

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

Reliability Standards for Physical : Docket No. RD14-6-000
Security Measures :

**NOTICE OF INTERVENTION AND COMMENTS OF
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I. NOTICE OF INTERVENTION

Pursuant to Rule 214(a)(2) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (FERC or Commission) and the FERC's March 7th, 2014 Order in the above-captioned proceeding, the Pennsylvania Public Utility Commission (Pa. PUC) hereby intervenes in this docket. The Pa. PUC is the state regulatory agency for electric distribution service in Pennsylvania and one of its responsibilities is to enforce the statutory and regulatory requirements relating to system reliability. In this role, the Pa. PUC also represents the interests of electric consumers throughout Pennsylvania in proceedings before the FERC.

The name and address of persons to whom communications should be addressed are:

James P. Melia
Assistant Counsel
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, Pa 17105-3265
(717) 787-1859
jmelia@pa.gov

James A. Mullins
Assistant Counsel
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, Pa 17105-3265
(717) 787-5978
jamullins@pa.gov

II. INTRODUCTION

On March 7, 2014, the FERC issued an Order Directing Filing of Standards (Order) in the above-captioned proceeding.¹ In this Order, FERC directs the North American Electric Reliability Corporation (NERC)² to submit for approval one or more Reliability Standards that will require certain registered entities to take steps (or demonstrate that they have taken steps) to address physical security risks and vulnerabilities related to the reliable operation of the Bulk-Power System.³ Specifically, the Commission envisions that: 1) the proposed Reliability Standards should require owners or operators of the Bulk-Power System to identify facilities on the Bulk-Power System that are critical to the reliable operation of the system, and 2) owners or operators of those identified critical facilities should then develop, validate and implement plans to protect against physical attacks that may compromise the operability or recovery of such facilities. As set forth in these Comments, the Pa. PUC supports 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 this Notice of Intervention and Comments in accordance with the Order.

¹ *Reliability Standards for Physical Security Measures*, Order Directing Filing of Standards, 146 FERC ¶ 61,166 (2014) (Order).

² NERC is the Commission-certified Electric Reliability Organization.

³ According to NERC, the North American Bulk-Power system is generally defined as the electric power generation facilities combined with the high-voltage transmission system. This system creates and transports electricity around the continent.

III. SUMMARY OF THE PROPOSED STANDARD

Under section 215 of the Federal Power Act (FPA), the Commission proposes to direct NERC to submit for approval Reliability Standards that address threats and vulnerabilities to the physical security of critical facilities on the Bulk-Power System. In its Order, FERC directs NERC to file these standards within 90 days of the date of the Order.

FERC's proposal requires that owners or operators of the Bulk-Power System take at least three steps to guard against the adverse and widespread impacts on the reliable operation of the system which could result from physical security attacks.

First Step:

For the first step, FERC proposes that the Reliability Standards require owners or operators of the Bulk-Power System to perform a risk assessment of their systems to identify critical facilities. According to the Commission, such facilities are those that, if rendered inoperable or damaged, could have a critical impact on the operation of the interconnection through instability, uncontrolled separation or cascading failures on the Bulk-Power System. However, in its Order, the Commission makes it clear that it is not requiring NERC to adopt a specific type of risk assessment, or requiring that a mandatory number of facilities be identified as critical facilities under the Reliability Standards. The Commission further states that the proposed Reliability Standards should allow owners or operators to consider resilience of the grid in their risk assessment when identifying critical facilities.

Second step:

For the second step, the FERC proposes that the Reliability Standards require owners or operators of the identified critical facilities to evaluate the potential threats and vulnerabilities to those identified facilities. Further, the Reliability Standards should require the owners or operators to tailor their evaluation to the unique characteristics of the identified critical

facilities and the type of attacks that can be realistically contemplated.

Third step:

For the final step, the Commission proposes that the Reliability Standards require those owners or operators of critical facilities to develop and implement a security plan designed to protect against attacks to those identified critical facilities based on the assessment of the potential threats and vulnerabilities to their physical security. However, the FERC states that the Reliability Standards themselves need not dictate specific steps an entity must take to protect against attacks on the identified facilities. The Reliability Standards should require that owners or operators of identified critical facilities have a plan that results in an adequate level of protection against the potential physical threats and vulnerabilities faced at the identified critical facilities.

Additionally, the FERC acknowledges that compliance with these three steps could contain sensitive or confidential information that, if released to the public, may jeopardize the reliable operation of the Bulk-Power System. Therefore, the FERC proposes that NERC include in the Reliability Standards a procedure that will ensure confidential treatment of sensitive or confidential information while still allowing for the Commission, NERC and regional entities to review and inspect any information that is needed to ensure compliance with the Reliability Standards. The FERC also proposes that the risk assessment used by an owner or operator to identify critical facilities should be verified by an entity other than the owner or operator. Finally, the FERC directs NERC to file the proposed Reliability Standards within 90 days of the date of the Order.

IV. COMMENTS

The Pa. PUC supports FERC's efforts to promulgate 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 agrees with FERC that the current Reliability Standards do not specifically require entities to take steps to reasonably protect against physical security attacks on the Bulk-Power System. Specifically, the Pa. PUC supports FERC's proposed requirement that owners or operators of the Bulk-Power System take at least three steps to guard against the adverse and widespread impacts on the reliable operation of the system which could result from physical security attacks.

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. The Pa. PUC agrees with the FERC on the following proposed NERC standards as follows: 1) that risk assessments be undertaken, 2) that potential

threats and vulnerabilities be evaluated and 3) security plans be developed and implemented in an effort to identify and protect critical facilities within the Bulk-Power System. The creation of such standards will enhance the FERC's ability to assure the public that critical facilities are reasonably protected against physical attacks.

V. CONCLUSION

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

Respectfully submitted,

/s/ James A. Mullins
James A. Mullins

Counsel for the Pennsylvania Public Utility
Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Tel: 717-787-5987; 717-787-1859
jamullins@pa.gov

Dated: March 27, 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 A. Mullins
James A. Mullins

Dated at Harrisburg, PA this 27th of March, 2014.