

**AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 8
OFFERED BY MR. FRANKS OF ARIZONA**

Page 17, after line 12, insert the following:

1 “(8) GRID SECURITY VULNERABILITY.—The
2 term ‘grid security vulnerability’ means a weakness
3 that, in the event of a malicious act using an electro-
4 magnetic pulse, would pose a substantial risk of dis-
5 ruption to the operation of those electrical or elec-
6 tronic devices or communications networks, includ-
7 ing hardware, software, and data, that are essential
8 to the reliability of the bulk-power system.

Page 26, after line 14, insert the following:

9 “(e) MEASURES TO ADDRESS GRID SECURITY
10 VULNERABILITIES.—

11 “(1) COMMISSION AUTHORITY.—

12 “(A) RELIABILITY STANDARDS.—If the
13 Commission, in consultation with appropriate
14 Federal agencies, identifies a grid security vul-
15 nerability that the Commission determines has
16 not adequately been addressed through a reli-
17 ability standard developed and approved under

1 section 215, the Commission shall, after notice
2 and opportunity for comment and after con-
3 sultation with the Secretary, other appropriate
4 Federal agencies, and appropriate governmental
5 authorities in Canada and Mexico, issue an
6 order directing the Electric Reliability Organi-
7 zation to submit to the Commission for ap-
8 proval under section 215, not later than 30
9 days after the issuance of such order, a reli-
10 ability standard requiring implementation, by
11 any owner, operator, or user of the bulk-power
12 system in the United States, of measures to
13 protect the bulk-power system against such vul-
14 nerability. Any such standard shall include a
15 protection plan, including automated hardware-
16 based solutions. The Commission shall approve
17 a reliability standard submitted pursuant to
18 this subparagraph, unless the Commission de-
19 termines that such reliability standard does not
20 adequately protect against such vulnerability or
21 otherwise does not satisfy the requirements of
22 section 215.

23 “(B) MEASURES TO ADDRESS GRID SECUR-
24 RITY VULNERABILITIES.—If the Commission,
25 after notice and opportunity for comment and

1 after consultation with the Secretary, other ap-
2 propriate Federal agencies, and appropriate
3 governmental authorities in Canada and Mex-
4 ico, determines that the reliability standard
5 submitted by the Electric Reliability Organiza-
6 tion to address a grid security vulnerability
7 identified under subparagraph (A) does not
8 adequately protect the bulk-power system
9 against such vulnerability, the Commission shall
10 promulgate a rule or issue an order requiring
11 implementation, by any owner, operator, or user
12 of the bulk-power system in the United States,
13 of measures to protect the bulk-power system
14 against such vulnerability. Any such rule or
15 order shall include a protection plan, including
16 automated hardware-based solutions. Before
17 promulgating a rule or issuing an order under
18 this subparagraph, the Commission shall, to the
19 extent practicable in light of the urgency of the
20 need for action to address the grid security vul-
21 nerability, request and consider recommenda-
22 tions from the Electric Reliability Organization
23 regarding such rule or order. The Commission
24 may establish an appropriate deadline for the
25 submission of such recommendations.

1 “(2) RESCISSION.—The Commission shall ap-
2 prove a reliability standard developed under section
3 215 that addresses a grid security vulnerability that
4 is the subject of a rule or order under paragraph
5 (1)(B), unless the Commission determines that such
6 reliability standard does not adequately protect
7 against such vulnerability or otherwise does not sat-
8 isfy the requirements of section 215. Upon such ap-
9 proval, the Commission shall rescind the rule pro-
10 mulgated or order issued under paragraph (1)(B)
11 addressing such vulnerability, effective upon the ef-
12 fective date of the newly approved reliability stand-
13 ard.

14 “(3) GEOMAGNETIC STORMS AND ELECTRO-
15 MAGNETIC PULSE.—Not later than 6 months after
16 the date of enactment of this section, the Commis-
17 sion shall, after notice and an opportunity for com-
18 ment and after consultation with the Secretary and
19 other appropriate Federal agencies, issue an order
20 directing the Electric Reliability Organization to
21 submit to the Commission for approval under section
22 215, not later than 6 months after the issuance of
23 such order, reliability standards adequate to protect
24 the bulk-power system from any reasonably foresee-
25 able geomagnetic storm or electromagnetic pulse

1 event. The Commission's order shall specify the na-
2 ture and magnitude of the reasonably foreseeable
3 events against which such standards must protect.
4 Such standards shall appropriately balance the risks
5 to the bulk-power system associated with such
6 events, including any regional variation in such
7 risks, the costs of mitigating such risks, and the pri-
8 orities and timing associated with implementation. If
9 the Commission determines that the reliability
10 standards submitted by the Electric Reliability Or-
11 ganization pursuant to this paragraph are inad-
12 equate, the Commission shall promulgate a rule or
13 issue an order adequate to protect the bulk-power
14 system from geomagnetic storms or electromagnetic
15 pulse as required under paragraph (1)(B).

16 “(4) LARGE TRANSFORMER AVAILABILITY.—
17 Not later than 1 year after the date of enactment
18 of this section, the Commission shall, after notice
19 and an opportunity for comment and after consulta-
20 tion with the Secretary and other appropriate Fed-
21 eral agencies, issue an order directing the Electric
22 Reliability Organization to submit to the Commis-
23 sion for approval under section 215, not later than
24 1 year after the issuance of such order, reliability
25 standards addressing availability of large trans-

1 formers. Such standards shall require entities that
2 own or operate large transformers to ensure, individ-
3 ually or jointly, adequate availability of large trans-
4 formers to promptly restore the reliable operation of
5 the bulk-power system in the event that any such
6 transformer is destroyed or disabled as a result of
7 a geomagnetic storm event or electromagnetic pulse
8 event. The Commission's order shall specify the na-
9 ture and magnitude of the reasonably foreseeable
10 events that shall provide the basis for such stand-
11 ards. Such standards shall—

12 “(A) provide entities subject to the stand-
13 ards with the option of meeting such standards
14 individually or jointly; and

15 “(B) appropriately balance the risks asso-
16 ciated with a reasonably foreseeable event, in-
17 cluding any regional variation in such risks, and
18 the costs of ensuring adequate availability of
19 spare transformers.

20 “(5) CERTAIN FEDERAL ENTITIES.—For the
21 11-year period commencing on the date of enact-
22 ment of this section, the Tennessee Valley Authority
23 and the Bonneville Power Administration shall be
24 exempt from any requirement under this subsection.

