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112 West Street
Annapolis, MD 21401

INFORMATIONAL – House Bill 1339
House Bill 1339 Cybersecurity – Critical Infrastructure and Public Service Companies
(Critical Infrastructure Security Act of 2022)

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) appreciate the opportunity to comment on **House Bill 1339 Cybersecurity – Critical Infrastructure and Public Service Companies (Critical Infrastructure Security Act of 2022)**. House Bill 1339 as introduced would create the Critical Infrastructure Cybersecurity Grant Program in the Maryland Department of Emergency Management (Department or MDEM) with the intent to leverage funds available from federal, state and local grant programs to make cybersecurity improvements to critical infrastructure. It would direct the Department to consult with electric companies, gas companies, water utilities, state agencies and political subdivisions to identify current and foreseeable cybersecurity risks to the State's electric grid, natural gas infrastructure and water and sewer systems. MDEM would also be required to prepare a report on cybersecurity risks and submit the report to the Governor on or before December 1, 2022.

Pepco and Delmarva Power recognize the need to have robust cybersecurity programs in place to protect the transmission and distribution system and other assets and continue to implement additional technologies to enhance our cybersecurity capabilities. As part of the Exelon family of companies we are regulated by the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC), which impose mandatory, audited cyber security standards applicable to the bulk electric system, provide situational awareness of cyber threats via the Electricity Information Sharing and Analysis Center (E-ISAC), and incident reporting, the U.S. Department of Homeland Security Transportation Security Administration (DHS TSA) for cyber security directives covering gas distribution systems and incident reporting, and the U.S. Department of Energy (DOE) for incident reporting. Pepco and Delmarva Power, through Exelon, also partner with the U.S. Department of Homeland Security Cybersecurity and Infrastructure Security Agency (DHS CISA), the U.S. Secret Service, peer utilities and other experts to maintain awareness of the constantly evolving threat landscape.

The Maryland Public Service Commission (PSC) has implemented several initiatives regarding cybersecurity. For example, on August 19, 2020, the PSC filed comments on a FERC staff white paper that recommended providing incentives to utilities for implementing certain cybersecurity measures. The PSC's comments recommended a more thorough review of FERC's existing requirements as compared to generally accepted cybersecurity frameworks. The PSC also established Case No. 9492 for Cyber-Security Reporting of Maryland Utilities and on February 4, 2019, and these efforts culminated in the issuance of Order No. 89015 that requires triennial cybersecurity in-person briefings for utilities with more than 30,000 customers, which include Pepco

and Delmarva Power. Once every three years, our utilities deliver a confidential cybersecurity briefing to PSC commissioners and staff.

We are concerned that House Bill 1339 could create confusion between new reporting requirements that would be managed by MDEM instead of the PSC, rather than being complementary of existing regulations. In addition, any expansion of reporting requirements of sensitive security specific information, if publicly released, could allow adversaries to identify, target, and attack potential weaknesses. Therefore, it is imperative that any risks and vulnerability be kept confidential and solely provided to entities that require clearance to ensure that this information is properly protected.

With rapidly evolving levels of cybersecurity risks, we frequently assess our cybersecurity capabilities and embrace a mindset to continuously improve our security programs. Protection of customer information and Pepco and Delmarva Power's electronic and physical assets is of paramount importance as our transmission and distribution assets represent critical infrastructure. We appreciate the opportunity to provide responsive comments and look forward to working with the sponsors and key stakeholders on House Bill 1339 to ensure the bill safely, securely, efficiently and affordably achieves its goals.

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