

## MEMORANDUM

**TO:** Roy Thilly, Chair  
NERC Board of Trustees

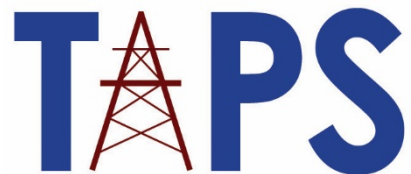
**FROM:** Jack Cashin, Director, Policy Analysis and Reliability Standards, American Public Power Association  
John Di Stasio, President, Large Public Power Council  
John Twitty, Executive Director, Transmission Access Policy Study Group

**DATE:** August 5, 2020

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The American Public Power Association, Large Public Power Council, and Transmission Access Policy Study Group concur with the Policy Input submitted today by the State/Municipal and Transmission Dependent Utility Sectors of the Member Representatives Committee, in response to NERC Board Chair Roy Thilly's July 15, 2020 letter requesting policy input in advance of the August 2020 NERC Board of Trustees meetings.



## MEMORANDUM

**TO:** Roy Thilly, Chair  
NERC Board of Trustees

**FROM:** Carol Chinn  
William J. Gallagher  
Roy Jones  
John Twitty

**DATE:** August 5, 2020

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The Sector 2 and 5 members of the NERC Member Representatives Committee (MRC), representing State/Municipal and Transmission Dependent Utilities (SM-TDUs), appreciate the opportunity to respond to your July 15, 2020 letter to Jennifer Sterling, Chair of the MRC that requested MRC member sectors to provide input on NERC's Electricity Information Sharing and Analysis Center's (E-ISAC) strategic plan and budget. Specifically, the near-term and long-term strategic and operational focus areas described in the recent plan update. Additionally, the SM-TDUs appreciate working with NERC on the Bylaw revisions mentioned in the letter and we look forward to discussing the E-ISAC Strategic plan and the bylaw revisions during the virtual meetings of the Board of Trustees (Board), Board committees, and the MRC, on August 19-20, 2020.

### *Summary of Comments*

- **E-ISAC Strategic Plan and Budget**
  - **SM-TDUs support the E-ISAC strategic plan and budget and the updated operational focus areas. The priority area for the E-ISAC should be improving the quality and timeliness of actionable information.**
- **NERC Bylaw Revisions**
  - **SM-TDUs appreciate NERC's outreach and willingness to work with stakeholders regarding Bylaw revisions.**

### **E-ISAC Strategic Plan and Budget**

1. Do you agree on the near-term and long-term strategic and operational focus areas described in the updated draft of the Strategic Plan?
2. Are there any other areas on which you would recommend the E-ISAC focus its resources to fulfil its mission and bring additional value to its members?

The SM-TDUs strongly support the near-term and long-term strategic draft plan for the E-ISAC. The draft near-term plan to build and maintain membership through value provision is in line with the E-ISAC development of a solid foundation. Public power utilities especially appreciate the E-ISAC's efforts regarding member information sharing and increasing membership of public power utilities. The longer-term goal of improving the E-ISAC's capability to better utilize classified and other critical threat and intelligence information (both nonpublic governmental and private sector) to inform utilities so that they can act on emerging security risks is also supported by the SM-TDUs.

Keeping utilities informed about threats and providing actionable and easily understandable information is the key role that the E-ISAC plays for public power utilities. The E-ISAC needs to be a trusted partner with government intelligence resources that can take threat information and make it actionable to ensure that reliable power provision goes on uninterrupted. Consequently, the E-ISAC's continually improving relationship with the Department of Energy is encouraging. Providing utilities with higher valued information, should enable greater information sharing with and by utilities. Public power believes that the E-ISAC's information sharing priority in its strategic plan will get more utilities engaged in information sharing. Achieving the appropriate give and take of quality information will be critical to utility cyber security and mitigating physical and cyber threats. Utilities gaining greater quality threat information is especially critical regarding threats from foreign adversaries in the global threat environment.

SM-TDUs are encouraged by greater participation in the E-ISAC by public power utilities. The increase in over 10 percent of new public power E-ISAC members over the past year is a good indication that utilities will pursue greater information to bolster their security programs. Beyond E-ISAC membership there was also a significant increase in participation by public power utilities in the 2019 GridEx V exercise. These increases serve as proof that utilities value participation in E-ISAC security efforts as a "carrot" rather than a "stick." Smaller non-Bulk Electric System (BES) utilities are beginning to increase their participation in E-ISAC efforts to improve their security programs, rather than because of mandatory compliance.

Some SM-TDU utilities are members of E-ISAC and Multi-State Information Sharing and Analysis Center (MS-ISAC). Therefore SM-TDUs look forward to the future collaboration of the E-ISAC and MS-ISAC documented by the February 2019 Memorandum of Understanding (MOU) between the two organizations.

The E-ISAC current flat budget for 2020 and 2021 as the organization finishes out the initial 5 year plan is a significant achievement given that recently the E-ISAC has advanced to 24 (hour) by 7 (day) security operations. The SM-TDU's also appreciate and support the organizations move to using service providers to supplement operations and technology initiatives.

A specific item that public power advocates for 2021 E-ISAC budget funding would be that the E-ISAC be able to fund the development of an automated capability to participate in the integration of OT monitoring pilots for small to medium utilities. Such funding will allow the E-ISAC to accept data from small and medium utilities. This would facilitate greater security surveillance for smaller public power utilities' security programs going forward.

Going forward with its longer-term goals, the E-ISAC is in a unique position to provide security information to the energy industry, including smaller entities. Public power believes the plan to increase the value of E-ISAC offerings should continue to improve, the new CEO should be provided ability, resources and time to increase E-ISAC's value, and its staff has expertise that will help improve E-ISAC. Additionally, the E-ISAC should continue to look for ways to improve automated information sharing programs with SM-TDU's through collaboration IT and OT sensor programs.

### **Bylaws**

SM-TDUs appreciated being able to work with NERC staff on the NERC bylaw revisions that the Board will consider a draft of during the August 2020 virtual meeting. It was important that during the COVID-19 time that there be sufficient stakeholder outreach. Such outreach provided the measured consideration that is needed for important rule changes.