Shedding Light on Reliability

A couple of weeks ago, I was astonished to read an industry trade article in which an EPA spokeswoman claimed there have been no instances where “the Clean Air Act standards have caused the lights to go out and the Clean Power Plan reflects the EPA’s continued commitment to ensuring reliability as standards and programs move forward.” The article goes on to say the EPA’s own analysis has found its Clean Power Plan (CPP) proposal does not create any “significant concerns over regional resource adequacy or raise the potential for interregional grid problems.”

The presumption that the lights will stay on in the future because they haven’t gone out in the past is a dangerous one. Remarkably, this is not the first time someone has made that presumption about reliability. Generally, statements reflecting that presumption are made due to a lack of understanding of what it takes to keep the lights on, or in an attempt to discredit preventative, reliability-based recommendations.

I also take issue with the assertion the CPP is reliable because the EPA’s own analysis says so. The EPA’s mission is to protect human health and the environment. The EPA is not responsible for power grid reliability, and its analysis did not include a detailed model of the transmission grid. SPP, on the other hand, is responsible for grid reliability in its region, and we did include a detailed model of the transmission grid in our reliability assessment of the CPP.

SPP, like other Regional Transmission Organizations and utilities, must follow applicable reliability standards developed by the North American Electric Reliability Corporation (NERC) and approved by the Federal Energy Regulatory Commission. These standards are designed to assure a minimum reliability level that minimizes customers’ power-outage risks. Non-compliance with these standards is subject to penalties of up to $1 million per day per occurrence. Non-compliance with a reliability standard does not always result in a power outage or a blackout, but it does result in unacceptable risks being taken.

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— LANNY NICKELL
An opinion about future reliability based on a lack of previous power outages or blackouts is uninformed and irresponsible for two reasons: 1) it only considers outcomes while ignoring risks taken, and 2) it is based on past performance rather than an informed evaluation of the future.

Let me put this in perspective with a simple analogy. Consider a 30 mile-per-hour speed limit in your neighborhood. Let’s assume that someone has sped through that area on numerous occasions at what they consider to be a safe speed of 50 mph without any accidents. Should the fact this driver did an individual safety assessment and has not yet had any mishaps affect anyone’s opinion about the validity of the speed limit? I certainly hope not! First, the proper safety assessment has already been made by appropriate experts, and second, the outcome ignores the numerous occasions where parents pulled their children out of harm’s way as the driver sped past.

SPP has analyzed the CPP’s reliability implications, issuing its report and filing comments with the EPA. SPP’s comments noted we have to comply with NERC reliability standards. Our analysis concluded the CPP will cause violations of those standards with serious reliability implications. This doesn’t necessarily mean the lights will go out with the CPP, but it does mean the risks are unacceptable. Using the analogy above, the risks are akin to speeding at two or three times above the speed limit. It will not be easy to keep the lights on under those circumstances and will cause costly violations of NERC reliability standards.

NERC and several other entities have followed suit with similar reports of CPP-associated reliability risks. These entities have the ultimate responsibility for maintaining reliability and know what it takes to comply with reliability standards and keep the lights on. I hope the EPA seriously considers these credible opinions as it constructs its final rule. We need to work together to protect human health and the environment, while protecting reliable electric service.

Read more from Lanny on our website. Questions and comments can be emailed to communication@spp.org.