Testimony of Norman C. Bay
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Mr. Chairman, Ranking Member Murkowski, and members of the Committee: Thank you for inviting me to testify today. My name is Norman Bay. I am the Director of the Office of Enforcement of the Federal Energy Regulatory Commission (FERC or the Commission). I appear before you as a staff witness, and the views I present are not necessarily those of the Commission or any individual Commissioner. My testimony addresses FERC's inquiry into the effects of the October 29-30, 2011 snowstorm in the Northeastern United States on transmission and Bulk Power System (BPS) facilities. Commission staff is conducting this inquiry jointly with the North American Electric Reliability Corporation (NERC). The inquiry team has made substantial progress, but we are still about a month away from finalizing our report, so I am unable to share specific findings and recommendations at this time. I am, however, happy to discuss with you the nature of our inquiry and to speak generally about some of the key issues the inquiry team is analyzing.

The Committee is well aware of the severe nature of the October snowstorm and its harmful effects throughout the Northeast. To briefly summarize, the snowstorm dropped record amounts of heavy, wet snow across the Northeast when trees had not yet lost their leaves. These circumstances caused large numbers of trees to fall on distribution and transmission lines, resulting in widespread power outages. More than three million customers from Pennsylvania to Maine lost power, tens of thousands for more than a week. The storm caused significant economic impact in the affected states.

Most of these customer outages—around ninety-five percent—were caused by damage to distribution facilities, the lines that deliver electricity to individual homes and business and that are regulated by the states rather than FERC. Numerous affected states, therefore, have launched their own inquiries into the event, and I commend their efforts. Although primarily a distribution-level event, the storm also caused transmission line and substation outages. Approximately seventy transmission lines (a number of which are BPS elements subject to FERC-approved mandatory Reliability Standards) experienced sustained outages. FERC and NERC launched their joint inquiry to (1) determine the causes of these transmission and BPS facility outages and (2) recommend steps utilities could take to improve their performance in maintaining grid reliability during a future large snowstorm or other similar weather events.

FERC and NERC have gathered a significant amount of data, primarily from the utilities responsible for maintaining the transmission lines that experienced outages. We conducted site visits to view affected transmission lines in Connecticut, Massachusetts, and New Hampshire. We met with key executives of Northeast Utilities, whose subsidiaries had the most transmission line outages. We have also talked with staff from the relevant state commissions, and we will be presenting state commission staff with our preliminary findings and recommendations before finalizing the report.

While it is premature to discuss our findings and recommendations at this time, I would like to note the key issues we are analyzing. First, we are analyzing the effects of the storm on the specific transmission lines and substations that experienced outages—which lines and substations were forced out of service, for what reasons, and how long it took to restore those facilities. Second, we are analyzing how these outages affected the BPS as a whole—how the BPS performed during and immediately after the storm. Third, we are analyzing the effect of

these facility outages on customers; as noted, we have already concluded that most of the customer outages were caused by distribution system damage. Fourth, we are analyzing the role that compliance (or lack of compliance) with FERC-approved mandatory Reliability Standards, particularly the Transmission Vegetation Management Reliability Standard (FAC-003-1), played in the transmission outages. Finally, in light of what we have learned, we are considering making several recommendations on how utilities can improve vegetation management and other practices to reduce transmission outages during snowstorms and similar weather events. Although the effects of the transmission and substation outages on the BPS, and on customers, were mild compared to the serious distribution system outages, there is room for improvement in these areas.

In conclusion, I want to thank the Committee again for this opportunity to testify today on FERC's inquiry into the October 2011 snowstorm's effects on transmission and BPS facilities. We look forward to providing the Committee, and affected state governments, a copy of the inquiry report when it is completed.