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September 6, 2018

Kimberly D. Bose, Secretary
U.S. Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: Docket No. AD18-11-000, Reliability Technical Conference

The Utilities Technology Council appreciates the opportunity to file comments regarding the July 31, 2018, Commissioner-led Reliability Technical Conference. UTC commends the Federal Energy Regulatory Commission for holding these annual, Commissioner-led discussions. UTC's utility members are committed to delivering reliable and resilient electricity services to homes and businesses all across the country. This annual technical conference provides an opportunity to discuss challenges and opportunities the industry and its regulators face in providing its essential services.

UTC is the international trade association advocating for the telecommunications and information technology interests of electric, gas and water utilities and other critical infrastructure industries. Our more than 200 core utility members include entities of all sizes and ownership structures ranging from large investor-owned utilities serving millions of customers across multiple states to smaller rural cooperative and public power utilities that may serve only a few thousand customers. All UTC members have private internal communications networks that they own, operate and maintain in order to ensure the safe, reliable and secure delivery of essential electric, gas and water services to the public at large. UTC represents the interests of these utilities as they deploy Information and Communications Technologies (ICT) and solutions that deliver secure, reliable and affordable mission-critical services.

Although the Reliability Technical Conference agenda did not specifically address utility communications networks, part of the discussion during the third panel on "Managing the New Grid" addressed the growing interdependencies between the electricity and telecommunications industries. A dialogue between FERC Commissioner Neil Chatterjee and two panelists in particular, Jay Bartlett, President and CEO of Wabash Valley Power Association, and Roy Jones, Chief Executive Officer of Electricities of North Carolina, illustrated the importance of telecommunications and broadband to the deployment of Distributed Energy Resources (DERs).

In his filed testimony, Mr. Bartlett stated that the lack of broadband services in Wabash Valley's service territory will inhibit the integration of DERs¹. Commissioner Chatterjee asked Mr.

¹Written Statement of Jay Bartlett, President and Chief Executive Officer, Wabash Valley Power Association, FERC Reliability Technical Conference, FERC Docket No. AD18-11-000 (Jul. 31, 2018), *visited at*

Bartlett to elaborate on how this could impact his utility's customers. According to the Commission's transcript of the technical conference, Mr. Bartlett responded:

“We have some real problems with integrating [distributed generation] in our systems and we can't have bi-directional communications. So bottom line is we've got large areas of our service territories which are drastically underserved with telecommunication. And right now we're having a hard time because we don't have parity in those areas -- seeing how we get there from here. But we really think that an overall part of the solution is going to have to be bringing up to parity the people in rural United States because they will be a source of a lot of this generation and we need to communicate with it for it to work effectively.”²

In his response, Mr. Jones echoed these concerns. According to the transcript, Mr. Jones responded:

“[W]e have a lot of rural parts of North Carolina that we've got municipalities that are serving customers and we don't have broadband. And in North Carolina it's probably exacerbated a little bit by our North Carolina legislation that has been passed that actually prohibits municipalities from getting into the broadband business to be able to bring those services to our community. So ... it's an issue -- it's, whether it's kids, ... from education to jobs, being able to expand those businesses and bring those into our communities, a lack of broadband is a significant issue and ... unfortunately we're a little bit handcuffed even further, ..., beyond just the [Federal Communications Commission] and the abilities there with a lot of the telecom providers.”³

An additional exchange between FERC Office of Electric Reliability Acting Director David Ortiz and the panelists further illustrated the critical role utility communications networks play in assuring grid reliability and resilience. According to the transcript, Nicholas Miller, Principal with HickoryLedge LLC, stated that adding advanced telecommunications systems and technologies to the grid increases its resilience.⁴

These on-the-record exchanges highlight the criticality of utility communications systems. Utility ICT networks are essential to the deployment of DERs and the stability of the nation's Bulk Electric System. As the Commission well knows, the reliable integration of DERs requires real-time situational awareness to balance supply and load. This situational awareness is accomplished through digital communication transmitted over ICT networks, which are deployed for reliable operations. Utilities have developed, built, and operated their own ICT

<https://www.ferc.gov/CalendarFiles/20180731084531-Bartlett,%20Wabash%20Valley%20Power%20-%20NRECA.pdf>

² Transcript from 2018 Reliability Technical Conference Regarding the Bulk-Power System, Docket No. AD18-11-000 at 187-188 (Jul. 31, 2018), visited at <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=15004065>,

³ *Id.* at 188.

⁴ *Id.* at 200.

networks in order to provide the highest level of reliability, a level traditional telecommunications carriers have said they either cannot or will not meet.

Utilities rely on both wireless and wireline technologies to run their ICT networks. Because of the size, location, terrain, and geography of a utility's service territory, along with the expense of laying fiber lines to these remote locations, utilities use wireless communications to ensure their ICT networks function over long distances. Like any wireless network, utility ICT systems need radiofrequency spectrum to operate, the reliability of which may be affected by radio frequency interference. Therefore, access to adequate and interference-free spectrum is a requirement if these networks are to work as intended.

Although spectrum and telecommunications policies reside at a separate federal agency—the Federal Communications Commission (FCC)—we have encouraged FERC Commissioners and Commission staff to consider the importance of interference-free spectrum to the continued reliable and resilient operation of the nation's energy systems. Not only are spectrum and broadband needed for the deployment of DERs, they are also essential for modernization of the Bulk Electric System. For example, utilities use Supervisory Control and Data Acquisition (SCADA) systems throughout their service territories. SCADA systems deliver huge amounts of data and situational awareness through the ICT networks deployed by utilities. ICT networks are essential to delivering this data to the right location at the right time; indeed, without reliable ICT networks, grid modernization at the Bulk Electric System level is impossible.

Spectrum policy is managed by the FCC under the Communications Act of 1934.⁵ Under law, the FCC is required to manage spectrum in the public interest. In the Balanced Budget Act of 1997, Congress authorized the FCC to award spectrum through auction, although it also exempted utilities from competitive bidding of spectrum, given the importance of utility services to the country.⁶ Despite this congressional requirement, the FCC continues to treat utilities as any other commercial entity when it comes to its spectrum policies.

As FERC knows—and its regulations indicate—the nation's electric utilities deliver essential public services to all Americans. FERC requires electric utilities to meet stringent reliability standards in order to provide the highest levels of reliable service as demanded by the government and, more importantly, the industry's customers. Although telecommunications policy is managed by the FCC, the exchanges highlighted above from the Reliability Technical Conference demonstrate the need for this Commission to consider opportunities to establish formal and recurring meetings with its sister federal agency to acknowledge the utility industry's growing reliance on ICT networks.

⁵ See Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*

⁶ H. Rept. No. 105-217, Section 3002(a)(1997).



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These jurisdictional overlaps speak to the growing interdependencies between the telecommunications and energy sectors. Not only is spectrum needed for day-to-day reliability on the Bulk Power System, but it is essential for “smart grid” and utility of the future applications. As the use of these resources grows, electric utilities will need more spectrum to continue the reliable operation of their systems. The testimony highlighted above proves that the transition to a more consumer-centric, distributed utility industry requires a clear recognition of these cross-sector interdependencies and collaboration across government.

UTC thanks this Commission for the opportunity to submit these comments. UTC is supportive of efforts to analyze grid resilience and appreciates FERC’s consideration.