



## Unnecessary, Redundant and Prescriptive Requirements Related to Electric Grid Security

May 1, 2017

**AECT Position: Oppose**

**CSSB 83 by Hall**

### Overview of CSSB 83

- CSSB 83 creates an Electromagnetic Threat Preparedness Task Force, comprised of 10 members, to implement programs to address electromagnetic pulse (EMP), geomagnetic disturbance (GMD) and cyber-attack threats to the electric grid.
  - The bill defines “energy critical infrastructure” to include electric generation and transmission & distribution facilities.
  - The task force would identify technical and electronic resources, implement an education program for owners and operators of critical infrastructure, evaluate emergency planning & response procedures and develop a threat recovery plan.
  - The task force would submit findings and recommendation to the governor and legislature by July 1, 2018.
- The Governor could instruct an agency to take actions as necessary to implement the threat protection and recovery plan developed by the Electromagnetic Threat Preparedness Task Force.
- It also establishes a politically appointed Electric Grid Security Advisory Committee to review the findings of the Electromagnetic Threat Preparedness Task Force and prepare a report of its findings to the Governor, Lt. Governor and Speaker of the House by September 1, 2018.
- The bill requires each affected electric company to report vulnerabilities to the Texas Division of Emergency Management by December 31, 2018.
- Costs would be recovered through regulatory procedures; for those costs ineligible for traditional cost recovery, the legislature could fund recovery through appropriations of general revenue of Texas.

### AECT Concerns

- In general, the legislation presupposes that electric companies are not focused on improving grid security and recovery.
  - Electric companies in Texas participate in lead roles at a national level to address the security of the electric grid.
  - National activities include the development of mandatory North American Electric Reliability Council (NERC) standards and close collaboration with the Federal Energy Regulatory Commission (FERC), the U.S. Department of Energy (DOE), the U.S. Department of Homeland security, the National Institute of Standards and Technology and numerous utility based forums.
  - The Electric Power Research Institute (EPRI) and DOE recently released the first phase of a three-year study on this issue, finding a limited thermal impact of an EMP detonation on electric transformers, suggesting the collapse of the electric grid due to an EMP causing widespread failure of transformers is unlikely. There are several more studies to be undertaken as part of the EPRI/DOE project.
- GMD has been demonstrated through studies and recent events to be of little to no risk to the ERCOT grid.
- The indiscriminate requirements of the bill would incur significant costs – perhaps in the billions of dollars – which would ultimately be borne by all customers, regardless of the mechanism for collecting costs.

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