



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Critical Infrastructure Protection Workshop

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CIP Compliance Workshop

- **Welcome to the Critical Infrastructure Protection (CIP) Workshop**

Conference Goals

- **Better understanding of the NERC CIP Program**
- **Understanding the NERC, FERC and Congressional focus on CIP**
- **Discussion of the CIP-related risks to the grid**
- **Improved consistency in CIP efforts in the ERCOT region**
- **Managing the cost of compliance**

Federal Focus

- **CIP is the #1 topic in Congressional Hearings**
- **CIP is the #1 topic in discussions with FERC**
- **CIP is the #1 topic with DHS with respect to the GRID**
- **The people who track CIP-related threats to the grid believe this to be very real.**

Key Risk Areas

- **Physical access: continued substation break ins, thousands of miles of lines...**
- **Technology risks: firewalls, passwords, thumb drives, viruses, Trojan horses...**
- **People risks: staff, contractors, vendors, business partners**
- **Complacency**
- **Underestimating the risk**
- **Failure to execute**

Command and Control

- **Compliance and Enforcement fit the NERC model**
- **Threat identification and immediate, coordinated reaction do not fit the existing NERC model as well**
- **Command and Control process will require changes to the program**

What is Critical Infrastructure?

- **Physical Infrastructure**

- Generators, transmission lines, substations, control centers, communications lines, relays

- **IT Infrastructure**

- Control Systems (ISO, EMS, SCADA, DCS)
- Communications networks (LANs, WANs, microwave, telephone, radio)
- metering systems, trading systems, billing systems?

Evolving Program

- **What is a critical asset?**
 - Today, tomorrow, next year...
- **What is the best practice to protect critical infrastructure?**
- **How do we know if procedures are adequately developed?**
- **When will we know that the standards cover all the real threats?**
- **How do we balance cost with the threat level?**

Risk to the Registered Entity

- **Becoming the target**
 - Poor processes and safeguards make your organization the target of choice
- **Damage to the bulk power system**
 - Physical asset
 - Cyber asset
- **Violations**
 - Fines & Sanctions
 - Reputation



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Questions?

