

ScottMadden Examines FERC's Own "Holistic" Resilience Proceeding Following Decline of DOE NOPR

ATLANTA, GA – (January 31, 2018) – ScottMadden, Inc., one of North America's leading energy consulting firms, recently released a new insight summarizing the turn of events around FERC's termination of the Department of Energy (DOE)-proposed resilience (DOE NOPR). [This report](#) explores the reasoning behind the declined DOE NOPR, the FERC-initiated "holistic" proceeding (FERC Proceeding), how grid resilience has gone from backwater to front-burner regulatory discussion, and key questions being explored in the new FERC Proceeding.

FERC stated that well before the DOE NOPR, it acknowledged that grid resilience is an important issue that requires its continued attention and that it acted to address concerns through gas-power coordination, grid response to the 2014 Polar Vortex, and RTO/ISO approaches to fuel assurance. In its rejection of the DOE NOPR, FERC reaffirmed its commitment to resilience *and* to competitive market solutions. FERC was forthright in asserting its finding that there was no legal basis for FERC to act on the DOE proposal and that DOE's proposed remedy might itself cross the line of the requirements of the law.

In lieu of a rulemaking requested by DOE, the FERC Proceeding focuses on risk assessment and risk mitigation for grid resilience—which risks are the electric industry going to protect against and what steps will be taken to ensure those risks are addressed—acknowledging that there are going to be regional differences.

The new proceeding evaluates bulk power system resilience and calls for each RTO and ISO to submit information on certain resilience issues in order to "examine holistically the resilience of the bulk power system." Instead of the single issue of fuel security on which the DOE NOPR focused, FERC has expressed its interest in looking at a broad set of resilience issues, including market rules and coordination, transmission planning, and reliability standards. Importantly, this proceeding is not a rulemaking but in the nature of a factfinding; FERC will review information submitted and then determine whether additional commission action is necessary.

"Resilience is an important issue, but no one yet knows how to solve for it. And the events to date have been extraordinary, to say the least," said [Stuart Pearman](#), partner and energy practice leader at ScottMadden. "FERC has offered a workable definition of resilience and a set of 18 questions, designed to attack the problem logically and holistically; however, the contention is far from over."

For more information related to risk assessment and risk mitigation for grid resilience, or to schedule an interview with one of our industry leads, please [contact us](#).

About ScottMadden's Energy Practice

We know energy from the ground up. Since 1983, we have been energy consultants. We have served more than 400 clients, including 20 of the top 20 energy utilities. We have performed more than 3,000 projects across every energy utility business unit and every function. We have helped our clients develop strategies, improve operations, reorganize companies, and

implement initiatives. Our broad and deep energy utility expertise is not theoretical—it is experience based.

About ScottMadden, Inc.

ScottMadden is the management consulting firm that does what it takes to get it done right. Our practice areas include Energy, Clean Tech & Sustainability, Corporate & Shared Services, Grid Transformation, and Rates, Regulation, & Planning. We deliver a broad array of consulting services ranging from strategic planning through implementation across many industries, business units, and functions. To learn more, visit www.scottmadden.com | [Twitter](#) | [Facebook](#) | [LinkedIn](#).

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Media contact:

Mary Tew

marytew@scottmadden.com

919-781-4191