

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

North American Electric
Reliability Corporation

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Docket No. RD23-2-000

COMMENTS OF THE ELECTRIC POWER SUPPLY ASSOCIATION

Pursuant to Federal Energy Regulatory Commission’s (“FERC” or “the Commission”) Notice Inviting Post-Technical Conference Comments,¹ the Electric Power Supply Association (“EPSA”)² hereby submits these comments addressing the *Joint Technical Conference Regarding Physical Security of the Bulk-Power System* (“BPS”) hosted by FERC and the North American Electric Reliability Corporation (“NERC”) on August 11, 2023. EPSA supports continued examination of the effectiveness of CIP-014-3 and highlights that any additional NERC action should be performance-based in nature. Given the site and terrain specific challenges that are associated with individual substations, it is critical that utilities be given flexibility to protect their equipment in ways that are most effective for their circumstances, in terms of cost, performance, and results.

¹ Federal Energy Regulatory Commission, *Notice Inviting Post-Technical Conference Comments*, Docket No. RD23-2-000, (Issued August 21, 2023).

² EPSA is the national trade association representing competitive power suppliers in the U.S. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. EPSA seeks to bring the benefits of competition to all power customers. These comments represent the position of EPSA as an organization but not necessarily the views of any particular member with respect to any issue.

I. COMMENTS

FERC and NERC convened this conference to discuss physical security of the BPS, including the adequacy of existing physical security controls, challenges, and solutions. As has been noted by the Electricity Information Sharing and Analysis Center (“E-ISAC”), physical security events have become more prevalent in recent years.³ NERC’s Board of Trustees also recently included security risks (both physical and cyber) as one of five risk profiles in its 2023 ERO Reliability Risk Priorities Report.⁴ Given these realities, EPSA agrees that a continued examination of the effectiveness of CIP-014-3 is a worthy undertaking and supports the Commission and NERC’s efforts on this front. Standards like CIP-014-3 play a critical role in protecting the BPS and the grid and set expectations for BPS stakeholders’ protection of their assets and the grid as a whole. All efforts to improve CIP-014-3 and increase the physical security of the grid should be undertaken. Importantly, such improvements or revisions should avoid overly prescriptive requirements that may either interfere with security provisions already in place or additional actions tailored to address site-specific circumstances. For instance, there may be certain prescriptive revisions that, in an effort to set a standardized

³ Cancel, Manny, *Testimony of Manny Cancel, Chief Executive Officer, Electricity Information Sharing and Analysis Center, and Senior Vice President, North American Electric Reliability Corporation Before the Subcommittee on Oversight and Investigations, U.S. House Committee on Energy and Commerce*, (July 18, 2023), available here: www.nerc.com/news/testimony/Testimony%20and%20Speeches/House%20EC%20Security%20Hearing%20Testimony%207.18.23.pdf. As Mr. Cancel’s testimony provides, there were almost 1,700 physical security incidents reported to the E-ISAC in 2022, an increase of 10.5% from 2021. Typical physical security incidents against the grid involve vandalism, tampering, arson, and ballistic damage.

⁴ North American Electric Reliability Corporation, *2023 ERO Reliability Risk Priorities Report*, (August 17, 2023). Available here : www.nerc.com/comm/RISC/Related%20Files%20DL/RISC_ERO_Priorities_Report_2023_Board_Approved_Aug_17_2023.pdf

minimum threshold, in fact do not achieve (or could interfere with) the stated goal of the change.

Like other BPS stakeholders, EPSA members regularly enact measures that go above and beyond what is required by standards and regulations. Given the diversity of power providers, business models, and asset portfolios, it is necessary to allow flexibility to companies across the country to address critical security matters which they each face. Various factors including the extent of asset ownership, transmission configuration, physical location and design of facilities, prior patterns of theft, vandalism, and other security-related activities, can all influence analyses and decisions regarding critical asset identification and risk threat assessments. Imposing mandatory minimum requirements would not guarantee that individual substations would be better protected and could be accompanied by enormous costs to little effect or improvement.

Throughout the technical conference, panelists extolled the virtues of information sharing as a powerful tool in combatting physical security events. EPSA wholeheartedly agrees, and our membership is actively engaged in the sharing of physical security information at multiple security venues. All EPSA member companies are registered participants in the E-ISAC and routinely share security information with BPS stakeholders via the E-ISAC portal. EPSA members are also actively involved in the FBI InfraGard program, which is a partnership between the FBI and members of the private sector. InfraGard provides a vehicle for seamless public-private collaboration with government that expedites the timely exchange of information and promotes mutual learning opportunities relevant to the protection of critical infrastructure. These and

other programs have proven to be extremely effective in responding to – and preventing – physical security events.

In addition to these measures, EPSA members further support their security efforts by regularly conducting security assessments, participating in security exercises – including GridEx – and attending events and training exercises offered by third-party independent experts. EPSA members look forward to continued collaboration on security issues with FERC, NERC, and other BPS stakeholders to achieve our common mission of a safe, reliable grid.

II. **CONCLUSION**

EPSA supports the continued examination of the effectiveness of CIP-014 and urges that any action on physical security allow for the flexibility needed to address site and terrain specific challenges that are associated with individual substations. EPSA also agrees that information sharing is a powerful tool in combatting physical security events and looks forward to continued collaboration – and expansion – of this valuable practice.

Respectfully submitted,

/s/ Nancy Bagot

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Dated: September 20, 2023

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on each person designated on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

Dated at Washington, D.C., this 20th day of September, 2023.

/s/ Bill Zuretti
Bill Zuretti