

Grid Resilience in RTOs/ISOs

AD18-7-000

Federal Energy Regulatory Commission

Washington D.C.



Deepak Ramlatchan
Office of Energy Market Regulation



DOE Notice of Proposed Rulemaking

- On September 29, 2017, the Secretary of Energy submitted a Notice of Proposed Rulemaking (NOPR) to FERC regarding grid resiliency and reliability pricing.
- Directed FERC to consider requiring certain RTOs and ISOs to establish a mechanism for: (1) the purchase of energy from an eligible “reliability and resilience resource;” and (2) the recovery of costs and a return on equity for such resources.
- On October 2, 2017, FERC opened Docket No. RM18-1 to consider the DOE proposal.



AD18-7

ORDER INITIATING NEW PROCEEDING, ESTABLISHING ADDITIONAL PROCEDURES

- On January 8, 2018, the Federal Energy Regulatory Commission (FERC) terminated the proceeding it initiated to consider the DOE NOPR.
- The Commission stated that it places a priority on resilience and issued an order initiating a new proceeding (Docket No. AD18-7-000) to holistically examine the resilience of the bulk power system.



AD18-7 Goals

The goals of the new proceeding are to:

1. Develop a common **understanding** of what resilience is
2. Understand how each region **assesses** resilience
3. Use this information to evaluate **potential Commission action**



Definition of Resilience

AD18-7:

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.

(seeking comment)



Questions for the RTOs/ISOs

- Risks: impact, likelihood, planning, challenges
- High Impact, Low Frequency events
- Portfolio assessment, correlation/common mode failure
- Obstacles to obtaining helpful information
- Engineering and design requirements (system/components) that contribute to resilience
- Existing policies and procedures
- Existing market mechanisms



Broader Approach

- Wholesale Electric Market Rules
- Transmission Planning
- Reliability Standards
- Emergency Action Plan Development



RTO/ISO Responses

- Interplay of resilience/reliability
- Types of studies conducted
- Operations supporting resilience
- Fuel security (ISO-NE)
- Inter-regional and cross-sector issues (MISO, PJM)
- Market enhancements (PJM, NYISO, MISO)



Next Steps

- Over 150 “reply” comments filed May 9
- Analysis ongoing