



NARUC

*Serving the consumer interest
by seeking to improve the
quality and effectiveness
of public utility regulation
in America.*

Cybersecurity and US Regulatory Structure

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Florida Public Service Commission

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US Regulatory Structure

Energy regulation in the United States is divided between federal and state regulators:

- The Federal Energy Regulatory Commission (FERC)
 - regulates wholesale power transactions

- State Public Utility Commissions (PUCs)
 - regulate retail power transactions



US Regulatory Structure

Oversight of reliability, including cybersecurity, for the electric system is also split between national and state organizations:

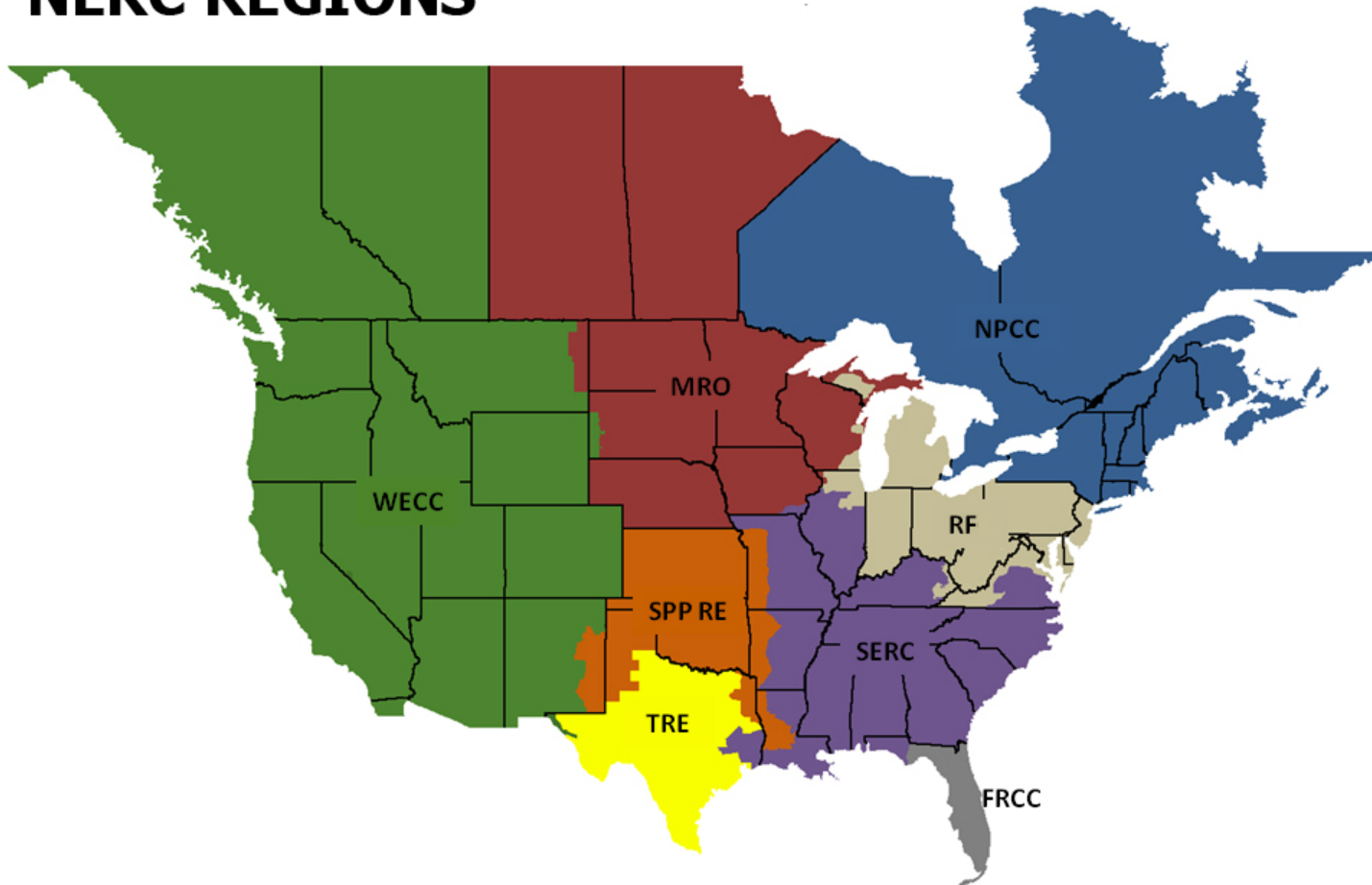
- The North American Electric Reliability Corporation (NERC)
 - Reports to FERC
 - Develops reliability and security standards
 - Eight regional entities



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US Regulatory Structure

NERC REGIONS





- NERC approved an initial set of eight cybersecurity standards in 2008.
- All utilities will be expected to comply with Version 5 of these standards effective April 2016.
- Version 5 includes, for the first time, standards for *all* cyber assets associated with the critical structure of the bulk power system.



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Issues in Cybersecurity

Numerous issues have created challenges to preserving cybersecurity in the electric sector:

- Human security
- Regulatory structures
- Modernization of the grid
- Sensitive information



Role of PUCs in Cybersecurity

- Cybersecurity currently is primarily regulated at the federal level.
- State PUCs' general role is in reviewing requests for cost recovery for cybersecurity programs.
- States can ensure that utilities are taking proper steps to protect the grid from cyber threats
 - Including Physical security



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NARUC's Cybersecurity Primer

NARUC developed the Cybersecurity for State Regulators primer to provide State PUCs the tools to:

- Develop internal cybersecurity expertise
- Ask the right cyber-related questions to utilities
- Assess own protection capabilities
- Engage in public-private partnerships to develop and implement cost-effective cybersecurity



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Federal Initiatives

- Electricity Subsector Coordinating Council (ESCC)
- Cybersecurity Risk Information Sharing Program (CRISP)
- Enhanced Cybersecurity Services (ECS) program
- The US Department of Energy's Office of Electricity Delivery and Energy Reliability



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Questions?