

Commissioners Neil Chatterjee, Richard Glick, and James Danly
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

***Docket AD18-7-000: Grid Resilience in Regional Transmission Organizations
and Independent System Operators***

Dear Chairman Chatterjee and Commissioners Glick and Danly:

California's unfortunate experience with five days of rolling blackouts and emergency conservation measures in mid-August is a reminder of the importance of grid reliability and resilience. For that reason, we are writing to respectfully urge the Commission to act with respect to the 34-months-old grid resilience docket (“*Grid Resilience in Regional Transmission Organizations and Independent System Operators*”) the Commission opened on January 8, 2018. The docket was established at the same time the Commission terminated a rulemaking proposed by the Department of Energy whose intent was to promote grid reliability and resilience.

The order that established the grid resilience docket included the following statements which implied the Commission expected to act in a timely manner:

- “The resilience of the bulk power system will remain a **priority** of this Commission. We expect to ... **promptly decide** whether additional Commission action is warranted to address grid resilience.” (Order, page 1, emphasis added)
- “This examination of the resilience of the bulk power system will be a **priority** of the Commission.” (Order, page 10, emphasis added)
- “... the topic of the new proceeding – resilience of the bulk power system – will remain a **priority** of the Commission, and we expect to review the additional material and **promptly decide** whether additional Commission action on this issue is warranted.” (Order, page 17, emphasis added)

However, other than soliciting comments from grid operators and stakeholders, we are not aware of any other formal action the Commission has taken with respect to the grid resilience docket. On the other hand, we are aware of public statements that seem to indicate that FERC has given further thought to resilience. For example —

- In March 2019, Chairman Chatterjee indicated that the Commission might consider transmission as a way to address resilience: “I believe it is more reasonable for us to consider additional transmission investments as an insurance policy to help reduce the size of disruption and enhance the grid's ability to bounce back.”ⁱⁱⁱ

- In the same interview, the Chairman said, "It may not be possible or cost-effective to design the grid to withstand every single type of extreme event that might occur."ⁱⁱⁱ
- One year ago (some 22 months after the resilience docket was opened), the Chairman indicated that the Commission would act on the docket "sooner rather than later."^{iv}

Therefore, we write to urge the Commission to at least finalize a definition for resilience in accordance with the January 8, 2018 order:

- "... we think it is appropriate to first achieve a common understanding of what resilience is in the context of the bulk power system." (Order, page 11)
- "... there is no uniform definition of resilience used across the electric industry." (Order, page 12)

Hopefully, a uniform definition would then lead to a description of attributes that are necessary to promote resilience.

We agree with Commissioner Glick's statement that "If the RTOs and ISOs demonstrate that the resilience of the bulk power system is threatened, we should act. If not, we should move on."^v However, we have no uniform definition of resilience or a list of necessary resilience attributes with which to gauge the resilience, or lack thereof, of the bulk power system.

FERC's January 2018 order came with the following proposed definition of resilience, based on a National Infrastructure Advisory Council's 2009 report:

"The ability to withstand and reduce the magnitude and/or duration of disruptive events, which includes the capability to anticipate, absorb, adapt to, and/or rapidly recover from such an event." (Order, page 13)

The Commission sought comment on the definition above and on "whether any of the terms require further elaboration to ensure a common understanding (e.g., identification of the particular types of disruptive events)." From our experience over the past almost-three years, we have also come to appreciate the variety of opinions as to what constitutes a "disruptive event" for purposes of assessing resilience.

In comments filed with FERC, PJM offered a similar definition but one that omits "rapidly" and adds the phrase "identify and mitigate vulnerabilities and threats." This is PJM's suggested definition for resilience:

"The ability to withstand or reduce the magnitude and/or duration of disruptive events, which includes the capability to identify and mitigate vulnerabilities and threats, and plan for, prepare for, absorb, adapt to, and/or recover from such an event."^{vi}

In addition, we selected at random another suggested definition from the comments of Southern California Edison to illustrate the different views on how to define resilience:

"The ability to withstand or reduce the magnitude and/or duration of disruptive events, such as significant and unanticipated loss of


generation or fuel not caused by economic factors, unanticipated failure of system elements, natural disasters, or physical and cybersecurity incidents that impact operation on the Bulk Electric System. This includes the capability to go beyond what is required by NERC Reliability Standards to identify vulnerabilities and threats, and plan for, prepare for, mitigate, absorb, adapt to, and/or timely recover from such an event in a cost-effective manner.”^{vii}

In closing, we respectfully pose three basic questions for the Commission to consider that are consistent with the January 8, 2018 Order:

- What exactly does “resilience” mean?
- What attributes are necessary to ensure the bulk power system is resilient?
- In light of the first two questions, is the bulk power system truly resilient?

We trust the Commission will regard this letter as being constructive. Please let us know how if you have any questions.

Sincerely,



Michelle Bloodworth
President and CEO

Dated: October 19, 2020

ⁱ “ORDER TERMINATING RULEMAKING PROCEEDING, INITIATING NEW PROCEEDING, AND ESTABLISHING ADDITIONAL PROCEDURES,” Docket No. AD18-7-000, January 8, 2018.

ⁱⁱ “Chatterjee: Transmission could be resilience docket solution,” *Utility Dive*, March 14, 2019. “There were numerous comments submitted [to the grid resilience docket] with regard to the role transmission plays in grid resilience and that’s something we’re considering,” according to Chatterjee.

ⁱⁱⁱ *Ibid.*

^{iv} “FERC Chair Plans to Act on Grid Resilience Docket Soon,” *Bloomberg Law*, October 17, 2019.

^v “Commissioner Richard Glick Statement on Grid Reliability and Resilience Pricing,” Docket Nos. RM18-1-000, AD18-7-000, January 8, 2018.

^{vi} “Comments and Responses of PJM Interconnection, L.L.C., Grid Resilience in Regional Transmission Organizations and Independent System Operators,” FERC Docket No. AD18-7-000, March 9, 2018.

^{vii} “COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY ON GRID RESILIENCE IN REGIONAL TRANSMISSION ORGANIZATIONS AND INDEPENDENT SYSTEM OPERATORS,” May 9, 2018.