

OPPOSE – House Bill 1420

**HB1420 – Cybersecurity – Office of People’s Counsel, Public Service Companies, Public Service Commission, and Maryland Cybersecurity Council
Senate Education, Energy, and the Environment Committee
Tuesday, March 28, 2024**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). 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.

Unfavorable

Potomac Edison / FirstEnergy opposes House Bill 1420 – *Cybersecurity – Office of People’s Counsel, Public Service Companies, Public Service Commission, and Maryland Cybersecurity Council*. HB-1420 authorizes the Office of People’s Counsel (OPC) to retain or hire experts in cybersecurity, requires public service companies to have a third-party assessment of critical software, and adds additional cybersecurity requirements.

Potomac Edison / FirstEnergy requests an Unfavorable report on HB-1420. Adding additional requirements to the *Critical Infrastructure Cybersecurity Act of 2023*, while it is still evolving, will lead to additional costs and time delays in implementation.

Codifying detailed cybersecurity rules in legislation, which by nature evolves slowly, creates problems in the fast-moving landscape of technology and cybersecurity. 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, additions proposed in HB-1420 would not materially improve upon what Maryland’s investor-owned utilities are already doing in the cybersecurity arena under the supervision of the Maryland Public Service Commission (PSC). This legislation could result in significant additional costs for Maryland citizens and create regulatory confusion for the public service companies.

Boundaries between the PSC and the Maryland Department of Information Technology have been problematic in the implementation of the *Critical Infrastructure Cybersecurity Act of 2023*. The PSC’s Cybersecurity Working Group is currently struggling to determine and obtain consensus on the requirements and meaning of last sessions legislation. Adding OPC, and new or changed definitions related to Zero Trust, Supply Chain Risks, and other key terms, would only compound the problems. Attempts to codify “Cyber Resilience” as some form of operational metric or standard is likely impossible, as no such uniform concept exists. In addition, the inclusion of “Critical Software” and the requirements for analyzing it are not risk-informed and are incompatible with the nature of software technology. The legal requirement to analyze such software would be nearly impossible for a public service company to comply with, as we generally cannot have access to the source code of commercial software. Even if it were possible to perform the analysis, the cost to analyze every item that could be included in the overly broad definition of “Critical Software” would be incredibly expensive

and labor exhaustive. Making all these changes in the middle of the PSC's Rulemaking Process would force a reset, leading to even more delay before any meaningful security changes come to fruition.

Potomac Edison / FirstEnergy manages cybersecurity costs, and performance is enhanced, by managing the corporation's entire multi-utility system on a central and uniform basis. We constantly are improving our cybersecurity programs to stay ahead of threats. Divergence from federal and national norms for cybersecurity regulations and creating very specialized requirements in law may introduce unintended risks to the consistent and successful compliance programs we and the other Maryland utilities currently maintain.

We believe this legislation will result in current cybersecurity processes becoming extremely burdensome and expensive, without creating any benefit to Maryland customers. For these reasons, **Potomac Edison / FirstEnergy respectfully request an Unfavorable report on HB-1420.**