

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Disturbance Monitoring and Reporting)
Requirements Reliability Standard)
)
Coordination of Protection Systems for)
Performance During Faults and Specific)
Training for Personnel Reliability)
Standards)
)
Supply Chain Risk Management)
Reliability Standards)
)
North American Electric Reliability)
Corporation)

Docket Nos. RM15-4-000
RM16-22-000
RM17-13-000
RD18-4-000

**COMMENTS OF PROTECT OUR POWER IN RESPONSE TO NORTH AMERICAN
ELECTRIC RELIABILITY CORPORATION'S MOTION TO DEFER
IMPLEMENTATION OF RELIABILITY STANDARDS**

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "the Commission")¹, Protect Our Power files the following comments in response to the North American Electric Reliability Corporation's ("NERC") Motion to Defer Implementation of Reliability Standards, submitted on April 6, 2020 in the above-referenced dockets ("NERC Motion").²

¹ 18 C.F.R. 385.211 (2019).

² It is Protect Our Power's understanding that intervention is not required in order to comment in a rulemaking proceeding. However, should the Commission require an intervention, Protect Our Power so moves, pursuant to Rule 212 and 214 of the Commission's Rules. Protect Our Power is an independent, not-for-profit advocacy group with the goal of improving the U.S. electric grid's resilience to attacks; therefore, it has an interest in this proceeding. There is good cause to grant its intervention based on the new developments in these proceedings resulting from the COVID-19 pandemic, and such intervention will not prejudice any other party or delay the proceeding.

I. BACKGROUND

On Monday April 6th, NERC filed a motion at FERC in the above-referenced dockets seeking to defer the implementation of seven Reliability Standards set to take effect later this year, in light of the coronavirus pandemic emergency. The specific requests and proposed new effective dates vary from three to six months later than originally scheduled, and the reasons given are that granting the requested delays would be “just, reasonable, not unduly discriminatory, and in the public interest.” NERC Motion at 5.

Protect Our Power, an independent, not-for-profit advocacy group, was formed in 2016 with a single purpose of improving the U.S. electric grid's resilience to attacks. Protect Our Power's executive team is deeply experienced in electric utility issues, and our 25-member Advisory Panel is comprised of senior experts from across a range of grid-related disciplines, including base load and alternative electric power generation, electric transmission and grid design and operations, government agencies (FERC, FEMA, DHS, OSTP, U.S. Coast Guard), academia, finance, and insurance.

II. COMMENT

Protect Our Power acknowledges the unusual and challenging circumstances presented by our national response to the coronavirus, and specifically notes that it is critical for the electric utility industry to remain fully operational, providing a reliable supply of electricity during this time. Indeed, we note that the provision of vital medical and other emergency response services depends on a reliable supply of electricity.

We suggest, however, that a blanket extension for ninety days of the deadlines for implementation of the seven reliability standards referenced in the NERC filing may not be justified or necessarily be in the public interest. More specifically, we suggest that a blanket

90-day delay in implementation of one of the three standards related to cybersecurity — CIP-013-1, Cyber Security Supply Chain Risk Management — may not be in the public interest and that an alternative approach better designed to secure the public interest should be considered by FERC.

The need to make our electric grid more robust and resilient has been recognized by every U.S. president since 1990, by the National Academy of Sciences, by the Massachusetts Institute of Technology, by Lloyd's of London, and by the electric utility industry and Congress.

Today, we face powerful and sinister threat - steady, on-going cyber-attacks—on the order of thousands per week, according to the FBI and the Department of Homeland Security. In March 2018, those agencies reported that Russian hackers succeeded in penetrating U.S. power plant control rooms and gaining the ability to shut down power plants.

We also know that numerous government, academic and insurance industry studies, as well as actual experience, indicate that a large-scale grid shutdown would have devastating economic, human health and public safety consequences. For example, the relatively short two-day Northeast blackout of 2003 cost \$6 - \$10 billion; the cost to restore power in Puerto Rico following two hurricanes is still incomplete and is estimated at more than \$100 billion.

It is undeniable that the risk that foreign governments, rogue agents and hackers pose to the electric grid, and to the supply chain for the grid, is a crisis unto itself. Supply chain security risks were, in fact, recently singled out by the Cyberspace Solarium Commission in its March 12th Report to Congress.

Utility industry supply chain risk was also the focus of a recent analysis commissioned by Protect Our Power and conducted by Ridge Global that concluded that the supply chain that feeds hardware, critical equipment and cyber assets into our electric grid has become global in

nature, and highly vulnerable to infiltration. In issuing the report, former DHS Secretary and Pennsylvania Governor Tom Ridge noted that while some utility industry regulators, organizations and individual companies are taking action, including implementation of best practices, “gaps in the overall system present a clear and present danger to our national security.”

With specific regard to NERC’s request to delay implementation of CIP-013-1, Cyber Security Supply Chain Risk Management, we note that the order to develop and implement the [new, revised, upgraded] standard was issued by FERC 15 months ago, with an 18-month deadline for implementation. Therefore, many or most utilities may already be prepared to comply with it by the current July 1 deadline.

Given the urgency of addressing the utility industry supply chain risk, we suggest that FERC consider granting a 30-day delay in implementing CIP-013-1, Cyber Security Supply Chain Risk Management, rather than the 90-day delay requested by NERC.

This approach would acknowledge the time lost by utilities due to the coronavirus pandemic, and effectively give that time back to them, but otherwise require the industry to continue to treat the supply chain security issue with the importance and seriousness it deserves. This would also prevent us from having one crisis, the pandemic, unnecessarily cause us to lose focus and a sense of urgency about another crisis, supply chain risk.

We applaud FERC for issuing the order to [develop, revise, upgrade] the seven Reliability Standards 15 months ago and for recognizing the critical nature of the utility industry supply chain and the inherent risks therein as that supply chain becomes increasingly global. We encourage FERC to maintain the urgency of that recognition and require utilities to comply within a 30-day extension of the original deadline for implementation of CIP-013-1, Cyber Security Supply Chain Risk Management.

III. CONCLUSION

For the foregoing reasons, Protect Our Power respectfully requests that the Commission accept Protect Our Power's Comments and grant NERC's requested relief, subject to the adjustments proposed herein.

Respectfully submitted,

/s/ James Cunningham

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CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois, this 9th day of April, 2020.

By: /s/ Marjorie Kennedy

Marjorie Kennedy