September 21, 2015

The Honorable Norman Bay
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: "Revised Critical Infrastructure Protection Reliability Standards," Docket No. RM15-14-000

Dear Chairman Bay:

On behalf of the GridWise Alliance, I thank you for the opportunity to provide comments on the Notice of Proposed Rulemaking (NOPR), "Revised Critical Infrastructure Protection Reliability Standards," issued on July 16, 2015. The GridWise Alliance (GWA) consists of a unique cross-section of members that have a keen interest and vital role in this topic, including electric utilities, information and communications technology equipment and service providers, National Laboratories, academic institutions, Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs), and more.[1]

GWA also hereby offers to be a resource and to meet with you, your staff, and others, as appropriate, as this process moves forward and welcomes the chance to continue working with you on this important issue. For questions about these comments, please contact: Ladeene Freimuth, GridWise's Policy Director, at: ladeene@freimuthgroup.com.

Respectfully submitted,

Becky Harrison

Becky Harrison
CEO
GridWise Alliance, Inc.

[1] These comments are submitted on behalf of GridWise members, with the exception of our RTO and ISO, and National Laboratory members, and the Bonneville Power Administration (BPA). For information on the GWA and its membership *see* http://www.gridwise.org/gridwisealli_members.asp.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Revised Critical Infrastructure Protection Reliability Standards	**)** **)**	**Docket No. RM15-14-000**

COMMENTS OF THE GRIDWISE ALLIANCE, INC. RELATING TO SUPPLY CHAIN MANAGEMENT

The GridWise Alliance, Inc. ("GWA") appreciates the opportunity to provide comments on the Notice of Proposed Rulemaking (NOPR), "Revised Critical Infrastructure Protection Reliability Standards," issued on July 16, 2015. GWA consists of a unique cross-section of members that have a keen interest and vital role in this topic, including electric utilities, information and communications technology equipment and service providers, National Laboratories, academic institutions, Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs), and more.[2]

Specifically, the NOPR indicates there are "Risks Posed by Lack of Controls for Supply Chain Management."[3] To this end, the Federal Energy Regulatory Commission (FERC) proposes to have the North American Electric Reliability Corporation (NERC) "develop a new or modified Reliability Standard to provide security controls for supply chain management for industrial control system hardware, software, and computing and networking services associated with bulk electric system operations."[4]

[2] These comments are submitted on behalf of GWA members, with the exception of our RTO and ISO, and National Laboratory members, and the Bonneville Power Administration (BPA). For information on the GWA and its membership *see* http://www.gridwise.org/gridwisealli_members.asp.
[3] NOPR, Section E (Header).
[4] *Id.* at P 64.

The NOPR seeks comments on the following areas:

(1) The general proposal to direct that NERC develop a Reliability Standard to address supply chain management.[5]

GWA and its members recognize the very real risks posed by cybersecurity and related threats to supply chains and to critical infrastructure and take these risks very seriously. However, GWA does not believe that the need for a mandatory Reliability Standard(s) to address supply chain management is evident or necessary. To this end, GWA supports the comments filed by EEI, APPA, NRECA and other electric sector trade associations (hereinafter referred to as "EEI et. al.") addressing supply chain management. In particular, these comments highlight standards (e.g., CIP standards) and documents already in existence, as well as other industry-led efforts that already are being implemented – including guidance, tools, and more – to prevent and mitigate the risks associated with potential supply chain issues.

The types of supply chain risks this NOPR would seek to address are not static, but instead are constantly evolving. Such a Standard or mandate as proposed in the NOPR could inhibit innovation. Encouraging entities to develop plans that are implementable likely will achieve the end result, i.e., reducing threats and risks within supply chains and the management thereof, more rapidly and efficiently than would occur through a Standard development process. Moreover, it is important to ensure that adequate capacity exists, and continues to be built, within all types of relevant entities to ensure such risks are being prevented and mitigated to the greatest extent possible.

[5] *Id.* at P 66.

To this end, GWA wishes to express support for some cybersecurity supply chain recommendations that were published by the National Electrical Manufacturers Association (NEMA) on June 25, 2015, in a document entitled "CPSP 1-2015: Supply Chain Best Practices.," which "identifies a recommended set of supply chain best practices and guidelines that . . . manufacturers can implement during product development to minimize the possibility that bugs, malware, viruses, or other exploits can be used to negatively impact product operation. The document addresses United States supply chain integrity through four phases of a product's life cycle. . . This document is not meant to be all-inclusive but rather a representation of identified best practices that vendors can implement as they develop, manufacture, and deliver products as part of the supply chain."[6] GWA also wishes to express support for a set of "Principles and Resources for Managing Supply Chain Cybersecurity Risk and Recommendations for Managing Supply Chain Cybersecurity Risk designed to facilitate discussions among utilities and their vendors to help manage supply chain risks" that were approved earlier this month by EEI's Board of Directors and referred to in EEI et. al.'s Comments. (These "Principles" also reference the above-mentioned NEMA document, among others.)"[7]

In addition, GWA echoes the clarifications sought by EEI et. al. "in the final order in this docket on three basic policy issues."[8]

[6] NEMA CPSP 1-2015, Executive Summary, page 2, available at: https://www.nema.org/standards/pages/supply-chain-best-practices.aspx?#download.
[7] RM15-14 "Joint Trades'" Comments on this NOPR, pages 17-18.
[8] RM15-14 "Joint Trades'" Comments on this NOPR, page 24.

(2) The anticipated features of, and requirements that should be included in, such a standard.

Having made these points, should FERC decide to move forward with this Standard, some key principles should be considered, including but not limited to the following:

- Identify the specific risks or threats;
- Consider existing mandatory requirements and address only defined gaps between existing requirements and the specific threat(s);
- Recognize the limits of FERC's authority, including with respect to third-party suppliers and vendors; and,
- Take into account that NRC procurement requirements would be an inappropriate (including being overly burdensome and costly) model for FERC to address the supply chain issues being considered in this NOPR.

(3) A reasonable timeframe for development of a standard.

Should FERC decide to move forward with this Standard, GWA believes that supply chain management is a complex issue and that it would take at least 12-18 months to develop such a Standard and move it through the process; GWA also acknowledges NERC's comment that two years might be a more appropriate timeframe for the development of such a Standard.

Finally, GWA echoes and underscores the point made in the NOPR of the need for collaboration in developing such a Standard(s) and encourages FERC to conduct outreach to a range of relevant stakeholders to explore and analyze these issues further.