard builds on the current standard by requiring a more comprehensive study of the potential impacts of protection system single points of failure. It also sets new requirements related to planned maintenance outages and stability analysis for spare equipment strategies.

The approved cyber standard enhances current Critical Infrastructure Protection (CIP) standards on mitigating risks associated with communications between bulk electric system control centers. It requires responsible entities to protect the confidentiality and integrity of real-time assessment and real-time monitoring data transmitted between control centers. The order also directs NERC to develop further modifications requiring protections regarding the availability of communication links and data communicated between those control centers.

Both final rules take effect 60 days after publication in the *Federal Register*.