



March 9, 2023

112 West Street
Annapolis, MD 21401

Letter of Information – House Bill 969- Public Service Commission - Cybersecurity Staffing and Assessments (Critical Infrastructure Cybersecurity Act of 2023)

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully submit this letter of information on *House Bill 969- Public Service Commission - Cybersecurity Staffing and Assessments (Critical Infrastructure Cybersecurity Act of 2023)*. House Bill 969 would require a public service company to adopt and implement cybersecurity standards that are equal to or exceed standards adopted by the Public Service Commission (PSC). These standards would include adopting a zero-trust cybersecurity approach for on-premises services and cloud-based services, establishing minimum security standards for each operational technology and information technology device based on the level of security risk and any security risks associated with supply chain issues. The bill would also require, beginning in 2024, that public service companies contract with a third party to conduct an assessment of operational technology and information technology devices based on the National Institute of Standards and Technology Security Frameworks (“NIST Standards”) and report those assessments to the PSC.

Pepco and Delmarva Power recognize the importance of having and continuing to implement effective cybersecurity controls consistent with established and evolving security standards to protect critical infrastructure and maintain safe, reliable, and affordable energy delivery. The rapidly evolving nature of cybersecurity threats poses unique challenges for the critical infrastructure community, including utilities, and warrants careful consideration. While we appreciate the need to ensure that cybersecurity tools and approaches keep pace with new cyber threats, the General Assembly should also keep in mind that the utility industry has been aggressively and holistically addressing cyber- and physical-security threats in order to stay ahead of bad actors. Utilities across the nation, including Pepco and Delmarva Power are constantly improving their cybersecurity programs to stay ahead of threats pursuant to federal cybersecurity requirements and advances in industry approved frameworks. We respectfully ask that the utilities be allowed to continue to align our programs with federal industry standards and requirements that incorporate strong cybersecurity controls and best practices which will be overseen by the PSC without the use of a third-party assessor. A third-party expert certification approach may introduce unintended risks such as inconsistencies among these third-party evaluators. A key factor in successful compliance programs is consistency—relying solely on third parties to perform compliance verifications may result in divergent compliance monitoring approaches and interpretations.

Pepco and Delmarva Power understand that House Bill 969 is well intentioned and if the Committee is inclined to pursue this legislation, we respectfully ask to continue conversations with the bill sponsors as to how we can address our concerns.

Contact:

Anne Klase
Senior Manager, State Affairs
240-472-6641
Anne.klase@exeloncorp.com

Katie Lanzarotto
Manager, State Affairs
202-428-1309
Kathryn.lanzarotto@exeloncorp.com