

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Reliability Standards for
Geomagnetic Disturbances**

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Docket Nos. RM12-22-000

**REPLY COMMENTS OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
IN RESPONSE TO NOTICE OF PROPOSED RULEMAKING**

The North American Electric Reliability Corporation (“NERC”)¹ hereby provides these comments in response to comments submitted on the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) October 18, 2012, Notice of Proposed Rulemaking (“NOPR”)² proposing to direct NERC to file for approval with the Commission Reliability Standards that address the risks posed by geomagnetic disturbances (“GMDs”) to the reliable operation of the Bulk-Power System, in two stages.

I. COMMENTS

In response to certain remarks, NERC offers clarifying comments on the NERC standard development process and the role of the geomagnetic disturbance task force (“GMD Task Force”).

A. Standard Development Process

The NERC standard development process is accredited by the American National Standards Institute (“ANSI”) and provides reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard, consistent with the attributes necessary for ANSI accreditation. The same attributes, as

¹ The Federal Energy Regulatory Commission certified NERC as the electric reliability organization (“ERO”) in its order issued on July 20, 2006, in Docket No. RR06-1-000. *North American Electric Reliability Corporation*, 116 FERC ¶ 61,062 (2006).

² *Reliability Standards for Geomagnetic Disturbances*, 141 FERC ¶ 61,045 (2012)(“NOPR”).

well as transparency, consensus-building, and timeliness, are also required under Section 304 of the NERC Rules of Procedure. Participation is open to all persons who are directly and materially affected by the reliability of the North American Bulk-Power System and is not conditioned upon membership in NERC or any other organization.³ In order to ensure this, all participants in the standards development process are expected to, and must, conduct themselves in a professional manner at all times and this includes in-person conduct and any communication, electronic or otherwise, made as a participant in the standards development process.⁴

The NERC standard development process builds and documents consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard, and the content. This process is transparent and provides reasonable notice and opportunity for any person with a direct and material interest to express views on a proposed Reliability Standard and the basis for those views, and to have that position considered in the development of the Reliability Standards.

B. Geomagnetic Disturbance Task Force

The formation of the GMD Task Force occurred following the publication of the High-Impact, Low Frequency Event Risk to the North American Bulk Power System Report (“HILF Report”).⁵ The NERC Electricity Sub-Sector Coordinating Council (“ESSC”)⁶ recommended that NERC, working with its stakeholders and appropriate government authorities, form a task

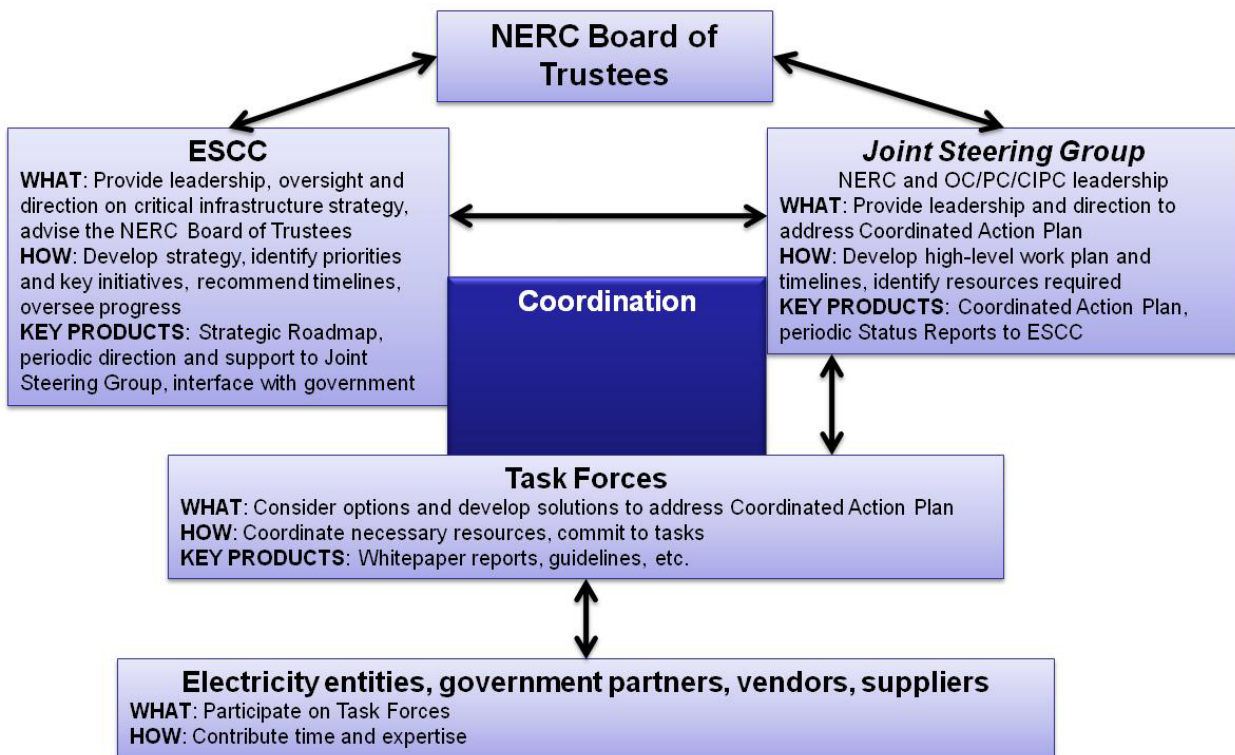
³ See Section 304 of the NERC Rules of Procedure.

⁴ See e.g., Standard Drafting Team Scope, available at: http://www.nerc.com/files/SDT_Scope_approved_by_SC_July_13_2011.pdf.

⁵ Available here: <http://www.nerc.com/files/HILF.pdf>.

⁶ The role of NERC’s Electricity Sub-Sector Coordinating Council is to “foster and facilitate the coordination of sector-wide policy-related activities and initiatives to improve the reliability and resilience of the electricity sector, including physical and cyber security infrastructure.” To help carry out that role, the ESSC developed a Critical Infrastructure Strategic Roadmap to recommend to NERC’s Board of Trustees that NERC’s Technical Committees and the industry place renewed emphasis on certain severe-impact risks to electricity system reliability.

force to identify and prioritize mitigation steps to protect the power system. The scope of the GMD Task Force was approved by the NERC Planning Committee at its September 14-25, 2010, meeting. It is a joint task force reporting to the Planning Committee (“PC”) and Operating Committee (“OC”) with support from the Critical Infrastructure Protection Committee (“CIPC”). A diagram is presented below for reference purposes.



To clarify the record, the meetings of the GMD Task Force are open and publicly-noticed. Pursuant to its certification as the Electric Reliability Organization (“ERO”) and Section 215 of the Federal Power Act, NERC is independent of the users and owners and operators of the Bulk-Power System, while assuring fair stakeholder representation and balanced decisionmaking.⁷

⁷ See Section 215(c)(2).

II. CONCLUSION

NERC supports the Commission's dedication to raising awareness in the industry of the possible impacts of GMD on the Bulk-Power System and is committed to working with stakeholders and the Commission to address these issues. For the reasons stated above, NERC respectfully requests that the Commission accept these reply comments for consideration.

Respectfully submitted,

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Dated: January 10, 2012