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4 STATE OF CONNECTICUT
5 CONNECTICUT SITING COUNCIL
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7 RE: IMPLEMENTATION OF SECTION 8 : **Docket #346**
8 OF PUBLIC ACT NO. 07-242 AN ACT :
9 CONCERNING ELECTRICITY AND :
10 ENERGY EFFICIENCY :

11
12
13
14 **June 22, 2009**
15 **Comments**
16 **Energy Security Risks & Considerations**
17

18
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21

22 EES appreciates the opportunity to participate in Docket #346 and offers these comments
23 pertaining to the Connecticut Siting Council (CSC) White Paper of May 28, 2009.

24 **I. Statutory Charge and Questions of Scope**

25 Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, Section
26 8, directs the CSC "... to investigate energy security with regard to the siting of electric
27 generating facilities and transmission facilities, including consideration of planning,
28 preparedness, response and recovery capabilities." It is also noted that in 2003 the
29 Legislature added "to promote energy security" in addition to the CSC's usual
30 environmental responsibilities.

31 CSC has prepared a White Paper (WP) open for testimony or comment later to
32 become the subject of a hearing. In reviewing said WP as well as statutes and regulations
33 governing CSC, EES was able to find information on applications, certification, filing
34 requirements and procedures including definitions in CGS at 16-50i and in CSC
35 Regulations at 16-50j-2a. Within the definitions of both documents, however, there was
36 no concise definition of the word "siting" and precisely what that might entail. While it
37 may be that a plain language interpretation is presupposed, to not have a set definition
38 still opens the term up to a numerous interpretations. For instance the regulations at (g)
39 say: "'Facility' means 1. An electric transmission line of a design capacity of 69 kilovolts

40 or more, including **associated equipment** [emphasis added]". Earlier, however, in (a)
41 "'**Associated Equipment**' [emphasis added] means any building, structure, antenna,
42 satellite dish, or technological equipment, including equipment intended for sending or
43 receiving signals to or from satellites, that is an integral part of the operation of a
44 community antenna television tower or telecommunications tower." This latter definition
45 seems heavily related to telecommunications equipment rather than power systems but
46 when the definitions are taken together imply that when "siting" takes place, there is a
47 need to take into account not only the proposed facility but "associated equipment" as
48 well. This can be supposed to extend, if distance is not specified, to include the effects on
49 the electric grid itself. Lacking further direction in this matter, EES concludes this can
50 refer not merely to the security of a single facility but its effect on security of the grid as a
51 whole since the grid is comprised of many forms of associated technological equipment.¹

52 It is also a fact that all electric facilities have some degree of Supervisory Control
53 and Data Acquisition (SCADA) systems embedded in their physical structure. SCADA
54 can also provide pathways for intrusion via several means of cyber attack. In March 2007
55 a video was released showing how a physical attack was accomplished to destroy a
56 generator via cyber means through a SCADA system. One description reads:²

57 In a dramatic video-taped demonstration of the Aurora vulnerability recorded in 2006, engineers at
58 Idaho National Labs showed how the weakness could be exploited to cause any spinning machine
59 connected to the power grid -- such as a generator, pump or turbine -- to self-destruct. In many
60 cases, the researchers found, the attack could be carried out via the Internet.

61
62 While EES, in its motion of June 15, 2009, requested guidance on the issue of
63 whether "physical" as used in the WP also included cyber, no response had been received
64 in time for preparation of this commentary. For this reason, contrary to Utility desires, the
65 NERC CIPs are cited both for specific purposes as well more generally where CSC could
66 directly work with federal authorities to enhance security.

67 **II. A Role for State Government**

68 The argument has been made that grid security is more appropriately a federal or
69 regional issue. In this case, however, the CSC has a direct mandate from the legislature to

¹ EES was hoping to find further direction on the term "security" in the definitions since the limitations in the WP did prompt a motion from EES for CSC to reconsider certain limitations and terms that has not been responded to by the time of this writing.

² Brian Krebs . *TVA Power Plants Vulnerable to Cyber Attacks, GAO Finds Regulators Want Authority to Require Security Upgrades Industry-wide*. Washington Post. May 21, 2008.

70 not only investigate energy security as it applies to siting in Sec. 8 of PA 07-242 but also
71 previously in PA 03-140 (16-50g), AAC Long-term Planning for Energy Facilities, "to
72 promote energy security." The implementation of this latter point was not expounded
73 upon but it is preceded by language listing the purposes of this chapter which includes:
74 "and technically sufficient to assure the welfare and protection of the people of the
75 state;". Additionally, conflict has changed its nature, aims and targets over time from
76 being purely for territorial gain or wealth to ideological struggles "victory" may make the
77 adversary's economy the most attractive target. The criticality of the economy was also
78 foremost in an actual definition of Information Warfare (IW) provided in one early work:

79 Most clearly, though, the distinctive feature of pure IW is that it can be so easily waged
80 against a civilian infrastructure in contrast to a military one. This is a new facet of war, where
81 the target may well be the economic national security of an adversary. In addition, though, we
82 have distributed the capability to wage war.³
83

84 Under these ground rules, there are few better ways to cripple the US than to
85 inflict unacceptable damage onto one major driver of its economy. The US electric
86 sector is the prime target⁴. Much of the siting and regulation of these facilities is
87 done at the state level making this docket a legitimate venue for state security
88 considerations.

89 Richard Clarke who was the Director of Cyber Security for the Department of
90 Homeland Security also articulated it well when he said:

91 "The owners and operators of electric power grids, banks and railroads; they're the ones
92 who have to defend our infrastructure. The government doesn't own it, the government
93 doesn't operate it, the government can't defend it.the military can't save us."⁵
94

95 Finally on this point, the government, through regulatory agencies⁶ can, in their siting
96 decisions enhance or deter the prospects for terrorists attacks on certain elements of
97 critical energy infrastructure. The prestigious Center for Strategic and International
98 Studies (CSIS) echoes Clarke's sentiment when they say:

99 At the same time, the United States Armed Forces cannot defend the nation against such
100 attacks. Lines of defense and accountability often lie in the hands of individuals and smaller

³ Schwartau, Winn. *Information Warfare, Electronic Civil Defense*, Thunders Mouth Press, NY, 1996. p. 584.

⁴ See NYT article at <http://www.box.net/shared/2h5b7zy9g5> citing this at an ISO-NE Conference in 2002

⁵ Interview of Richard Clarke by Steve Croft. "60 Minutes," segment on "Cyber War." 4/9/2000.

⁶ Often with very different if not conflicting agendas.

101 organizations... Yet such threats are poorly understood by those responsible for their
102 prevention.⁷

103
104 While 9/11 was supposed to have "changed the way we think" in regards to many
105 aspects of our lives, it appears this may not have fully translated into the way we think
106 about critical electric grid infrastructure. Clarke's and CSIS's statements imply that the
107 responsibility for a secure infrastructure is a shared responsibility at many levels of
108 business ...and government. While government may not be able to militarily protect it,
109 government can take steps to lessen the vulnerabilities in the regulatory decisions it
110 makes on a daily basis. This includes to site or not site certain facilities, how it sites them,
111 what type of SCADA system it might have intrinsic to it, what fuel requirements or
112 restrictions it sets for them in the siting process and whether new transmission represents
113 a helpful redundancy or merely creates additional points of failure.

114 The Siting Council has certain skills, mostly in the field of environmental
115 preservation, that may be largely applicable to planning, preparedness and actual site
116 selection of generation and transmission systems to enhance security. Some of these basic
117 skills are embodied in environmental principles that, by example, include:

- 118 ➤ Diversity being an environmental consideration that can apply equally to environmental
119 species as well as for fuel source and generation selection;
- 120
121 ➤ Ecologist's Barry Commoner's "First Rule of Ecology" that "Everything is connected to
122 everything else"⁸ could be speaking of the grid as easily as it is speaking of natural cycles
123 seeking balance within ecological oscillations and how these connections may enhance or
124 detract from security under differing conditions; and
- 125
126 ➤ The environmental parable titled "The Tragedy of the Commons" which comes from a 1968
127 article in Science by Garrett Hardin explains a social phenomenon characteristic of human
128 activity wherein individuals take care of what personally belongs to them; but destroy shared
129 resources in their haste to get what they can.⁹ This, too, may have grid applicability.

130
131 Another potential role for the CSC would be to strengthen those areas where under
132 the current federal system, there are some major weaknesses. These may include:

133

⁷ de Borchgrave, Ledgerwood et al. "Cyberthreats and Information Security: A Report of the CSIS Homeland Defense Project." Center for Strategic and International Studies. May 2001. p. 7.

⁸ Commoner, Barry. *The Closing Circle*. (Bantam Books. New York) p. 29. 1972.

⁹ Op cit Commoner and http://blogs.asaecenter.org/Acronym/2009/06/tragedy_of_the_commons.html ,
http://en.wikipedia.org/wiki/Tragedy_of_the_commons

134 **1) Self Certification.** In reviewing various documents pertaining to security¹⁰ one
135 feature becomes evident. That feature is that many if not most of the standards by
136 FERC, NERC, NPCC and others are subject to self-certification or audit. In an
137 earlier era this may have been acceptable but public trust of "reasonable business
138 judgement"¹¹ in 2009 to undertake self-certification may no longer satisfy the public.
139 This is due to the disintegration of such trust in regulation of the financial sector now
140 seen as one probable cause of the current recession. Lack of external certification
141 and/or auditing are weak points in the system in which the state might play a
142 "supportive" role by insuring that Registered Entities prove to the Siting Council they
143 are up to date on such submittals to federal authorities before any new siting process
144 can commence at the state level.

145 Evidence of the failure of this self-reporting may be seen in an April 7th letter
146 from Michael Assante, Vice President and Chief Security Officer of the North
147 American Electric Reliability Corporation (NERC), to Industry Stakeholders. In this
148 he references NERC Reliability Standard CIP-002 pertaining to asset identification as
149 well as the response to an earlier survey wherein a significant percentage of **expected**
150 **respondents supposed to have cyber critical assets (CCA) did not respond.**

151 [Emphasis added.] He also notes that:

152 We expect to see a shift in the current self-certification survey results as entities
153 respond to the next iteration covering the period January 1 - June 30, 2009 and
154 when the Regional Entities begin to conduct audits in July.
155

156 Whether this portends some form(s) of no-notice, on-site inspections similar
157 to what is employed in military operational readiness inspections can only be left
158 to speculation. The tone of Mr. Assante's letter telegraphs this issue is to be
159 seriously where security is concerned and that he may be looking at a more
160 holistic, whole systems approach. (at p. 2, para. 3 of NERC Letter)

161 Even in the case of audits, self audits are frequently permitted and when they
162 are conducted by external authorities, "Registered Entities" are usually provided
163

¹⁰ EES appreciates Mr. John R. Morisette of Northeast Utilities supplying some of these documents in his CSC submission dated February 13, 2009, to set the parties on the same page for further discussion.

¹¹ Comments of Northeast Utilities Service Company, dated February 12, 2007, in remarking to the FERC on the NERC CIPs 002-009 specifically requested retention of the term "reasonable business judgement" (at p.2) which they saw as essential to provide flexibility.

164 advance warning for periods as much as 90 days. In such cases little is known
165 about the day-to-day compliance and readiness of the "Registered Entities"
166 except what they undertake by their own "reasonable business judgement".

167 **2) Penalties.** When the original version of what became the NERC CIPs were issued as
168 Urgent Action Standard 1200 in 2003, they had as a portion integral to the document
169 of what were termed "Sanction Tables". These provided the information by which
170 penalties for nonconformity's to the standards were given either as types of letters
171 sent to various company officers (VP, CEO, CEO and Chairman) within the chain of
172 command; if a letter was not strong enough, a fixed dollar amount was assessed as a
173 one-time fine; or a dollar per MW amount.¹² This gave a clear warning and deterrent
174 to the private sector of what was expected if the standards were not met. Since that
175 time, with the continuing evolution of the CIPs, the penalty section of the document
176 appears to be a separate document (Guidance for the Enforcement of CIP Standards)
177 with different sections becoming subject to different levels of compliance at different
178 times. Regional Audits are to commence in July 2009.

179 While CSC has no direct role in this, they should consider requesting of NERC
180 that they be notified of any non-conformities of companies operating within
181 Connecticut and advised of any penalties incurred. CSC might then be able to refuse
182 to approve projects in Connecticut for companies who have not complied with the
183 NERC security standard(s).

184

185 **3) Perception of Utilities Seen as Driving the Process.** As noted in earlier
186 documents in this docket, a history of development of the CIP standards show
187 them to be a moving target that have been through numerous versions and are still
188 under development.

189 But the comment below concerning the CIP development process seems to
190 echo the position of local utilities:¹³

191 A key strength of the proposal is that it's being driven by utilities and not by the federal
192 government, said James Sample, manager of information security services at California
193 Independent System Operator Corp. in Folsom. With utility-driven standards, "we can control
194 our own destiny," Sample said.

195

¹² NERC Urgent Action Standard 1200, Cyber Security. August 13, 2003. Pp. 22-23.

¹³ Hoffman, Thomas. "Utility Cybersecurity Plan Questioned." *Computerworld.com*. May 23, 2005.

196 In light of current discussions on the role of regulation (or lack thereof) in regard to
197 collapsing financial markets and wholesale investment fraud¹⁴, the above statement
198 has a chilling effect. It calls into question who may be driving the processes, the
199 regulators or those being regulated, and why greater input by those with monetary
200 interests may be driving critical security standards. A more recent account echoes this
201 concern:¹⁵

202
203 Another problem is that utilities are essentially responsible for policing themselves, said security
204 consultant Tony Flick, who plans to offer a separate turbo talk at Black Hat [hackers' convention].
205 He likens the regulatory arrangement to that in the frequently criticized credit card industry, in
206 which merchants are required only to comply with rules set by other companies in the industry.
207 "It's kind of like history repeating itself," he said. "They're being relied upon to actually implement
208 the standards without any oversight."

209
210 As such, one important role of the CSC is to firmly regulate those who propose
211 projects for whatever reason and ensure they comply with federal regulations
212 concerning security before a project can be sited.

213 **III. Toward a More Holistic View of "Security"**

214 In further support of taking a broader view of how CSC might want to look at security,
215 EES reiterates its position on the word "siting" in light of events of 9/11/01 and new
216 legislative mandates such as PA 03-140, that may require some reexamination of energy
217 security. One insight into how we might approach "siting" comes from the National
218 Research Council (National Academies of Science, Engineering, etc.) They have stated in
219 regard to building (one assumes "siting" comes as a prior step) transmission lines for
220 congestion relief:

221 A direct way to address vulnerable transmission bottlenecks and make the grid more robust is
222 to build additional transmission capacity, but there are indications that redundancy has a dark
223 side (in addition to increased costs). The likelihood of hidden failures in any large-scale
224 system increases as the number of components increases. Modeling techniques are only now
225 emerging for the analysis of such hidden failures." (see, for example, Wang and Thorp,
226 2001).¹⁶
227

¹⁴ The SEC was warned as early as 1999 by Harry Markopolos, then that Bernard Madoff's "financial results didn't add up". He told the SEC in 2005 that Madoff was either "front-running" or that he was "running world's largest Ponzi scheme." Wall Street Journal. January 5, 2009. Sarah N. Lynch and Siobhan Hughes.

¹⁵ Dan Goodwin. Buggy 'Smart Meter' Open Door to Power-Grid Botnet". The Register. June 12, 2009.

¹⁶ *Making the Nation Safer: The Role of Science and Technology in Countering Terrorism*. National Academy Press. Committee on Science and Technology for Countering Terrorism, National Research Council. p.302. 2002.

228 If one is to give any credibility to this statement by such a prestigious group, a
229 prudent interpretation might take it to mean that the very act "to site" (or "not to site")
230 and build a generation or transmission facility carries with it the ability to strengthen or
231 weaken the security of the grid. This exemplifies the EES-suggested approach to examine
232 grid security made repeatedly in earlier documents:

233
234 ... not in isolation on a component-by-component basis but, rather, in a more holistic sense
235 wherein equal attention is paid to the interaction(s) of each component upon the whole and
236 resultant effects on grid security.¹⁷
237

238 EES has made it clear from its first document in this rather wayward proceeding that
239 it does not agree with the Utilities' overly-focused approach that appears to look just at
240 each component but not potential interactions in a more holistic approach. The dialogue
241 within the FERC Staff Preliminary Assessment¹⁸ of the NERC then-proposed Critical
242 Infrastructure Protection (CIP) standards CIP-002 through CIP-009¹⁹ adds credibility to
243 the need for a more holistic view of grid security when it stated:²⁰

244 The **combination of all these technologies**, [emphasis added] **and how they are combined**
245 [emphasis added] and implemented, determines whether the computer security personnel have
246 effectively protected the Cyber assets.
247

248 Nor is this the only place in the FERC Staff Assessment where a more holistic
249 view is evident but time and resources in this pro bono effort prevent citing all references.
250 The Utilities do not particularly wish to discuss the "**combination of all these**
251 **technologies**" as applied to the physical portion of the bulk power system. To ignore
252 potential interactions of any type, however, is as dangerous as taking medical drugs
253 and/or supplements without researching dangerous side effects of their interactions (and
254 interdependencies for the grid in this docket). "Do no harm" applies in both cases.

255 Industry personnel are occasionally too close to the subject to be either objective
256 or they "don't know what they don't know" to even frame the right questions. Sometimes
257 it takes a far more diverse group with multiple disciplines to frame the right questions or

¹⁷ Letter of transmittal to first round of Docket #346 interrogatories. 10/31/08

¹⁸ FERC Staff Preliminary Assessment of the NERC's Proposed Mandatory Reliability Standards on Critical Infrastructure Protection. RM06-22-000. December 11, 2006.

¹⁹ NERC Standards CIP-002 to CIP-009. Draft 1. Nov. 20, 2008. Open for public comment until January 5, 2009. Also, please note that EES has worked from redlined versions of the CIPs to better determine what has been deleted and what has been added during the most recent process opened on 11/20/08 and closed 1/5/09.

²⁰ At FERC page 8, paragraph 1, last three lines

258 add value in unexpected ways. Professor Dennis Mileti²¹ spoke of this problem in his
259 November 1999 speech "An Assessment of Natural Disasters in the US" and reported
260 that those involved in planning, mitigation and recovery come from narrow disciplines
261 that often led to the wrong conclusions and can even lead to a worsening of disaster
262 response, mitigation etc. So he convened 132 experts with a diversity of disciplines to
263 investigate this enigma. He related that experts in narrow focus subject fields:

- 264 ➤ Know what they know;
- 265 ➤ Know what they do not know; BUT
- 266 ➤ DO not know what they do not know

267
268 And for that last crucial reason he suggested tht policies, procedures and
269 responses prior groups had developed for disasters was fundamentally flawed due to their
270 narrowness of scope. His area of expertise in the sociological aspects of disaster
271 planning, recovery, response and mitigation may have many similarities and applications
272 to potential electric system security problems.

273 Looking at some of the standards kindly supplied by NU's Mr. Morisette on 13
274 February, the fairly standardized formats provide a purpose, applicability to parties,
275 requirements, measures, compliance and violation levels. Separate standards exist for a
276 number of different pieces of equipment, functions, protocols, etc. We know what we
277 know on these standards, we know what we don't know on these standards but do we still
278 "don't know what we don't know" on what might be missing. Who else needs to frame the
279 requirements/question(s)? Do these seemingly stovepiped standards actually make us
280 safer? Will our adversaries play by our rules even if all our documentation is in place?

281 An example of this not knowing what we did not know did take place on 9/11 when
282 national security officials at the highest level fell victim to their own mindsets.²²

283 On April 8, the commission investigating the Sept. 11 attacks heard testimony from national
284 security adviser Condoleezza Rice that the White House didn't anticipate hijacked planes being
285 used as weapons.²³

286

²¹ Director Emeritus of the Natural Hazards Research Applications and Information Center at the University of Colorado in Boulder on Occasion of the 50th Anniversary of the Lamont-Doughterty Observatory. Columbia University, New York, NY. Speech available upon request by download at <https://secure.logmein.com/f?1eB3oDAy1HMDTmC2pIdJTXXTZKwQRBeMM0XxgTAKmwm>

²² Steven Komarow and Tom Squitieri. "NORAD Had Drills Of Jets As Weapons." USA Today. April 18, 2004.

²³ EES notes that Tom Clancy wrote about exactly this use of aircraft as weapons in his 1994 book *Debt of Honor* where a plane destroyed the US Capitol with most high ranking elected officials present.

287 On April 12, a watchdog group, the Project on Government Oversight, released a copy of an e-
288 mail written by a former NORAD official referring to the proposed exercise targeting the
289 Pentagon. The e-mail said the simulation was not held because the Pentagon considered it "too
290 unrealistic."

291
292 President Bush said at a news conference Tuesday, "Nobody in our government, at least, and I
293 don't think the prior government, could envision flying airplanes into buildings on such a
294 massive scale."²⁴
295

296 It was these revelations that likely prompted the Kean-Hamilton 9/11 Commission
297 to later say, "We believe the 9/11 attacks revealed four kinds of failures: in imagination,
298 policy, capabilities, and management."²⁴

299 EES, having never been accused of having a failure of imagination, would then
300 pose as questions: 1) Whether "siting" (which is a prerequisite to building) ever greater
301 amounts of equipment within a centralized system meet a point of diminishing return in
302 regard to resiliency via redundancy? 2) Doesn't this also incorporate a greater number of
303 points of failure as suggested by the National Science Council at p. 7, lines 220-225? 3)
304 Isn't this potentially more prone to a cascading failure by its very centralized nature? 4) If
305 so or even of just a questionable nature, shouldn't the Siting Council be looking at this in
306 a more holistic way than desired by the Utilities? Set new requirements to avoid this
307 potential problem? 5) Would greater decentralization of the grid lead to greater
308 resiliency? These are basic questions that when posed earlier in this docket have gone
309 mostly unanswered and the direction of the docket swaying from its previous direction of
310 Best Management Practices to avoid dealing with them.

311 **IV. The Coming Smart Grid**

312 While earlier EES documents have proposed greater resiliency of the electric grid
313 through use of distributed resources (including combined heat and power),
314 decentralization and microgrids, nowhere in those previous documents has EES brought
315 up the topic of what is termed the "Smart Grid". Many presuppose it is the same as
316 distributed generation and/or microgrids but this is inaccurate. For a basic explanation of
317 terms and comparison, the following attributes are offered for each:

318 Distributed resources include conservation and load management with modular electric
319 generation and/or storage located near the point of use either on the demand or supply side.
320 DR includes fuel-diverse fossil and renewable energy generation and can either be grid-

²⁴ The 9/11 Commission Report. Thomas H. Kean and Lee H. Hamilton et al. (W.W. Norton & Co. New York) July 22, 2004. p. 339.

321 connected or operate independently. Distributed resources typically range from under a
322 kilowatt up to 50 MW. In conjunction with traditional grid power, DR is capable of high
323 reliability (99.9999%) and high power quality required by a digital society.²⁵
324

325 **Decentralization**²⁶

- 326 ➤ Consist of many small units of supply & distribution with redundancy to back each other up;
- 327 ➤ Units are geographically dispersed but close to demand centers;
- 328 ➤ Interconnect with many units and not dependent on just a few critical links and nodes;
- 329 ➤ Continue to operate if in isolated modes, so failures tend to be more isolated;
- 330 ➤ Provide storage as a buffer so that failures tend to be gradual rather than abrupt;
- 331 ➤ Short links at the distribution level;
- 332 ➤ Employ qualities conducive to user-controllability, comprehensibility and independence.

333

334 **The Smart Grid**²⁷

- 335 ➤ Improved reliability, security (?) and efficiency through digital technology
- 336 ➤ Optimization of grid operation
- 337 ➤ Easier interconnection of distributed resources and end use smart appliances
- 338 ➤ Control of demand response down to the consumer appliance level
- 339 ➤ Provision for storage technology including plug-in hybrid electric vehicles and all-electric
340 vehicles
- 341 ➤ Real time information on electric pricing for transactive procurement of power
- 342 ➤ Requires standards/security provisions for communications and interoperability of connected
343 devices
- 344 ➤ Requires overcoming barriers to adoption of Smart Grid technologies

345

346 While it is unknown to what degree the CSC will be asked to examine any aspects of
347 the emerging Smart Grid (SG), it would be prudent to expect some activity with this suite
348 of technologies that do incorporate aspects of distributed resources (both renewable and
349 not). One major difference is that the Smart Grid, while similar to a microgrid, is more
350 advanced in its transactive nature due to the heavy overlay of digital technology allowing
351 a microgrid to "have a brain" and far better two-way communications between
352 components right down to the residential appliance level. As such, it poses new
353 challenges to security; less on the physical aspects but probably greater on the cyber
354 considerations that can be used to physically incapacitate portions of the grid. While
355 designers of the SG are sensitive to potential vulnerabilities, there is some question on the

²⁵ This composite definition comes from 2US DOE definitions, 2 EPRI definitions, 1 American Gas Association definition and 1 California Energy Commission definition. All available upon request.

²⁶ Lovins, Amory B. and Lovins, L. Hunter. Brittle Power, Energy Strategy for National Security, Brick House Publishing Co. (Andover, MA) 1982. pp. 215-218. This book was originally a study conducted for the Pentagon's Defense Civil Preparedness Agency.

²⁷ ISO-NE. Overview of the Smart Grid Policies, Initiatives, and Needs. February 17, 2009. pp. 2-3. Also see: <http://knowledgeproblem.com/2009/03/02/smart-grid-technology-economics-and-policy-part-1-of-5/>

356 prioritization of security in deployment of the components parts of the SG. Most
357 proponents concentrate on the economic advantages of being able to reduce end-use
358 customer usage in almost seamless ways that might even negate the need for many
359 separate peaking generators and provide automatic real-time pricing. The addition of an
360 enhanced SCADA-type system with far greater penetration, however, could present
361 innumerable points of entry for malicious cyber activity. While planners of the SG speak
362 of a "self-healing" system, prior to deployment on a large scale some state entities, which
363 might include the CSC, ought to provide oversight and control of certain aspects relating
364 to smart grid security.

365 **V. Suggestions**

366 EES would like to summarize a few, modest suggestions to the CSC (some of which
367 have appeared earlier in this document) to aid it in better formulating and carrying out its
368 mission which now appears to include energy security activities of one form or another:

- 369 ➤ Define the word "security" within CSC regulations 16-50j-2a after clarification with
370 the legislature on the meaning of "to promote energy security" and what aspects of
371 security that is to include including physical damage via cyber means including
372 electromagnetic pulse;
- 373 ➤ Participate in state and/or federal-level security exercises (such as TOPOFF
374 conducted in CT in April 2005 centering on New London) as an observer to gain
375 better insights into the relationship of security to siting activities;
- 376 ➤ Request that when a new member is named to the CSC that he or she have some
377 experience in security matters although the current diversity of CSC is grand;
- 378 ➤ Continue to explore and pursue the relationships between common resiliency
379 solutions to both environmental and energy security as initially explored on page 4,
380 lines 118-129 of this EES commentary as well.
- 381 ➤ Upon application by any entity for construction of a new facility in Connecticut,
382 require they demonstrate they are in compliance with all security reporting
383 requirements to the NERC, FERC, NRC and other appropriate entities.
- 384 ➤ As a cross-check to the above, request of NERC that CSC be notified of any non-
385 conformities of companies operating within Connecticut and be advised of the
386 penalties sanctioned.
- 387 ➤ Deny approval of projects in Connecticut to companies that are in non-compliance
388 with federal security mandates unless such projects are required to meet such
389 mandates.
- 390 ➤ Before elements of the Smart Grid are widely deployed, coordinate with federal and
391 other state entities to ensure that security-related aspects are prioritized. Provide
392 oversight and control of certain aspects relating to Smart Grid security.

393 ➤ ²⁸EES pragmatically notes the state budget crisis forecast is about \$1 billion dollars in
394 the current fiscal year and projected to be \$4-5 billion dollars in the coming fiscal
395 years. EES suggests it is possible the Governor and legislators may consider
396 transferring the responsibilities of CSC into the Department of Environmental
397 Protection (DEP) as a cost-saving measure. For purposes of self preservation, one
398 approach might be for CSC to sharply differentiate their role from the DEP by
399 focusing greater attention on areas of energy security as it affects siting which is not
400 duplicative of DEP's role. EES notes that in most public surveys concerns with
401 security issues rate higher than environmental concerns.²⁹ See survey on top issues
402 from Pew Research Center at: <http://people-press.org/report/485/economy-top-policy-priority>
403 Adding some credibility to this suggestion is an e-mail dated May 28, 2009, from
404 OPM/Energy to the Connecticut Energy Advisory Board's Chairman, wherein
405 "Essential Services" not subject to cuts were defined as:

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... generally those (1) required to protect the public health, safety and welfare; (2) necessary to the continued provision of essential state services; (3) supporting programs or services required by federal law or court order; or (4) supporting the collection or recovery of taxes or other state revenue.

412 **VI. Conclusion**

413 EES appreciates the opportunity to have participated in this docket and the
414 forbearance by CSC and the parties with the nature of the EES approach to "connect the
415 dots" and provide differing opinions on energy security matters.

416 In closing, we have our regulations, our checklists and other requirements issued
417 by federal authorities to guard against the unexpected. Unfortunately, terrorists and others
418 who might wish us harm do not use the same checklists when developing their methods
419 to compromise the operation of something as economically vital and attractive as the
420 electric grid.

421 The previous example (at pp. 9-10 of this commentary) on the use of aircraft as
422 weapons of destruction in describing what took place on September 11, 2001, is
423 instructive to illustrate how terrorists did not operate by our presumed list of threats.
424 Rather, they came up with their own scenario that was deemed "too unrealistic" (at p. 10,
425 lines 289-290 of this commentary) to those in command at our federal level. The federal

²⁸ While EES feels some uneasiness in even suggesting this, it is the EES position that in order to eventually persuade the CSC of its crucial role in security, CSC must continue to exist.

²⁹ EES believes that security is directly related to many environmental drivers. See <https://secure.logmein.com/f?6rg5O1mHCzY7p4wneqTPvcv6oW7CirwpMD5wlZSp5WJ> for an EES presentation on same.

426 officials were, and apparently still are, presumed to be more appropriate for this security
427 role than the CSC.

428 Narrowing the examination of what is "security" in this docket and how it may be
429 implemented may not agree with what may be the most important admonishment of the
430 Kean-Hamilton 9/11 Commission report which said that it was a failure of imagination
431 that largely led to the situation. This also falls into another warning given in that same
432 report on the inclination of both the FBI and the CIA to "stovepipe"³⁰. This means to
433 develop solutions to solve narrow goals (siting in this case) in a way not readily
434 compatible with other interconnected considerations. While this has the appearance of
435 being "logical" it is a luxury we may no longer be able to afford since some of those who
436 would do us harm may not meet a standard of "logic" in a Western sense (think suicide
437 bombers).

438 Some overlap or even redundancies of function, developed at the state level by the
439 CSC in concert with others, may play a pivotal role at some future point in recognizing a
440 weakness deemed "too unrealistic" at the federal level. This redundancy rather than total
441 separation of function and/or focus would seem to be entirely in line with the closing
442 words of the CSC White paper where it states, "...and concurs with the layers of
443 oversight that protect it [the grid] by competent and responsive entities."

³⁰ http://www.doubletongued.org/index.php/dictionary/stove_pipe/ was partially used in this definition.