FERC and NERC Release Report on January 2018 Extreme Cold Weather Event

The Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) today released a joint staff report that once again stresses the need for generation owners and operators to adequately prepare for winter weather conditions to ensure bulk electric system reliability.

On January 17, 2018, regional operators in the Midwest and South Central U.S. (MidContinent Independent System Operator and Southwest Power Pool) called for voluntary reductions in electricity use due to abnormally cold temperatures and higher than forecast demand. The system remained stable. However, continued reliable operation would have required shedding firm load if MISO had experienced its largest single generation contingency in MISO South.

Today’s report finds that, despite prior guidance from FERC and NERC, cold-weather events continue to result in unplanned outages that imperil reliable system operations. It endorses the development of one or more mandatory Reliability Standards requiring generator owner/operators to prepare for the cold weather and provide information about those preparations to their Reliability Coordinators and Balancing Authorities.

Along with a Reliability Standard, enhanced outreach and actions by system operators to encourage generator performance can also help to prevent a recurrence of the large-scale unplanned outages like those seen during this event, the 2014 Polar Vortex and the 2011 Southwest cold weather event.

In addition to citing the failure to properly winterize generation facilities, the report says gas supply issues contributed to the event.

The report makes a number of recommendations and identifies sound practices. Some recommendations echo the 2011 Southwest event report, including:

- Generator owners and operators should perform winterization activities to prepare for cold weather, and should ensure the accuracy of their units’ ambient temperature design specifications;
- Balancing Authorities and Reliability Coordinators should be aware of generating units’ specific limitations, such as ambient temperatures beyond which they cannot be expected to perform or the lack of firm gas transportation;
- Planning coordinators and transmission planners should jointly develop and study scenarios to be better prepared for seasonal extreme weather conditions; and
- Transmission owners and operators should conduct analyses that delineate different summer and winter ratings for both normal and extreme conditions.