

Oppose
Economic Matters
3/12/2024

House Bill 1420 - Cybersecurity - Office of People's Counsel, Public Service Companies, Public Service Commission, and Maryland Cybersecurity Council

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1420*. *House Bill 1420* requires the Office of People's Counsel (OPC) to hire at least one assistant people's counsel with cybersecurity expertise to ensure utility compliance with cybersecurity minimum standards. It also adds to the requirements for a third-party assessment of public service company operational technology and information technology devices and requires public service companies submit to the OPC a certification of the public service company's compliance with standards in the assessment in addition to the Maryland Public Service Commission (Commission).

BGE opposes *House Bill 1420* for several reasons. First, the legislation inappropriately expands OPC's statutory authority by giving OPC regulatory oversight over utility cybersecurity standards. OPC is a statutorily created advocacy agency, representing residential utility customers. It is inappropriate for one agency to be both an advocate and a regulator. Furthermore, it is unnecessary, as it duplicates the Commission's jurisdictional scope. Finally, it is inconsistent with the 2023 Critical Infrastructure Cybersecurity Act (House Bill 969).

House Bill 1420 explicitly aims to expand the scope of the Office of People's Counsel and deviates from the General Assembly's intent of OPC advocating on behalf of residential customers for "*utility performance at the lowest reasonable cost, consistent with State environmental and economic policies*". The legislation requires the OPC to hire a counsel with cybersecurity expertise to support public service companies that do not meet minimum security standards. It requires public services companies to submit to OPC a certification of compliance in addition to the Commission. OPC does not represent all rate classes, does not have technical staff, and is not the regulator of utility rates and operations. This legislation duplicates the jurisdiction of the Commission, and its staff provides expertise in the technical aspects of utility operations. The Commission and its technical staff already fulfill the role this bill seeks to expand to OPC.

OPC is not a regulator and should not oversee a regulated-utility's cybersecurity practices and requirements— this legislation inappropriately expands the office's statutory authority.

Additionally, the legislation conflicts with House Bill 969 that was enacted last year. House Bill 969 added cyber security staff to the Commission, which it has done, and required the Commission to establish minimum cyber security standards for public utilities. It also required regulated entities to conduct a third-party assessment and submit an evaluation of the public service companies'

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

assessments to the Maryland Department of Information Technology (“DoIT”) Office of Security Management and the Maryland Department of Emergency Management.

Since enacted, the Commission, in coordination with the DoIT has been working with the Cybersecurity Reporting Work Group, a group established by the Commission to enact regulations as required by House Bill 969. This effort, however, is ongoing, and utilities are expected to submit third-party assessment certifications in July 2024.

Also, the legislation creates new definitions for “*zero-trust*”, “*critical software*” and it expands other terms from House Bill 969. BGE supports aligning the definitions and standards with an existing cybersecurity framework (NIST-CSF). Furthermore, the definitions and standards should not be prescriptive to avoid introducing operational and security issues for non-federally regulated assets. A zero-trust cybersecurity approach should be defined as a public utility company’s strategy to incorporate *zero-trust* concepts into its risk management program. We strongly urge the General Assembly to reconsider legislation that creates overlapping regulatory obligations and to prioritize regulatory harmonization and fiscal responsibility.

Lastly, there is a need to ensure that information about security and sensitive critical infrastructure operations be shared thoughtfully to maintain the chain of custody for that information from potential threat actors.

The responsibilities that *House Bill 1420* inappropriately adds to OPC are regulatory in nature, and OPC is not a regulatory agency; it is duplicative of the Commission’s current jurisdictional scope and is fiscally inefficient as well as overlaps current Commission led efforts.

For these reasons, BGE requests an unfavorable report on *House Bill 1420*.

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