

## E-ALERT | Energy

January 22, 2014

### FERC PROPOSES RULES TO PROTECT ELECTRIC SYSTEM FROM GEOMAGNETIC DISTURBANCES

FERC has proposed to approve new reliability rules to mitigate the effects of geomagnetic disturbances on the bulk power system. Geomagnetic disturbances (GMD) are caused by solar events and result in distortions to the earth's magnetic field. These disturbances have impacted the operation of pipelines, communications systems, and electric power systems, and have the potential to cause the sudden collapse of the bulk power system.

FERC's proposal will be of interest to those who own or operate generation, transmission and other equipment on the U.S. bulk electric power system and those that engage in transactions on that system.

FERC oversees the adoption and enforcement of reliability standards for the bulk power system. However, there are no FERC reliability standards to address GMD events, so in 2013 FERC issued Order No. 779 directing the North American Electric Reliability Corporation (NERC) to develop them. FERC now proposes to adopt an initial standard submitted by NERC pursuant to that order.

The proposed standard requires reliability coordinators and transmission operators to develop operating plans and procedures as follows:

- Reliability coordinators must develop and implement a GMD operating plan that coordinates the GMD operating procedures of transmission operators within their areas, and describes the activities that must be undertaken to mitigate the effects of a GMD event. A reliability coordinator is the entity responsible for the reliable operation of the bulk power system within a specific area.
- Reliability coordinators must disseminate space weather information within their areas.
- Transmission operators must develop GMD operating procedures.

FERC notes that operating procedures are not a complete solution but are an important first step toward addressing the "GMD reliability gap" because they can be implemented relatively quickly to help alleviate abnormal system conditions due to GMD events and can stabilize the bulk power system.

NERC is also due to file early next year "second-stage GMD reliability standards." As directed in Order No. 779, those standards must require owners and operators of the bulk power system to conduct on-going assessments of the potential impact of benchmark GMD events on the bulk power system and, where impacts are identified, to develop a plan to protect against instability and other adverse impacts caused by damage to equipment as a result of a GMD event.

Comments on FERC's proposal, available [here](#), are due March 24, 2014.

FERC's Order No. 779 is available [here](#).

If you have any questions concerning the material discussed in this client alert, please contact the following members of our energy practice group:

**William Massey**  
**Bud Earley**

202.662.5322  
202.662.5434

[wmassey@cov.com](mailto:wmassey@cov.com)  
[bearley@cov.com](mailto:bearley@cov.com)

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