



National Association of State Energy Officials

July 10, 2017

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U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Mr. Duncan:

The National Association of State Energy Officials (NASEO) commends the U.S. Department of Energy (DOE) for its coordination with the U.S. Department of Homeland Security (DHS) on preparing the "Assessment of Electricity Disruption Incident Response Capabilities" which aids in elevating these critical, interdependent State-Federal-Private energy functions. The reports' analysis, gaps and recommendations contribute to better preparing our states and the nation in responding to a prolonged power outage associated with a significant cyber incident.

NASEO offers the following comments about the overall report:

- Report should indicate which section(s) of the Executive Order it was developed to respond to and should clarify its intended audience.
• Report should better the role of the states as it relates to cybersecurity mitigation, preparedness, planning, and response.

In addition, NASEO offers the following comments on several key sections of the report that are of particular interest to the states, including:

Section 2.4

Line 680

NASEO recommends reviewing the preceding sentence for its veracity. Although it could happen, law enforcement should understand the imperative of getting power restored.

Section 3.2

Line 726

NASEO recommends adding "energy sector interdependencies" to the list of items that requires understanding in the context of a significant

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cyber incident. These interdependencies include a variety of generating resources and fuels, as well as critical, unregulated, energy and water infrastructure.

Section 3.3

Lines 761-770

NASEO commends DOE's ESF#12 leadership. The energy-specific expertise offered by DOE is essential to coordinating with and assisting states and the private sector in preparing for and responding to a variety of energy emergencies and, in particular, cyber events. Line 766 includes a reference to "mitigation." NASEO recommends significantly elevating mitigation actions in the energy sector to include electricity production, distribution, and end use. In the event of significant cyber or other energy supply disruption events, mitigation actions often offer low cost or so call no regrets actions. For example, ensuring on-site power production, storage, or other measures at mission critical facilities will lessen supply disruptions impacts. Too often, planning and preparedness actions does not fully consider of sufficiently emphasize the role or benefits of infusing greater levels resilience in both protecting the grid, restoring essential government services, and returning to normal economic activity.

Line 782

The use of SLTT should be defined its first use as state local tribal and territorial (SLTT). In addition, state energy assurance plans were specifically required to address energy disruptions to cyberattacks however many of these plans did not address this in the depth of analysis as required by the threat level to date. While a number have been updated there remains a need for further improvement.

Lines 783-785

It is essential to continue the progress made by DOE in infusing energy infrastructure interdependencies and fuels in emergency exercises. We offer no specific text, but an emphasis of DOE's progress in this area may be worth additional emphasis. However, it would be useful and appropriate to cite the Liberty Eclipse Exercise which was based on a cyber-incident as a good example of this and that it provides an opportunity to identify gaps and weaknesses in existing plans.

Section 3.4

Line 835

It should be noted that state government is represented on the electricity subsector coordinating Council through the memberships of NASEO and NARUC.

Section 3.4.2

Line 857

NASEO recommends including a footnote with a hypertext link to the energy sector specific plan.

Section 3.5.1

Lines 885-888

Offering an example of state progress in the area of workforce and cyber security may offer an example for others to follow. While not energy specific, among the Virginia's governors first several executive orders three years ago was a cyber security workforce development initiative aimed at both securing Virginia's public and private infrastructure, as well as bolstering cyber investment and economic development.

Line 903

After "State Energy Assurance Plans" add "and efforts to maintain ongoing preparedness capabilities".

Line 905

While it may be considered beyond the scope of the report, NASEO believes a specific reference to the importance of states examining their State Energy Assurance Plans to assess how they address cyber security across the electricity, natural gas, and petroleum sectors. NASEO also recommends adding information about the energy emergency assurance coordinator agreement and the partners to the agreements NASEO, NGA, NARUC, and NEMA.

Section 3.5.2

Line 966

it is important to add a paragraph about the states' role. States have regulatory oversight of electric distribution utilities which are not directly covered by federal authorities. For non-investor-owned utilities such as municipals and cooperatives, State Energy Offices, in some instances, would work to support the public-private partnership under the NIPP to encourage cybersecurity. Governors can also declare disasters or emergencies when serious power outages occur and state assistance is needed which typically proceeds federal disaster declarations.

Section 3.6

Line 2038

Update to state "National exercises focused on federal, state, local, and private sector energy assurance..."

Section 4.0

Entire section

NASEO recommends including relevant action items from recent exercises such as Clear Path IV and V and Liberty Eclipse.

Section 4.3

Line 1070

Replace current bullet with "Sustaining state and local energy emergency planning and preparedness capabilities"

Section 4.4.1

Entire Section

The communications issues highlighted in this section are critically important and often do not receive sufficient planning and “testing” in advance of an emergency both on a single-state and multi-state, or regional basis. NASEO commends DOE for including this section.

Section 4.4.2

Lines 1096-1101

NASEO recommends specifically including State Energy Directors, where appropriate, in the outreach activities of DOE on sensitive DHS and U.S. Intelligence community, as well as including them in confidential, cyber-related federal agency briefings typically made available to state utility commissioners and not state energy offices. Strengthening this linkage with the State Energy Directors will aid in state-level coordination, and improve the ability of energy directors to inform the actions of governors and legislators.

Lines 1098

It may be best to list the various utility types as “. . . and public and municipal utilities” as “investor and consumer owed utilities”

Section 4.4.4

Line 1140

Update to say “short term “all hazards” events...”

Line 1147

This section adequately covers a number of important points.

Section 4.4.5

Entire section

This section does effectively highlights the importance of dramatically improving the integration of cybersecurity (across all energy sectors – electricity, natural gas, petroleum, etc.) in state energy assurance plans. Line 1155 includes a call for states to look beyond their borders, which NASEO believes is critically important. On line 1158, “State Energy Directors” should be included along with state utility commissioners. State Energy Directors often inform utility commissions or intervene on behalf of their governors. The policy priority placed on cyber security by some governors, which may be conveyed by their energy directors to commissions, is an important consideration. In addition, the State Energy Directors’ work extends beyond the commissions to include other related energy infrastructure and fuels.

Line 1157

Add to the end of the bullet “which will facilitate a more coordinated overall a regional approach by affected states.

Line 1159

Update end of bullet to say “cybersecurity initiatives and proposals.”

Section 4.4.7

Line 1200

add the end of the sentence following “utility” “that serve the bulk power system.” [Note this is to differentiate between federal authorities and state jurisdiction at the distribution level]

Section 6.1.1

Line 1354 under “DOE Programs”

Add a new bullet “DOE support of state and local energy assurance planning, preparedness, and exercises.”

Section 7.5

Lines 1528 and 1529

Add a reference and hypertext link to the Liberty Eclipse after-action report.

If you have any questions regarding the comments above, please do not hesitate to contact me at: 703.395.1076.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Terry", with a stylized flourish underneath.

David Terry
NASEO Executive Director