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PUBLIC SERVICE COMMISSION

March 8, 2024

Chair C.T. Wilson
Economic Matters Committee
Room 231 House Office Building
Annapolis, MD 21401

RE: HB 1420 – Information - Cybersecurity - Office of People's Counsel, Public Service Companies, Public Service Commission, and Maryland Cybersecurity Council

Dear Chair Wilson and Committee Members:

The Public Service Commission (PSC) has been at the center of the work to ensure public service companies are fulfilling their obligations to protect their cyber-related infrastructure. In many venues, the PSC has engaged with stakeholders to ensure regulations are in place to ensure compliance with cyber-related statute. To comply with Public Utilities Article § 5-306 changes established in CY2023, public service companies must engage with a third party to conduct an assessment of their standards adherence every two years. With enactment of HB 1420, these public service companies will now submit their certifications of compliance with standards to both the Commission and Office of People's Counsel (OPC).

In addition, HB1420 introduces definitions currently not codified in PUA § 5-306 for critical software and supply chain risk. HB1420 then requires an assessment of critical software when public service companies engage with a third party to conduct an assessment of their cybersecurity standards adherence every two years as currently required by PUA § 5-306. HB1420 also requires that public service companies establish minimum standards for supply chain risks. Finally, HB1420 defines cyber resilience and requires that cyber resilience be added to service quality and reliability standards in PUA § 7-213. HB1420 also adds a definition for critical infrastructure but does not have any direct requirements in the bill related to this definition.

Without commenting on Office of People's Counsel's needs to participate in cybersecurity matters associated with the Commission's implementation of PUA § 5-306 changes established in CY2023, other aspects of the bill are either redundant with existing PUA § 5-306 requirements and are not needed. The current definitions of operational technology and information technology systems in COMAR 20.06, which includes all software, are already included in the scope of third-party assessments of public service company standards adherence every two years. Furthermore, supply chain risk does not need to be given additional emphasis in existing

statutes since PUA § 5-306(c)(3) already requires the establishment of minimum-security standards for supply chain risks.

Finally, the addition of cyber resilience in PUA § 7-213 is misplaced as this section of the Maryland Annotated Code is primarily related to electric utility reliability, not cybersecurity. Furthermore, codification of cyber resilience in a section of the Maryland Annotated Code related to electric utilities misses the fact that PUA § 5-306 cybersecurity requirements are applicable to all public service companies, including gas and water utilities. Furthermore, the addition of cyber resilience is not needed because the utility periodic assessments every two years already need to be performed using either the Cybersecurity and Infrastructure Security Agency's Cross-Sector Cybersecurity Performance Goals (CPG) or a more stringent standard that is based on the National Institute of Standards and Technology (NIST) security frameworks. Both the CPG and NIST frameworks for assessments include an evaluation of the ability to identify, protect, detect, respond and recover from cyber attacks, which is the legislative intent of the HB1420 cyber resilience proposal.

The Commission asks that you consider these comments when reviewing HB 1420. Please direct any questions you may have to Christina Ochoa, Director of Legislative Affairs, at christina.ochoa1@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is written in a cursive style with a large initial 'F'.

Frederick H. Hoover, Chair
Maryland Public Service Commission