



**Senate Bill 800**  
**Public Service Commission - Cybersecurity Staffing and Assessments**  
**(Critical Infrastructure Cybersecurity Act of 2023)**

**Position:**  
**FAVORABLE with AMENDMENTS**

**March 7, 2023**

Dear Chairman Feldman & the Members of the Senate Education, Energy, & the Environment Committee:

On behalf of Varonis Systems, I would like to take this opportunity to thank you for the opportunity to submit this letter of support with amendments to Senate Bill 800, entitled: *Public Service Commission - Cybersecurity Staffing and Assessments (Critical Infrastructure Cybersecurity Act of 2023)*.

If passed, Senate Bill 800, would require the Public Service Commission (PSC) to hire staff in cybersecurity to advise the commission on measures to improve oversight of cybersecurity practices of public services companies. The bill also requires the commission to collaborate with the Office of Security Management to establish cybersecurity standards and best practices for regulated entities. SB 800 would also require public service companies to adopt and implement cybersecurity standards equivalent to or exceeding those held by the commission.

The Public Service Commission regulates natural gas and electric utilities; third-party energy suppliers; and water, sewage disposal, and passenger transportation companies doing business in the state of Maryland. The PSC is also responsible for setting utility rates, enforcing rules and regulations, and a variety of other duties directly involving public service companies. Given PSC's expansive oversight and authority over these companies, it is understandable that they would be involved in the establishment of cybersecurity standards and data privacy threat best practices for these regulated entities.

While we agree with the overall purpose and legislative intent of the bill, we would recommend that the commission procure a vendor, instead of hiring new staff, to be responsible for the tasks mandated under the new provisions, contained in § 2-108 of the Public Utilities Article. The PSC is primarily funded through special funds obtained through assessments of public service companies.

According to the DLS budget analysis, the PSC's FY24 allowance indicates that 79% will support personnel expenses for the agency's 143 regular positions and 12 contractual full-time equivalents (FTE). The current language of the bill authorizes the PSC to hire "*one or more employees that are experts in cybersecurity*". The responsibilities expressed in the bill would ultimately require several key staff with multiple levels of skills and expertise in cybersecurity, risk assessment, cloud security, data protection, and identify access management.

The number of staff needed to conduct this work will require more staff position and the level of expertise and skills needed for this role are highly specialized and competitive. The PSC is an independent agency that is primarily funded through assessments of public service companies. Hiring new staff within the PSC will increase the demands to supplement its annual operating budget to cover these new costs. By contrast, procuring a vendor to perform these specific duties could reduce the costs of creating and hiring new personnel, thereby allowing current personnel to carry out other necessary tasks at the PSC.

Finally, the bill would also require SB 800 would also require public service companies to:

- Adopt and implement cybersecurity standards equivalent to or exceeding those held by the commission;
- A zero-trust cybersecurity approach for on-premises services and cloud-based services;
- Establish minimum security standards for each operational technology and information technology device based on the level of security risks associated with supply chains.

Companies would be required to contract with a third-party to conduct an assessment based on the National Institute of Standards and Technology (NIST) and submit those results to the PSC.

The level of IT security safeguards that a public service company must assess before reporting back to the PSC should be evaluated by a vendor who specializes in cybersecurity and “zero trust” protections, and should therefore be reflected in the bill. This will ensure that companies are in compliance with the expressed provisions under § 5-306 of this legislation.

For these reasons, we strongly encourage this committee to provide a **FAVORABLE** report with amendments for Senate Bill 800.

Thank you for your consideration.

Sincerely,

Jason Bonasera  
Varonis Systems, Inc.