UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Physical Security Reliability Standard	:	Docket No. RD14-15-000

COMMENTS OF
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

I. INTRODUCTION

On July 17, 2014, the Federal Energy Regulatory Commission (FERC or Commission) issued its Notice of Proposed Rulemaking proposing to approve Reliability Standard CIP-014-1. The North American Electric Reliability Corporation (NERC) [1] submitted the proposed Reliability Standard for Commission approval in response to a Commission order issued on March 7, 2014.[2] The purpose of the proposed Reliability Standard CIP-014-1 is to enhance physical security measures for the most critical Bulk-Power System facilities and, as a result, lessen the overall vulnerability of the Bulk-Power System against physical attacks. As set forth in these Comments, the Pennsylvania Public Utility Commission (Pa. PUC) continues to support the Commission's efforts to identify and protect critical facilities within the Bulk-Power System. Further, the Pa. PUC commends the Commission in seeking input on this very important issue, supports the promulgation of such Reliability Standards, and files these Comments in accordance with the Order.

[1] NERC is the Commission-certified Electric Reliability Organization.

[2] The Pennsylvania Public Utility Commission filed Comments in response to that Order as well.

II. SUMMARY OF THE PROPOSED STANDARD

In its March 7, 2014 Order, the FERC determined that physical attacks on the Bulk-Power System could adversely impact the reliable operation of the Bulk-Power System and result in instability, uncontrolled separation, or cascading failures. Therefore, pursuant to section 215 of the Federal Power Act (FPA) and to provide for the reliable operation of the Bulk-Power System, the Commission directed NERC to develop (and file for approval) proposed Reliability Standards that address threats and vulnerabilities to the physical security of critical facilities on the Bulk-Power System. On May 23, 2014, the NERC petitioned the Commission to approve proposed Reliability Standard CIP-014-1 and maintained that the proposed Reliability Standard is just, reasonable, not unduly discriminatory, or preferential, and in the public interest. In addition, NERC asserted that the proposed Reliability Standard complies with the Commission's directives in the March 7, 2014 Order.

In the instant Notice of Proposed Rulemaking, the FERC proposes to approve proposed Reliability Standard CIP-014-1. However, the Commission also proposes several modifications. Of critical importance to the Pa. PUC, the Commission proposes to direct NERC to develop a modification to the physical security Reliability Standard to allow applicable governmental authorities to add or subtract facilities from an applicable entity's list of critical facilities. The Commission also proposes to direct NERC to modify the physical security Reliability Standard to remove the term "widespread." Further, the Commission proposes to direct NERC to make two informational filings—the first to be submitted within six months of the effective date of a final rule in this proceeding addressing the possibility that proposed Reliability Standard CIP-014-1 may not provide physical security for all "High Impact" control centers (as that term is defined in Reliability Standard CIP-002-5.1) and the second to be

submitted within one year of the effective date of a final rule in this proceeding addressing possible resiliency measures that can be taken to maintain the reliable operation of the Bulk-Power System following the loss of critical facilities. As set forth in these Comments, the Pa. PUC supports implementation of proposed Reliability Standard CIP-014-1 and the FERC's proposed modifications.

III. COMMENTS

The Pa. PUC supports FERC's efforts to establish reliability standards which can protect the Bulk-Power System from physical attacks that can adversely impact its reliable operation resulting in instability, uncontrolled separation, or cascading failures. The Pa. PUC has instituted such protections for its jurisdictional electric distribution companies and requires all jurisdictional utilities to develop and maintain appropriate written physical security, cyber security, emergency response and business continuity plans to protect the Commonwealth's infrastructure and ensure safe, continuous and reliable utility service.

The Pa. PUC has a direct interest in the efficacy and structure of any reliability standards related to physical attacks on the Bulk-Power System. As noted above, electric distribution companies in Pennsylvania already have written physical security plans for distribution assets which could be utilized as a baseline for developing plans for their Bulk-Power System assets. While the facilities addressed by the standards will likely be non-jurisdictional to state public utility commissions, the effects of any physical attacks that impact the Bulk-Power System would certainly impact the electric utility distribution facilities subject to Pa. PUC jurisdiction. In Pennsylvania, the Pa. PUC performs a crucial role in the response to issues involving the physical security of electric distribution systems through the State Emergency Operations Plan. The Pa. PUC provides information and subject matter expertise to the State Emergency Operations Center on an as-needed basis for electric sector emergencies impacting the Commonwealth. Therefore, the Pa. PUC's interests are aligned with those of the Commission in the instant proceeding. Consequently, the Pa. PUC agrees with the FERC's approval of Reliability Standard CIP-014-1 and also supports FERC's proposed modifications.

Applicable governmental authorities

The Pa. PUC fully supports this proposal which would provide applicable governmental authorities with the flexibility to efficiently and effectively add or subtract critical facilities as was the intent in FERC's March 7, 2014 Order. As FERC points out, NERC's proposed methodology for allowing FERC to add or subtract facilities may prove inefficient as it would require the transmission operators to re-perform the risk assessment (which may not necessarily reach the conclusion to add the facilities). Clearly, FERC would have already determined the criticality of a facility "through an audit of an applicable entity, or through some other means" and re-performing the risk assessment would be an unneeded step and would delay the development of the physical security plan and review. Therefore, the Pa PUC agrees with the Commission that this modification is necessary.

Removal of the term "widespread"

The Pa. PUC also fully supports the proposal to remove the term "widespread" as it appears in the phrase "widespread instability". As the FERC highlights, the term "widespread" is undefined by NERC in its standard and supporting documents and could be interpreted so broadly as to make the standards meaningless. Therefore, the term could be interpreted so broadly that the number of critical facilities would be far less than was intended by the March 7, 2014 Order. Consequently, the Pa. PUC agrees that removal of this term is warranted.

Six-month informational filing

The PUC also supports FERC's proposal that NERC make an informational filing within six months of the effective date of a final rule in this proceeding indicating whether the development of reliability standards that provide physical security for all "High Impact" control centers is necessary for the reliable operation of the Bulk-Power system. The FERC correctly notes that a successful attack on primary or back-up control centers of those other than transmission owners and operators that are identified as "High Impact" could allow attackers to distribute misleading and potentially harmful data and operating instructions that could result in instability, uncontrolled separation, or cascading failures. As the Commission highlights, the standards under CIP-006-5 may not be sufficient to deter, detect, delay, assess, communicate, and respond to potential threats and vulnerabilities. Therefore, further study is needed to determine appropriate response measures as well as measures to deter and delay potential threats, which are not addressed in CIP-006-5.

IV. CONCLUSION

For all of the foregoing reasons, the Pa. PUC respectfully requests that its Comments be considered in this proceeding.

Respectfully submitted,

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Dated: September 8, 2014

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served in accordance with 18 C.F.R. Sec. 385.2010 upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ James P. Melia
James P. Melia

Dated at Harrisburg, PA this 8th of September, 2014.