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Grid Assurance enhances catastrophe response as critical electric equipment readied for service

Published on October 30, 2019 by [Chris Galford](#)

The path to a more resilient grid may lie at least in part in the power of subscriptions, and today, [Grid Assurance](#) stands ready to capitalize on that potential, with contracts for critical equipment such as transformers and circuit breakers finalized and preparations made for their accessibility by year's end.

Founded in 2016, Grid Assurance began as the idea of six energy companies determined to find an immediate path to respond to grid disruptions in the midst of catastrophes from man-made or natural events. Grid Assurance was designed to host an ongoing inventory of high-voltage transformers, circuit breakers and other equipment deemed critical within secure warehouses. Those warehouses would be set in select locations, with pre-planned transportation and logistics organized for subscribers to guarantee any key equipment could be dispatched as replacements for those in need. Affiliates of American Electric Power, Berkshire Hathaway Energy and FirstEnergy are current owner companies of Grid Assurance.

As of this month, Grid Assurance secured contracts for this equipment with ABB, Inc., GE Grid

Solutions & Prolec GE, and Royal SMIT, a mix of North American and European companies. Their subscription membership has also increased by more than five times, according to Grid Assurance Chief Executive Officer Michael Deggendorf.

“Grid Assurance membership includes 31 subscribing transmission owners with assets in 23



states,” Deggendorf told Daily Energy Insider. “We continue to work with a number of other utilities for subscriptions on critical transmission assets. We expect the subscription base to grow as utilities continue to assess and improve their recovery plans.”

Traditionally, manufacturers could take up to 18 months to provide replacement equipment to transmission owners. Such downtimes could be catastrophic, and Grid Assurance aims to cut down on such issues by operating as an always-available middleman for subscribers.

It charges cost-based subscription fees that will facilitate subscribers’ ability to recover expenses through Federal Energy Regulatory Commission-regulated stated or formula rates. Along the way, the company notes its customers could see costs lessened by as much as five times over companies forced to maintain their own inventory of spare transformers.

Grid Resiliency

The Grid Assurance model is a broadening of the Spare Transformer Equipment Program (STEP) established by the Edison Electric Institute and several utilities in 2006. That program

provides participating utilities the right to buy large transformers from other participating utilities, but restricts them to presidentially declared terrorist emergencies and equipment that may not be strong enough to meet the needs of a major catastrophe.

Grid Assurance is focused on building redundancies and providing pre-planned replacements for high-impact, low-frequency (HILF) events. That can mean physical attacks, cyberattacks, electromagnetic pulses, solar storms, earthquakes, severe weather or other catastrophic events. The models the company undertakes with subscribers consider location and type of event, frequency and severity of such events, the diversity in equipment rating, operational spares on hand and restoration at an agreed-upon level, so they can be simulated and guaranteed in advance.

“There has been tremendous progress in laying the groundwork on defining best practices for catastrophic recovery,” Deggendorf said. “We’ve received positive regulatory feedback, declaratory orders and decisions that have given utilities increased confidence in recovery. While the initial subscribing utilities give us a base of service, the industry can maximize coverage and minimize costs further with increased participation in the shared inventory. After recent high impact events like hurricanes and wildfires, utilities and stakeholders are further appreciating the importance of a firm, dedicated supply of new, well-maintained critical assets supported with a high-confidence logistics plan.”

Elevating Awareness

Since its founding three years ago, the company has worked steadily toward expanding national possibilities for grid response, and thus, enhancing grid reliability. Yet under the larger scope of U.S. grid reliability, Deggendorf views Grid Assurance’s efforts as the opening to a conversation.

“Grid Assurance and the work that’s been done with the Department of Energy have elevated awareness and begun the dialogue,” Deggendorf said. “There has been a strong focus on prevention and cyber, but we need to do more to ensure we have a recovery solution that can be executed with confidence. It needs to be an adopted best practice. More needs to be done to promote and support cost-effective and non-traditional, proactive solutions. We need to challenge ourselves to have firm plans that can confidently respond to catastrophic events.”

Grid Assurance should have its chance to demonstrate the efficacy of such plans beginning later this year, and it could determine the course of the conversation in the years ahead.

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