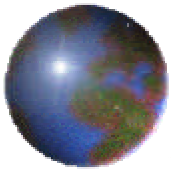


U.S. Perspectives on Security of Supply – System Reliability and Vulnerability

Constance B. White, Commissioner
Utah Public Service Commission
OOCUR 2nd Annual Conference
September 16, 2004



Shared Federal and State Responsibility:

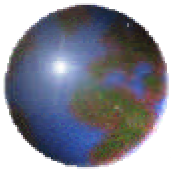
- ✦ U.S. Federal Government Agencies:

- FERC

- NERC

- ✦ State Agencies

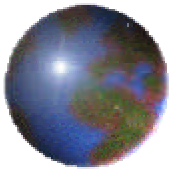
- Utility Commissions



August 2003 Blackout Report

-- One Year Later

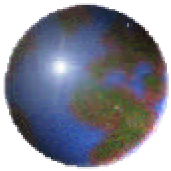
- Clarify and improve standards and develop new ones
- Institutional Changes
- Improve monitoring and ensure compliance
- Remedial actions to correct the direct cause of the blackout
- Improve operator training and tools
- Improve the physical and cyber security of the bulk system
- Strengthen voltage management, reactive power



Federal Reliability Legislation

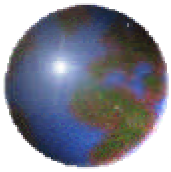
- ✦ Create a self-regulatory, independent electric reliability organization
- ✦ Make reliability rules mandatory and enforceable
- ✦ Apply to all transmission
- ✦ Preserve states' roles

Outlook for passage: Uncertain



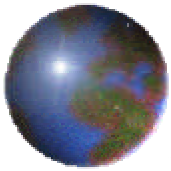
NERC's Reliability Standards

- ⊕ Administered through Regional Reliability Councils
- ⊕ Voluntary
- ⊕ Under Development
- ⊕ Coordinated with development of wholesale business practice standards



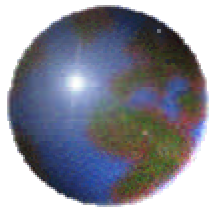
NERC's Reliability Standards

- ✦ Planning and Operations
- ✦ Compliance Measures
- ✦ Reliability Assessment



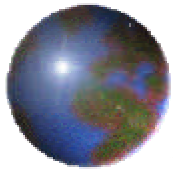
States' Role in System Reliability

- ✦ State Commissions
 - Independent
 - Focus on end-use customers
 - Public Interest standard



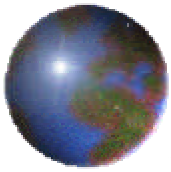
System Vulnerability: Protection of Critical Infrastructure





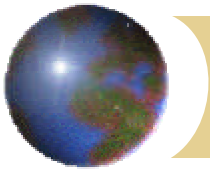
Shared Federal and State Responsibility

- ✚ U.S. Federal Agencies:
 - ✚ Office of Homeland Security
 - ✚ Coordinates all efforts of federal agencies: FEMA, DOT, FBI, Office of Pipeline Safety, etc.



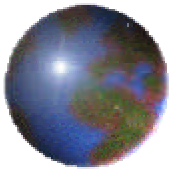
Office of Homeland Security

Charge: “Maintain a complete and accurate assessment of vulnerabilities and preparedness of critical targets across infrastructure sectors”



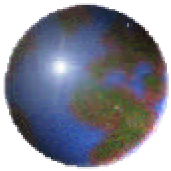
NERC: Security Guidelines for the Electricity Sector

- ✦ “Guidelines on general approaches, considerations, practices, planning philosophies to be applied in protecting the electric infrastructure systems”



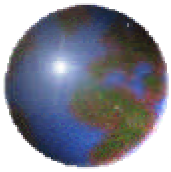
NERC's Responsibilities

- ✦ Assess vulnerabilities
- ✦ Develop plans to reduce vulnerabilities
- ✦ Propose a system to identify and avert attacks
- ✦ Develop a plan to provide alert when attack is imminent or in progress
- ✦ Assist in reconstituting in the aftermath



State Commissions

- ✦ Help identify facilities
- ✦ Help set priorities
- ✦ Ensure cost recovery as appropriate
- ✦ Coordinate with state emergency management agencies
- ✦ Long-term mitigation strategies



State Commissions

NARUC ad hoc Committee on Critical Infrastructure:

Helping identify appropriate state commission roles, educating commissions, developing tools, recommending actions.