



# Overview of Physical Security

## Regulatory Context and R.15-06-009 Phase 1



**Arthur O'Donnell**

*Risk Assessment Supervisor, CPUC Safety and Enforcement Division*

Workshop 1 | Physical Security | Mather

May 2, 2017



## Look Back on 2013-2016 Activities

- **April 2013, Metcalf incident transpires**
- **Sept. 2014, SB 699 becomes law**
  - CPUC directed to develop rules for physical security
  - PU Code Sec. 364 Amended to require the Commission to address physical security risks at the electrical supply level via the development of new rules and standards





## Look Back on 2013-2016 Activities

- **SB 699, among other things, requires the Commission to consider local geography and weather, and applicable codes when setting its standards or rules**
- **SB 699 allows the Commission to consider options that include the nondisclosure to the public of any sensitive information, that if disclosed could pose a security threat**





## Look Back on 2013-2016 Activities

- **Feb. 2015, CPUC issues 40+page White Paper “Regulation of Physical Security for the Electric Distribution System”**
  - Offers staff analysis, insights, and recommendations to CPUC decisionmakers and stakeholders on how a future proceeding to address physical security might coalesce





## Look Back on 2013-2016 Activities

### **June 2016, CPUC Issues R.15-06-006 OIR**

**“The purpose of this rulemaking is to establish new rules and standards and to update existing requirements regarding the physical security of electrical supply facilities, in a manner which is consistent with SB 699 and to ensure that electrical corporations and regulated water companies have adequate disaster and emergency preparedness plans in effect that are consistent with AB 1650.”**

- AB 1650, Sept. 2012, requires the CPUC to establish standards for disaster and emergency preparedness as new rules for electrical corporations to develop, adopt, and update within specified planning documents





## 2017 Activities and Milestones

### March 2017, CPUC Issues Scoping Memo

- **Outlines a schedule for the next 24 months culminating in a Final Decision by the CPUC in April 28**
- **Poses 14 questions to frame the Phase 1 record building**
- **Directs staff to undertake a rigorous stakeholder engagement and discovery effort with no fewer than five public workshops**

Examples of Questions Include: “

10. What is the role of cost and risk management in relation to the mitigation of any potential physical security risks to electrical supply facilities?

11. Should any new rules, standards, or General Orders or modifications to existing policies the Commission considers be prescriptive or performance based, or both?”





## 2017 Activities and Milestones

**Phase 1, now underway, addresses electrical corporations' electrical supply facilities and their security risks;**

**A future Phase 2 of the proceeding would address emergency and disaster preparedness of regulated water companies and electrical corporations**

*Phase 1 “will consider whether any new rules, standards, or General Orders (GO) or modifications to other existing policies should apply to all electrical supply facilities within the jurisdiction of the Commission, including facilities owned by publicly-owned-utilities and rural electric cooperatives.” – CPUC, March 2017 Scoping Memo*





## 2017 Activities and Milestones

**SED staff undertake steps to build their knowledge, expertise, and working relationship with critical industry, state, and federal partners**

**Data Requests** were made to the four IOUs seeking info on industry response to new post-Metcalf environment, prevalence of security incidents, costs to ratepayers, and any loss of life or service disruptions

Responses reveal **inconsistent** security and prevention responses, recordkeeping and tracking; investment levels, and priorities

Responses reflect **uneven** standards for completion and prioritization of data work products submitted to SED on factors such as adequacy, thoroughness, and timeliness

Responses evince **divergent** policies and procedures that shape IOUs' willingness to furnish data to SED without conditions that cause delay





## 2017 Activities and Milestones

**SED staff undertake steps to build their knowledge, expertise, and working relationship with critical industry, state, and federal partners**

**In-person Follow-up Interviews** completed to date provide some additional info, but not full, responses sought and requested

Interviews reveal some **disconnect** between IOU regulatory staff and IOU threat-expert staff

SED data request and follow up questions provided in advance of meeting **are not conveyed** to IOU threat-expert staff by IOU regulatory staff, thereby **blunting the effectiveness** of the interviews

IOU threat-expert staff impose **rigid** ground rules on SED as a condition to granting of in-person follow-up interviews





## 2017 Activities and Milestones

**SED staff undertake steps to build their knowledge, expertise, and working relationships with critical industry, state, and federal partners**

**First series of spring 2017 IOU facility tours and site inspections now in progress**

**First May 2, workshop and organizing effort serves as a spring board to building cooperation, trust, and working rapport with:**

***IOU regulatory, legal, and threat-expert staff***

***Small / rural and muni utilities [POUs] regulatory, legal, and threat-expert staff***

***CalOES - the Governor's Office of Emergency Services***

***U.S. Department of Homeland Security***

***Federal Bureau of Investigation***





# 2017 Activities and Milestones

## **2017 Series of Proceeding Workshops**

**Workshop 1 - May 1, Rules and Protocols for workshop participation, data access and transfer, and protection of sensitive info**

**Workshop 2 - May 31 (tent.), Standards and Responses to CIP-014**

**Workshop 3 - June 21 (tent.), SB 699 Mandate to the CPUC**

**Workshop 4 - Aug. 29 (tent.), Threat, Vulnerability, and Impact – Identification and Prioritization**

**Workshop 5 - Sept. 19 (tent.), Risk Mitigation, Policy- and Rulemaking Scoping and Recommendations**

**Workshops 2, 3, 4, and 5 are expected to be held at the CPUC offices in San Francisco**





# Questions?

California Public Utilities Commission

[www.cpuc.ca.gov](http://www.cpuc.ca.gov)

Safety and Enforcement Division

Risk Assessment and Safety Advisory Section

**Arthur O'Donnell**

Supervisor

415.703.1184

[arthur.odonnell@cpuc.ca.gov](mailto:arthur.odonnell@cpuc.ca.gov)

**Martin Kurtovich**

Senior Engineer

415.703.2623

[martin.kurtovich@cpuc.ca.gov](mailto:martin.kurtovich@cpuc.ca.gov)

**Jeremy Battis**

Senior Analyst

415.703.3041

[jeremy.battis@cpuc.ca.gov](mailto:jeremy.battis@cpuc.ca.gov)

