

FERC will not adopt five NIST-recommended smart grid standards

July 27, 2011 — In a statement released July 19, the Federal Energy Regulatory Commission said it will not proceed with formal rule making on the National Institute of Standard's recommended smart grid interoperability standards.

[NIST](#) proposed adoption of five "families" of standards that were developed by the International Electrotechnical Commission. The standards focus on device and network communications for areas such as substation automation, control-center communications, and [transmission and distribution](#) data exchange.

[FERC](#)'s statement did not elaborate on the reasons for its decision. It cited only "concerns with cyber security deficiencies and potential unintended consequences from premature adoption of individual standards."

The statement did say, however, that FERC believes "the best vehicle for developing smart grid interoperability standards is the NIST interoperability framework process, including the work of the [Smart Grid Interoperability Panel](#) and its committees and working groups.

The SGIP expressed its support of the FERC order, saying the conclusion to not take action on the five families of standards identified is consistent with SGIP leadership's public comments and recommendations to the Commission concerning the FERC technical meeting on this matter.

"We appreciate FERC's acknowledgement of the SGIP's mission, organization, and processes to guide the development and advancement of smart grid interoperability standards and our efforts to continually evolve the SGIP to enhance its effectiveness and fairness," according to an SGIP press release.

Section 1305(d) of the Energy Independence and Security Act of 2007 directs the Commission to institute a rulemaking proceeding to adopt such standards and protocols as may be necessary to insure [smart-grid](#) functionality and interoperability in interstate transmission of electric power, and regional and wholesale electricity markets once it is satisfied that the work of the NIST has led to "sufficient consensus" on smart grid interoperability standards.

The Commission finds that there is insufficient consensus for the five families of standards under consideration. For this reason, the Commission will not institute a rulemaking proceeding at this time with respect to these standards and terminates this docket.

In this order, the Commission encourages stakeholders to actively participate in the NIST interoperability framework process to work on the development of interoperability standards and to refer to that process for guidance on smart grid standards.

This order takes action on the five families of standards identified as ready for consideration by regulatory authorities by the NIST.

In this order, we find insufficient consensus to institute a rulemaking proceeding at this time to adopt the five families of standards. Going forward, we encourage utilities, smart grid product manufacturers, regulators, and other smart grid stakeholders to actively participate in the NIST interoperability framework process to work on the development of interoperability standards and to refer to that process for guidance on smart grid standards.

On October 6, 2010, NIST notified the FERC by letter that it had identified five families of standards as ready for consideration by regulators. The letter explained that the identified standards, developed by the International Electrotechnical Commission (IEC), help to enable efficient and secure exchanges of information within and across smart grid domains. FERC then designated Docket No. RM11-2-000 for a possible rulemaking proceeding pursuant to section 1305(d) of the Energy Independence and Security Act of 2007, noting that no determination had yet been made regarding whether there is "sufficient consensus" for the standards.