| 1  | UNITED STATES OF AMERICA                |
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| 2  | FEDERAL ENERGY REGULATORY COMMISSION    |
| 3  |   |
| 4  | CONSENT ELECTRIC, CONSENT MISCELLANEOUS |
| 5  | CONSENT HYDRO, DISCUSSION ITEMS,        |
| 6  | STRUCK ITEMS                            |
| 7  |   |
| 8  |   |
| 9  |   |
| 10 | 1057th COMMISSION MEETING               |
| 11 | Thursday, June 20, 2019                 |
| 12 | Commission Meeting Room                 |
| 13 | Federal Energy Regulatory Commission    |
| 14 | 888 First Street, NE                    |
| 15 | Washington, D.C. 20426                  |
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                The Commission met in open session at 10:06 a.m.,
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    when were present:
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               CHAIRMAN NEIL CHATTERJEE
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               COMMISSIONER CHERYL LaFLEUR
               COMMISSIONER RICHARD GLICK
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 6
               COMMISSIONER BERNARD MCNAMEE
 7
              DEPUTY SECRETARY NAT DAVIS
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    Agenda Items:
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    Consent-Electric
    E-1, E-3, E-4, E-5, E-6, E-7, E-8. E-9 E-10, E-11, E-12,
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    E-13, E-14, E-15 and E-16
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14
    Consent-Miscellaneous
15 M-1
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17
    Consent-Hydro
    H-2, H-3, H-4, H-5 and H-6
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    Discussion Items
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    E-2
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23 Struck Items
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    None
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          Commissioner Recusals and Statements for June 20,
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    2019
 3
              Commissioner McNamee is not participating in the
    following consent items:
 5
             E-1, E-4 and E-7
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    Discussion and/or Presentations
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    E-2 - Presentation by Leigh Anne Faugust (OGC) accompanied
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    by Simon Slobodnik (OER)
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    Struck Items
14 None
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| 1  | PROCEEDINGS   |
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| 2  | (10:06 a.m.)  |
| 3  | DEPUTY SECRETARY DAVIS: Good morning. The                   |
| 4  | purpose of the Federal Energy Regulatory Commission's open  |
| 5  | meeting is for the Commission to consider the matters that  |
| 6  | have been duly posted in accordance with the Government In  |
| 7  | The Sunshine Act.   |
| 8  | Members of the public are invited to observe,               |
| 9  | which includes attending, listening, and taking notes, but  |
| 10 | does not include participating in the meeting or addressing |
| 11 | the Commission. Actions that purposely interfere or attempt |
| 12 | to interfere with the commencement or conducting of the     |
| 13 | meeting or inhibit the audience's ability to observe or     |
| 14 | listen to the meeting, including attempts by audience       |
| 15 | members to address the Commission while the meeting is in   |
| 16 | progress, are not permitted.                                |
| 17 | Any persons engaged in such behavior will be                |
| 18 | asked to leave the building. Anyone who refuses to leave    |
| 19 | voluntarily will be escorted from the building.             |
| 20 | Additionally, documents presented to the                    |
| 21 | Chairman, Commissioners, or staff during the meeting will   |
| 22 | not become part of the official record of any Commission    |
| 23 | proceeding, nor will they require further action by the     |
| 24 | Commission. If you wish to comment on an ongoing proceeding |
| 25 | before the Commission, please visit our website for more    |

- 1 information. Thank you for your cooperation.
- 2 CHAIRMAN CHATTERJEE: Mr. Secretary, we are ready
- 3 to begin.
- DEPUTY SECRETARY DAVIS: Thank you, Mr. Chairman.
- 5 Good morning, Mr. Chairman. Good morning,
- 6 Commissioners. This is the time and place that has been
- 7 noticed for the open meeting of the Federal Energy
- 8 Regulatory Commission to consider the matters that have been
- 9 duly posted by the Commission.
- 10 Please join us in the Pledge of Allegiance.
- 11 (Pledge of Allegiance recited.)
- 12 DEPUTY SECRETARY DAVIS: Commissioners, since the
- 13 May open meeting the Commission has issued 72 Notational
- 14 Orders. Thank you.
- 15 CHAIRMAN CHATTERJEE: Thank you, Mr. Secretary,
- 16 and good morning to everyone. We are pleased to welcome Nat
- 17 Davis, the Deputy Secretary, who is sitting in for Secretary
- 18 Kim Bose today. Thank you, Nat.
- 19 I'd like to open the meeting by thanking my
- 20 colleagues and the House Committee on Energy and Commerce
- 21 for a very productive oversight hearing last week. These
- 22 hearings provide an important opportunity for the
- 23 Commissioners to discuss significant issues with
- 24 legislators, and for the legislators to ensure that the
- 25 Commission's actions benefit both consumers and the

- 1 environment.
- 2 I would also like to take this opportunity to
- 3 thank Dr. Yolanda Garcia Mezquita for her service to FERC.
- 4 She spent the last three months as a special liaison from
- 5 the European Commission's Directorate-General for Energy in
- 6 the Office of Energy Policy and Innovation.
- 7 Anyone who had the opportunity to spend time with
- 8 Yolanda knows she is extremely talented, insightful, and
- 9 warm. We were very lucky to have her and to have her
- 10 expertise here with us. And I personally benefitted and
- 11 enjoyed our conversations, so thank you.
- 12 Finally, I'd like to welcome the 2019 class of
- 13 summer interns that joined the Commission last month. I ask
- 14 that they stand to be recognized at this time.
- 15 (Interns stand. Applause.)
- 16 CHAIRMAN CHATTERJEE: We have 43 interns onboard
- 17 today with 3 more joining the Commission in the next few
- 18 weeks. Our interns come from around the country--from Las
- 19 Vegas, Nevada to Pensacola, Florida. They work in various
- 20 program offices throughout the Commission and range from
- 21 undergraduate students to Ph.D. candidates.
- 22 We have one intern this year, Matt Cronin, who
- 23 was a FERC intern last summer and enjoyed his experience so
- 24 much he decided to return while completing his Ph.D. in
- 25 Economics at Clemson University.

- 1 Interns are given substantial projects that match
- 2 their academic area of interest. Our interns are a diverse
- 3 group that includes members of the Military Reserve such as
- 4 OEPI Intern Matt Sidler, and world travelers like OAL Intern
- 5 Chris Parker who has been to 49 of 50 states and visited
- 6 over 50 countries.
- 7 During their time at FERC they will have the
- 8 opportunity to participate in professional development
- 9 workshops, field trips to D.C. attractions, a tour of a
- 10 hydropower project, as well as networking through FERC's
- 11 mentor-mentee program.
- 12 I would like to especially recognize George Daoud
- 13 who is serving on my team this summer as a legal intern.
- 14 George, you've got to stand up now.
- 15 (Laughter.)
- 16 CHAIRMAN CHATTERJEE: George is a rising 2L at
- 17 Syracuse university College of Law, and received his
- 18 Bachelor's Degree in Peace, War, and Defense from the
- 19 University of North Carolina at Chapel Hill. Prior to his
- 20 internship at FERC, he worked for two years at the U.S.
- 21 Department of State as a Protocol Officer in the Office of
- 22 the Chief of Protocol in the Diplomatic Affairs Division.
- 23 George is a native of the Washington, D.C. metro area. I am
- 24 grateful for his willingness to serve at the Commission this
- 25 summer. He has already been an incredible asset to me and

- 1 my team.
- 2 So to the summer interns, I say thank you for
- 3 your work at the Commission this summer. I appreciate your
- 4 interest in public service and in working for the American
- 5 People. I hope that your experience with us this summer
- 6 will be rewarding and educational. So thank you.
- 7 Now on to today's agenda. I would like to first
- 8 touch--I'd like to touch first on today's Item M-1 which is
- 9 a final rule modernizing the electronic filing format for
- 10 certain data submissions to FERC.
- 11 This is a significant step forward in our efforts
- 12 to make data collections here at our agency more accessible,
- 13 more efficient, and more transparent. We expect that
- 14 today's action will, over time, decrease costs for filers
- 15 and--importantly--make the information that we collect more
- 16 useable. We've directed staff to kick off a technical
- 17 conference process to address technical details and
- 18 implementation, and we look forward to continued stakeholder
- 19 engagement in this effort.
- 20 I'm also pleased that we are taking an important
- 21 step on today's agenda to further strengthen our
- 22 requirements for cybersecurity with Item E-2--but we will
- 23 have more on that later.
- 24 With that, I will conclude my remarks and turn to
- 25 my colleagues for any additional opening statements or

- 1 announcements that they may have.
- 2 Commissioner LaFleur?
- 3 COMMISSIONER LaFLEUR: Thank you, Mr. Chairman.
- 4 I am also really happy to welcome the summer intern class.
- 5 I was fortunate to have lunch with them earlier this week.
- 6 They are the biggest group of interns I recall for awhile,
- 7 diverse in experience, and as you said working in many
- 8 offices around the Commission.
- 9 We absolutely need the best and the brightest of
- 10 the next generation to help with the energy issues that
- 11 we're working on right now and into the future, and I hope
- 12 that this will be the start of potential careers in energy
- 13 for many of our interns.
- I want to call out one intern in particular. I
- 15 made her sit on the uncomfortable bench behind me, Claire
- 16 Wayner, who is an intern in my office this summer. Claire
- 17 comes to us through the Princeton In Civic Service Program.
- 18 She is actually--this is the eighth summer that I've had a
- 19 PICS intern in my office. They fund the summer. Claire is
- 20 a native of Baltimore and a sophomore at Princeton majoring
- 21 in environmental engineering. In her spare time she writes
- 22 for the Daily Princetonian Newspaper. I did that, so I
- 23 have a soft spot for that. And works on the Campus
- 24 Sustainability Initiative, serves in student government, and
- 25 even started a birding society. So maybe she can help us

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1 with the species in our environmental impact statements.
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- 2 But, seriously, we're very happy to have Claire
- 3 and all of the summer interns.
- 4 Finally, I'm not a Western girl, I'm not even
- 5 from western Massachusetts, but I wanted to put on my hat to
- 6 give a shout-out to the Western Conference of Public Service
- 7 Commissioners. Rich and I and our teams were there for a
- 8 few days earlier this month. I was hosted by Wyoming
- 9 Chairman Kara Fornstrom. And in addition to buying the hat,
- 10 it was a very substantive program with detailed
- 11 presentations on resource changes in the West, the carbon
- 12 sequestration research in which Wyoming is a leader, Western
- 13 regionalization efforts, a structured debate on PURPA, and
- 14 we even had a cowboy poet. So maybe Rich will enact some of
- 15 his poems.
- 16 (Laughter.)
- 17 COMMISSIONER LaFLEUR: Howdy, and thank you.
- 18 CHAIRMAN CHATTERJEE: Commissioner Glick?
- 19 COMMISSIONER GLICK: Thank you, Mr. Chairman. I
- 20 was actually thinking about writing my next dissent in
- 21 cowboy poetry. I though that might be--
- 22 (Laughter.)
- 23 COMMISSIONER GLICK: I also do want to also
- 24 welcome the interns here today--
- 25 CHAIRMAN CHATTERJEE: You're prejudging? What

- 1 are you going to be deciding?
- 2 (Laughter.)
- 3 COMMISSIONER GLICK: That's a good point.
- 4 COMMISSIONER McNAMEE: I might sign on just
- 5 because it's cowboy.
- 6 (Laughter.)
- 7 COMMISSIONER GLICK: I also wanted to welcome the
- 8 interns here today. I haven't had a chance yet, but I know
- 9 we're going to have one soon, but I think returning to
- 10 Washington, D.C., for the summer, whether it be at FERC or
- 11 another agency, or Capitol Hill, I think is a really
- 12 tremendous experience that I think will last with you
- 13 throughout your lives, just to get a better sense of how
- 14 our government works and, in this case, how FERC works. I
- 15 think that's going to be a valuable experience, and
- 16 hopefully I know we will value that as well.
- 17 I actually don't have much to say today. I'm not
- 18 even going to talk about climate change, Mr. Chairman.
- 19 (Laughter.)
- 20 COMMISSIONER GLICK: I know that means that
- 21 everyone else will be able to make their lunch appointments
- 22 this afternoon. But I did just want to mention a couple of
- 23 things.
- 24 First of all, since our last meeting, Anan
- 25 Wisneoff who is in the Solicitor's Office, he had been

- 1 detailed to our office and since our last meeting has gone
- 2 back to the Solicitor's Office. But I just wanted to thank
- 3 Anan greatly. He was extremely helpful. We were very busy
- 4 during the last month when one of our advisors was out, so
- 5 he filled in. He was detailed and did a great job and
- 6 really learned our office quickly and really got into the
- 7 middle of the issues, and I know he's been of great value to
- 8 the Solicitor's Office, but he was a great value to us as
- 9 well. But I also want to thank Bob Solomon and our General
- 10 Counsel James Danly for allowing him to be detailed to
- 11 office. Thank you.
- 12 Second, and lastly, this past Tuesday I spoke to
- 13 the Board of Directors of Americans' Coalition for Clean
- 14 Coal Electricity. We had a really good discussion about
- 15 FERC's role in our electricity market and how coal plays a
- 16 role in our electric markets. And I think they were
- 17 actually surprised that I actually came and spoke to them,
- 18 that I volunteered to them, but it was actually a very
- 19 experience. And sometimes I think that we all live in an
- 20 echo chamber somewhat. We hang around the people that think
- 21 like us sometimes. We watch the cable news networks that
- 22 are, you know--that essentially espouse our values so to
- 23 speak, and we really don't get a chance to interact with
- 24 people that think differently. And this was a very valuable
- 25 experience for me to be able to speak to them and hear their

- 1 views, and hear their views about coal.
- 2 And of course, Mr. Chairman, it didn't hurt that
- 3 I told them I knew you. That actually added a lot of
- 4 credibility to me, so--
- 5 (Laughter.)
- 6 COMMISSIONER GLICK: But that's all I have.
- 7 Thanks.
- 8 CHAIRMAN CHATTERJEE: Commissioner McNamee.
- 9 COMMISSIONER McNAMEE: I don't have much to say,
- 10 either, except welcome to the interns. It is a great
- 11 opportunity for us to have you here, and it is truly a great
- 12 opportunity for you all to be here in Washington to
- 13 experience it, but also to kind of see how government
- 14 actually works, especially in a regulatory agency.
- 15 So I wish you good luck here. I hope you learn a
- 16 lot. But I also hope you enjoy it, because it's a great
- 17 opportunity.
- 18 I also want to just comment briefly that our
- 19 docket in dealing with cybersecurity reporting that we're
- 20 about to hear about is very important. The whole issue of
- 21 cybersecurity, I've said it before and I still mean it, is
- 22 so important that it has yet to be politicized in this town.
- 23 And I think that is something that is really probably
- 24 something that's clear that everybody realizes that there
- 25 are real threats out there; that there are things that

- 1 industry and government need to do, that we need to work
- 2 together, and that constant vigilance is very important to
- 3 ensuring the security of our grid, especially against cyber
- 4 attacks. So thank you.
- 5 CHAIRMAN CHATTERJEE: Thank you, Commissioners,
- 6 and also welcome to Claire. It's been a pleasure seeing you
- 7 on the 11th floor.
- 8 George, I should have made you sit back here.
- 9 You got to avoid FERC TV.
- 10 (Laughter.)
- 11 CHAIRMAN CHATTERJEE: Commissioner LaFleur, I
- 12 loved your hat. I will say I as disappointed to not see you
- in a Boston Bruins jersey here today--
- 14 COMMISSIONER LaFLEUR: As was I.
- 15 (Laughter.)
- 16 COMMISSIONER LaFLEUR: They gave us a great
- 17 season.
- 18 CHAIRMAN CHATTERJEE: It's weird when Boston
- 19 doesn't win something. Maybe if Brady was with the Bruins,
- 20 but--
- 21 (Laughter.)
- 22 CHAIRMAN CHATTERJEE: With that, Mr. Secretary,
- 23 we are ready to go to the Consent Agenda.
- 24 DEPUTY SECRETARY DAVIS: Since the issuance of
- 25 the Sunshine Act Notice on June 13th, 2019, no items have

- 1 been struck from this morning's agenda. Your Consent Agenda
- 2 for this morning is as follow:
- 3 Electric Items: E-1, E-3, E-4, E-5, E-6, E-7,
- 4 E-8, E-9, E-10, E-11, E-12, E-13, E-14, E-15, and E-16.
- 5 Miscellaneous Item: M-1.
- 6 Hydro Items: H-2, H-3, H-4, H-5, and H-6.
- As to E-1, E-4, and E-7, Commissioner McNamee is
- 8 not participating. With the exception of E-2, where a vote
- 9 will be taken after the presentation and discussion of that
- 10 item later in the meeting, we will now take a vote on this
- 11 morning's Consent Agenda Items beginning with Commissioner
- 12 McNamee.
- 13 COMMISSIONER McNAMEE: I approve all the items as
- 14 listed except for E-1, E-4, and E-7 in which I am not
- 15 participating.
- 16 DEPUTY SECRETARY DAVIS: Commissioner Glick?
- 17 COMMISSIONER GLICK: Aye.
- 18 DEPUTY SECRETARY DAVIS: Commissioner LaFleur.
- 19 COMMISSIONER LaFLEUR: Aye.
- 20 CHAIRMAN CHATTERJEE: Aye.
- 21 MS. FAUGUST: Good morning, Mr. Chairman,
- 22 Commissioners. Item E-2 is a draft order that approves
- 23 Reliability Standard CIP-008-6, Cyber Security Incident
- 24 Report and Response Planning.
- 25 The North American Electric Reliability

- 1 Corporation developed and submitted the proposed Reliability
- 2 Standard in response to Commission directives in Order No.
- 3 848.
- 4 In Order No. 848, the Commission determined that
- 5 current cyber reporting requirements may understate the true
- 6 number of cyber security events on the Bulk-Power System.
- 7 The Commission based that conclusion on the fact that
- 8 responsible entities are currently only required to report
- 9 events that compromised or disrupted one or more reliability
- 10 tasks, but are not required to report any attempts to
- 11 compromise BES cyber systems.
- To address this gap, Order No. 848 directed NERC
- 13 to enhance the mandatory cyber incident reporting
- 14 requirements to include incidents that compromise, or
- 15 attempt to compromise, a responsible entity's Electronic
- 16 Security Perimeter or associated Electronic Access Control
- 17 or Monitoring Systems.
- 18 In addition, Order No. 848 provided that the
- 19 cyber incident reports should contain certain baseline
- 20 information to improve the quality of reporting and allow
- 21 for ease of comparison between reports, and should also
- 22 specify deadlines for completing reports and who should
- 23 receive those reports following an event.
- 24 In conjunction with changes to the definitions of
- 25 Cyber Security Incident and Reportable Cyber Security

- 1 Incident, the proposed Reliability Standard CIP-008-6
- 2 addresses Order No. 848 by expanding reporting requirements
- 3 to include compromises or attempts to compromise Electronic
- 4 Security Perimeters, Electronic Access Control or Monitoring
- 5 Systems, and Physical Security Perimeters associated with
- 6 high and medium impact BES Cyber Systems as well as
- 7 disruptions or attempts to disrupt the operation of BES
- 8 Cyber Systems.
- 9 Once an event is identified under the broadened
- 10 event definitions, a responsible entity must comply with
- 11 other provisions of the proposed Reliability Standard,
- 12 including initiating a response plan and reporting the
- 13 incident to the Electricity Information Sharing and Analysis
- 14 Center and the Department of Homeland Security's National
- 15 Cybersecurity and Communications Integration Center.
- 16 Mandating the reporting of cyber events involving
- 17 attempts to compromise BES Cyber Systems and specifying the
- 18 minimum content, dissemination, and filing deadlines for
- 19 such reports will enhance the reliability of the Bulk-Power
- 20 System by providing a more accurate picture of the rapidly
- 21 changing cyber threat landscape.
- This concludes our presentation. We would be
- 23 happy to take any questions.
- 24 CHAIRMAN CHATTERJEE: Thank you, and thank you to
- 25 the whole team for your work on this matter. As I've noted

- on many occasions, improving the cybersecurity of our
- 2 electric grid is one of this Commission's most important
- 3 responsibilities.
- 4 Last October we took an important step toward a
- 5 more secure grid when we directed NERC to strengthen and
- 6 expand its cybersecurity incident reporting requirements.
- 7 With the multitude of quickly evolving cyber threats
- 8 targeting our critical infrastructure, the timely
- 9 dissemination of threat information to both the government
- 10 and private sector has taken on increased importance.
- 11 The timely dissemination of threat information is
- 12 something that I think is going to be very important for all
- 13 critical infrastructure operators moving forward, so I
- 14 strongly supported the Commission's directive to NERC.
- 15 Because this issue is so critically important, I am glad we
- 16 are moving quickly today to accept NERC's filing.
- 17 I'd also like to highlight another key aspects of
- 18 the filing we are accepting today. NERC completed its work
- 19 and filed the revised standard in only six months. I also
- 20 note that there were no comments filed opposing the
- 21 standard. I think this just goes to show that when the
- 22 Commission identifies an important issue that needs to be
- 23 addressed through a standard, NERC and its standard
- 24 drafting teams are capable of producing timely, high-quality
- 25 standards with significant industry buy-in.

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1 I'd like to thank everyone at NERC and the
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- 2 members of the drafting team for your work on this standard.
- 4 In Order No. 848, the Commission explained that
- 5 the current cyber reporting requirements may understate the
- 6 true scope of cyber-related threats facing the Bulk-Power
- 7 System, particularly given the lack of any reportable
- 8 incidents in 2015 and 2016.
- 9 Can you briefly explain the difference between
- 10 the current reporting threshold and the reporting threshold
- in the proposed Reliability Standard?
- 12 MR. SLOBODNIK: Thank you, Mr. Chairman. Under
- 13 the currently effective Reliability Standard, responsible
- 14 entities must only report cyber incidents if they have
- 15 compromised or disrupted one or more reliability tasks. For
- 16 example, by causing an outage.
- 17 The proposed Reliability Standard would require
- 18 responsible entities to report cyber incidents that have
- 19 compromised a system without necessarily impacting a
- 20 reliability task. In addition, responsible entities must
- 21 also report attempted cyber incidents.
- 22 CHAIRMAN CHATTERJEE: Thank you. How do the new
- 23 reporting requirements benefit the electric industry? And
- 24 when do they go into effect?
- MR. SLOBODNIK: The enhanced reporting

- 1 requirements will ensure a better baseline understanding of
- 2 how the threat landscape may exploit vulnerabilities of
- 3 cyber systems that operate the Bulk-Power System.
- 4 Coupled with voluntary reports received by the
- 5 Electricity Information Sharing and Analysis Center, the new
- 6 Reliability Standard will facilitate the appropriate sharing
- 7 of threat information through the electric industry to
- 8 better prepare entities to protect their critical
- 9 infrastructure.
- 10 As far as when they will go into effect, the new
- 11 reporting requirements will go into effect on the first day
- 12 of the first calendar quarter that is 18 calendar months
- 13 after the effective date of the Order. We anticipate that
- 14 date to be January 1 of 2021.
- 15 CHAIRMAN CHATTERJEE: Thank you all for your
- 16 insight and your hard work on this critical issue, and I
- 17 have no further questions.
- 18 COMMISSIONER LaFLEUR: Well thank you, Leigh Anne
- 19 and Simon for that presentation, and I want to congratulate
- 20 you for getting through it without using any acronyms.
- 21 (Laughter.)
- 22 COMMISSIONER LaFLEUR: You could have talked
- 23 about ECUMs and NKIK, and God knows what else. It was very
- 24 clear the way you explained it. And thank you to the team
- 25 for your work on the Order and to the Standards team that

- 1 gave us a standard we could approve.
- 2 I strongly support this Order and the new
- 3 Standard which expanded the mandatory reporting of
- 4 cybersecurity instruments--incidents to include compromises
- 5 or attempts to compromise electronic security perimeters,
- 6 electronic access control or monitoring systems, and
- 7 physical security perimeters associated with high and medium
- 8 bulk electric system cyber systems, as well as disruptions
- 9 or attempts to disrupt the operation of bulk electric
- 10 system cyber systems.
- 11 I think this is very worthy of being on the
- 12 discussion agenda, even though it's a brief Order, because I
- 13 think the enhanced reporting is important for three reasons.
- 14 First of all, as I've said so many times, it's
- 15 important that we learn from near misses and attempted
- 16 incursions on secure networks, including across companies,
- in order to prevent more serious incidents. There's a
- 18 well-documented statistical relationship documented first as
- 19 a safety pyramid in the industrial safety area, but applied
- 20 to reliability in all kinds of industrial systems, between
- 21 near misses and actual events. So it is very important that
- 22 we learn from experience.
- 23 Secondly, I think the expanded reporting will
- 24 help promote a culture of attention to cyber security,
- 25 including all the details that make the network secure. I

- 1 could even call them the picky-dicky details, since that's
- 2 apparently a new word I use at the hearing.
- 3 And third, the expanded—but the details are
- 4 really what makes a network secure. It's not just doing a
- 5 few broad strokes. It's following all of the rules.
- 6 And third, the expanded reporting will be helpful
- 7 to us, the Commission, to help us identify emerging issues
- 8 in areas where we may need to enhance reliability standards.
- 9 So thank you very much. And I just also want to
- 10 say I look forward to talking more about cyber security and
- 11 all things reliability at the tech conference a week from
- 12 today.
- 13 Thank you, Mr. Chairman.
- 14 COMMISSIONER GLICK: Thank you for the
- 15 presentation and all the staff's work in getting this
- 16 Reliability Standard approved.
- I think this may be actually the first
- 18 Reliability Standard that was approved without further
- 19 directives since I've joined the Commission. I appreciate
- 20 NERC's efforts in being fully responsive to Order 848 that
- 21 led to this Reliability Standard Order today.
- 22 The media continues to be full of stories about
- 23 that our electric grid is a primary target of attack by our
- 24 foreign adversaries, and it is clear that we need to
- 25 continue to be vigilant to guard against those particular

- 1 threats.
- 2 But to be effective in protecting against those
- 3 threats, everyone needs to know what the threats are,
- 4 including especially industry. And I believe that expanding
- 5 the reporting requirements as we're doing here today will
- 6 actually improve the awareness for industry and government
- 7 and everybody else of these cyber threats and help enhance
- 8 the reliability of the bulk electric system.
- 9 I do have one question, if you don't mind. In
- 10 Order No. 848 we suggested that NERC develop a flexible
- 11 reporting timeline that reflects the severity of a
- 12 cybersecurity incident. Can you explain what this
- 13 Reliability Standard requires in terms of the reporting
- 14 timeline?
- 15 MR. SLOBODNIK: In terms of the reporting
- 16 timeline, I'm going to defer to (microphone is not turned
- 17 on).
- 18 CHAIRMAN CHATTERJEE: Please turn your mike on.
- 19 MR. SLOBODNIK: Got it. Thank you. For the
- 20 reportable cybersecurity incidents, they are required to
- 21 report within an hour. And then as they know more about it,
- 22 they have to report within I believe seven days. I'm not
- 23 finding it in my document, I apologize. For an attempted
- 24 cybersecurity incident, they have to report within 24 hours.
- 25 And they also need to keep filing additional information as

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- 1 it becomes available to them.
- 2 COMMISSIONER GLICK: Well thanks. That's very
- 3 helpful. Appreciate it. Thank you, Mr. Chairman.
- 4 COMMISSIONER McNAMEE: I also want to thank NERC
- 5 and the Commission staff for working on this important
- 6 Standard. I echo the statements of my colleagues here about
- 7 how important it is to have this information, and for having
- 8 the reporting requirements. And the fact of dealing with
- 9 just attempted incursions, as you just described, with the
- 10 timelines, it needs to be a quick response. We need to
- 11 understand right away what's happening, because you never
- 12 know how quickly things may be happening. And the more
- 13 quickly we know, the more quickly others in the industry
- 14 know, the more quickly the government knows, the better off
- 15 that we'll all be.
- I was privileged to be invited to be part of a
- 17 panel at EEI a week ago talking about cyber security issues
- 18 and how the industry and how government can work together to
- 19 help ensure that information is being provided both ways,
- 20 and that we all work together to make a more secure grid.
- 21 And I think that this is an important piece of that. Thank
- 22 you.
- 23 DEPUTY SECRETARY DAVIS: We will now take a vote
- 24 on this item starting with Commissioner McNamee.
- 25 COMMISSIONER McNAMEE: Aye.

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1
                DEPUTY SECRETARY DAVIS: Commissioner Glick.
 2
                COMMISSIONER GLICK: Aye.
                DEPUTY SECRETARY DAVIS: Commissioner LaFleur.
 3
                COMMISSIONER LaFLEUR: Aye.
 4
                DEPUTY SECRETARY DAVIS: Commissioner Chatterjee.
 5
 6
                CHAIRMAN CHATTERJEE: Aye.
 7
                DEPUTY SECRETARY DAVIS: That concludes the
 8
     presentation.
 9
                CHAIRMAN CHATTERJEE: Thank you, Mr. Secretary.
     I do not have any closing remarks, but will defer to my
10
11
     colleagues to see if they have any?
12
                (No response.)
                CHAIRMAN CHATTERJEE: Thus concludes our meeting.
13
     Thank you.
14
                (Whereupon, at 10:34 a.m., Thursday, June 20,
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16
     2019, the meeting of the Commissioners of the U.S. Federal
17
     Energy Regulatory Commission was adjourned.)
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| 1  | CERTIFICATE OF OFFICIAL REPORTER                           |
|----|--|
| 2  |  |
| 3  | This is to certify that the attached proceeding            |
| 4  | before the FEDERAL ENERGY REGULATORY COMMISSION in the     |
| 5  | Matter of:   |
| 6  | Name of Proceeding:  |
| 7  | 1057th Commission Meeting                                  |
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| 16 | Docket No.:  |
| 17 | Place: Washington, D.C.                                    |
| 18 | Date: Thursday, June 20, 2019                              |
| 19 | were held as herein appears, and that this is the original |
| 20 | transcript thereof for the file of the Federal Energy      |
| 21 | Regulatory Commission, and is a full correct transcription |
| 22 | of the proceedings.  |
| 23 |  |
| 24 | Larry Flowers  |
| 25 | Official Reporter  |