

## Subtitle \_\_—Energy Reliability and Security

Sec. 1201. Resolving environmental and grid reliability conflicts: Resolves a conflict between the Federal Power Act and environmental laws and regulations in order to avoid forcing electric generators from choosing between whether to comply with an emergency order from the Department of Energy or violate environmental obligations.

Sec. 1202. Reliability analysis for certain rules that affect electric generating facilities: Requires the FERC, in coordination with the Electric Reliability Organization, to complete an independent reliability analysis of any proposed or final major federal rule that affects electric generating units. The reliability analysis must evaluate the potential impacts of the rule on: 1) national, regional, or local electric reliability and resource adequacy; 2) the fuel diversity of the electricity generation portfolio of the United States; 3) the operation of wholesale electricity markets; and 4) energy delivery and infrastructure, including electric transmission facilities and natural gas pipelines.

Sec. 1203. Emergency preparedness for energy supply disruptions: Finds that recent natural disasters have underscored the importance of having resilient oil and natural gas infrastructure and effective ways for industry and government to communicate to address energy supply disruptions. This section directs the Secretary of Energy to develop and adopt procedures to enhance communication and coordination between the DOE, federal partners, state and local government and the private sector to improve emergency response and recovery.

Sec. 1204. Critical electric infrastructure security: Establishes a new section 215A of the Federal Power Act that:

- Provides the Secretary of Energy the authority to address grid security emergencies if the President provides a written directive or determination identifying a grid security emergency. The Secretary is authorized to take emergency measures to protect the bulk power system or defense critical electric infrastructure, including ordering critical electric infrastructure owners and operators to take appropriate actions, with such measures to expire no later than 30 days from issuance.
- Facilitates the protection and voluntary sharing of critical electric infrastructure information between private sector asset owners and the federal government by: (1) exempting designated Critical Electric Infrastructure Information from certain federal and state disclosure laws; 2) requiring FERC to develop standards for voluntary information sharing between federal, state, local and tribal authorities, the Electric Reliability Organization, regional entities, and owners, operators and users of the bulk-power system in the U.S.; and 3) establishing sanctions for the unauthorized disclosure of shared information.

Sec. 1205. Strategic Transformer Reserve: Requires DOE to submit a plan to Congress evaluating the feasibility of establishing a Strategic Transformer Reserve for the storage, in strategically-located facilities, of spare large power transformers in sufficient numbers to temporarily replace critically damaged large power transformers. Strategically-located spare large power transformers will diminish the vulnerability of the United States to multiple risks facing electric grid reliability, including physical attack, cyber-attack, electromagnetic pulse, geomagnetic disturbances, severe weather, and seismic events.

Sec. 1206. Cyber Sense: Directs DOE to establish, in consultation with the FERC and the National Institute of Standards and Technology, a voluntary Cyber Sense program to identify and promote cyber-secure products and technologies intended for use in the bulk-power system, including products relating to industrial control systems, such as supervisory control and data acquisition systems.

Sec. 1207. State consideration of resiliency and advanced energy analytics technologies and baseload generation: Directs electric utilities and state public utility commissions to consider:

- Increasing the utilization of, and cost recovery for, resiliency-related technologies designed to improve the resilience of electric infrastructure, mitigate power outages, continue delivery of vital services and maintain the flow of power to facilities critical to public health, safety, and welfare.
- Promoting investments in advanced energy analytics technology for purposes of realizing operational efficiencies, cost savings, enhanced energy management and customer engagement, improvements in system reliability, safety, and cybersecurity, or other benefits to ratepayers.
- Adopting or modifying policies to ensure the incorporation of sufficient baseload generation into integrated resource plans to assure the reliable availability of electric energy over a 10-year planning period.

Sec. 1208. Reliability and Performance Assurance in Regional Transmission Organizations: Amends the Federal Power Act to require FERC to direct each regional transmission organization (RTO) with an existing capacity market, or comparable market, to demonstrate how such market: 1) is based on integrated system planning practices, such as a diverse generation portfolio, long-term-reliability and price certainty for customers, and enhanced performance assurance during peak periods; and 2) provides for a sufficient supply of reliable electric energy to load-serving entities from physical generation facilities that have certain reliability attributes, such as fuel on-site, dual fuel capability, contractual obligations that ensure adequate fuel supply, and can provide essential reliability services.