



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

**AECT Position: Oppose**

**CSSB 1398 by Hall**

### Overview

- The bill creates an Electromagnetic Threat Preparedness Task Force to implement programs to address electromagnetic pulse (EMP), geomagnetic disturbance (GMD) and cyber attack threats to the electric grid. The bill limits the definition of “critical infrastructure” as assets solely related to electric industry.
- The bill also amends the Utilities Code to:
  - require ERCOT to collect and compile sensitive information related to electric grid security;
  - create a duplicative cost recovery mechanism for utility expenditures related to grid security.
- Establishes a politically appointed Electric Grid Security Advisory Committee to implement a grid security program.
- Requires each TDU to assess and report to the Texas Division of Emergency Management, any known security vulnerabilities to a high altitude EMP, GMDs and intentional electromagnetic interference.
- Indiscriminately requires each TDU to complete security enhancements to transformers, control centers, substations and other equipment in accordance with a set of 16 prescribed, public standards by December 31, 2019.

### AECT Concerns

- In general, the legislation presupposes that utilities are not focused on improving grid security and recovery.
  - The major TDUs 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, the U.S. Department of Homeland security, the National Institute of Standards and Technology and numerous utility based forums.

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- 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 hundreds of millions of dollars - which would ultimately be borne by all customers.
- The 16 standards proposed by the bill are prescriptive and stagnant; security is an ever-evolving endeavor at its application should be left to the judgment of appropriate experts.

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