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Oppose – Senate Bill 0800

**SB0800 – Public Service Commission - Cybersecurity Staffing and Assessments
(Critical Infrastructure Cybersecurity Act of 2023)**

Education, Energy, and the Environment Committee

Tuesday, March 7, 2023

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 280,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

Potomac Edison / FirstEnergy requests an Unfavorable report on SB 0800 for the following reasons.

Potomac Edison / FirstEnergy recognizes the importance of implementing effective cybersecurity controls consistent with established and evolving security standards to protect critical infrastructure and maintain safe, reliable, and affordable energy delivery for our customers. From a practical security perspective, we do not believe that Senate Bill 0800 would materially improve upon what Maryland's investor-owned utilities are already doing in the cybersecurity arena under the supervision of the Public Service Commission.

From the “providing compliance” perspective of SB-800, however, we do have some concerns. Most cyber issues are normally worked out through the rulemaking process with the Public Service Commission, but the bill's inclusion of a third-party assessor give us pause. Potomac Edison / FirstEnergy is constantly improving our cybersecurity programs to stay ahead of threats pursuant to federal cybersecurity requirements and advances in industry approved frameworks. Inserting a third-party expert certification approach may introduce unintended risks to the consistent and successful compliance programs we and the other Maryland utilities currently maintain in close coordination with the Commission.

We also have noted areas where the legislation is likely to become overly burdensome and expensive to implement without creating any benefit to customers. For example, if section 5-306(C)(2) were applied to our field systems and not just our corporate business systems, this could be nearly impossible to accomplish. “Zero trust architectures” within substation environments must be researched to make certain they are even viable. Inherent in existing systems' design is a level of trust. We have a lot of substations on our system, and it would become very costly even to just try to determine what new equipment or processes would need to be implemented or installed in order to comply, if it is even possible. In addition, sections 5-306(C)(3) & 5-306(C)(4) could require costly documentation and retention of compliance evidence for assets within just our Potomac Edison Maryland footprint, since this is not required anywhere else in our 5-state corporate footprint. Potomac Edison / FirstEnergy manages cyber-security costs, and performance is enhanced, by managing the corporation's entire multi-utility system on a central and uniform basis. Developing custom approaches just for Maryland will impose substantial costs on the Maryland systems and would have to be paid for by the Maryland ratepayers. For example, requirements in this bill would likely require significant additions of new staff at both the corporate level and the Potomac Edison Operating Company level.

The rapidly evolving nature of cybersecurity threats pose unique challenges for utilities, and warrants careful consideration, but we respectfully request that utilities be allowed to continue to align our programs with federal industry standards that incorporate strong cybersecurity controls and best practices. Moreover, allowing this process to continue to be overseen by the Public Service Commission without the use of a third-party assessor is preferred.

For the above reasons, Potomac Edison / FirstEnergy respectfully request an **Unfavorable** report on Senate Bill 0800.