RESILIENT SOCIETIES FILES APPEAL AT FERC OF DEFECTIVE STANDARD FOR SOLAR STORMS; ELECTRIC UTILTIES NOT REQUIRED TO SPEND TEN CENTS PER AMERICAN TO PROTECT NATION

NASHUA, NH—July 22, 2014—Late on July 21, the Foundation for Resilient Societies filed an <u>administrative appeal</u> to the Federal Energy Regulatory Commission (FERC), asking its Commissioners to reverse a defective reliability standard that will not protect the nation's electrical grid against catastrophic solar storms. FERC is the lead federal agency charged with ensuring electric grid reliability and security.

The FERC-approved standard had been written by the North American Electric Reliability Corporation (NERC), an industry-dominated group selected by FERC to set and enforce electric grid reliability and security standards. Previous FERC studies had indicated that major solar storms are capable of causing long-term blackouts over large regions of the continent.

Under the defective standard, no instrumentation of vulnerable high voltage transformers during solar storms would be required. Instead, grid operators would be "flying blind" as harmful currents vibrate and burn out hard-to-replace equipment. Resilient Societies estimates appropriate protective instrumentation would cost only ten cents per American.

Instead of requiring meters that would allow grid operators to detect harmful currents and proactively shut down vulnerable equipment, the NERC-drafted and FERC-approved standard requires only that electric utilities monitor space weather, have paper plans to protect against solar storms, and document self-determined actions during storms. No practice drills or tests of solar storm protection plans would be required.

In a <u>2010 report sponsored by FERC</u>, the Oak Ridge National Laboratory concluded that a severe solar storm could leave 130 million Americans without power for several years. In the event of a severe solar storm, Resilient Societies estimates economic losses of \$6.4 trillion, in addition to the deaths of millions of Americans. In March 1989, a moderate solar storm blacked out the province of Quebec, Canada, causing economic losses of \$2 billion.

Of those voting on the NERC solar storm protection standard before its submission to FERC for final approval, <u>92% were in favor</u>, an unusually high percentage for NERC-drafted standards. NERC regulates approximately <u>2,000 electric utilities nationwide</u>. Ninety percent of utilities are exempted from compliance with the NERC solar storm standard, including operators of 102 nuclear power reactors and all other electricity generation plants.

Under the approved standard, electric utilities need to monitor <u>space weather reports</u> from the National Oceanographic and Atmospheric Administration but not harmful currents induced in their equipment. Protective plans would be self-determined by the utilities. Utilities would not be required to compare generation plants at risk during solar storms to reserve generation capacity. By complying with the standard, electric utilities would get liability protection from solar storm-caused grid outages.

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