# Critical Energy Infrastructure Information (CEII)

OCTOBER 28, 2010

PUBLIC SERVICE BOARD WORKSHOP

# Goals of Presentation

- How FERC defines CEII
- Rationale for protecting information
- The tension between transparency and security
- Identifying CEII
- Examples
- Handling of CEII
- Guiding principles to date
- Exemptions
- Where do we go from here

# FERC Definition

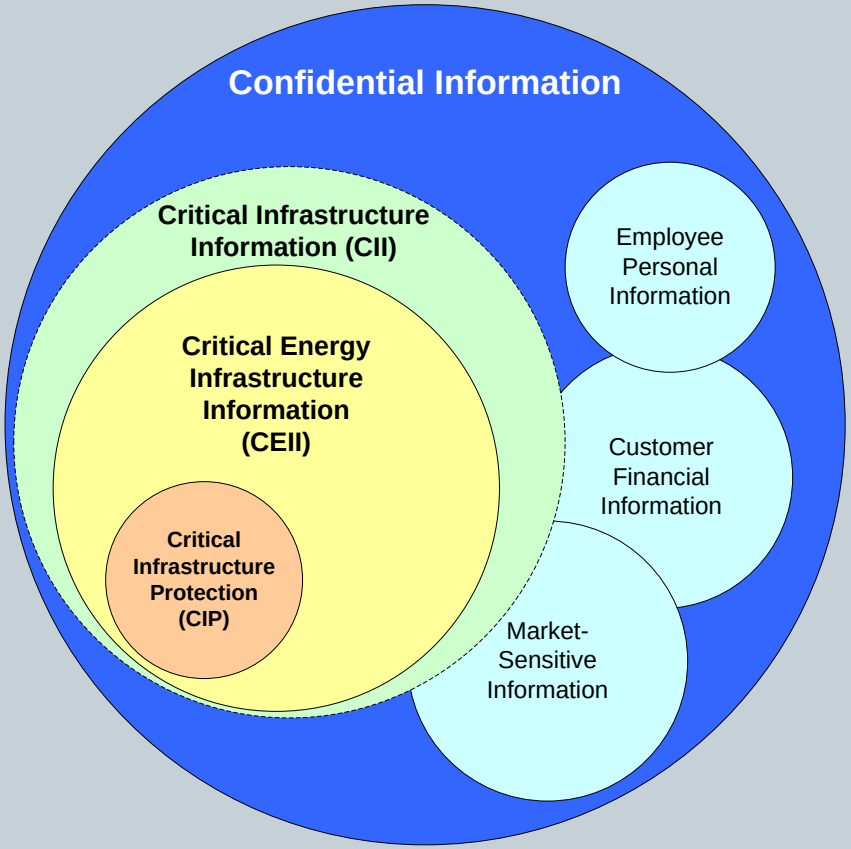
- CEII is "specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or electronic) that:
  - Relates details about the production, generation, transmission, or distribution of energy,
  - Could be useful to a person planning an attack on critical infrastructure,
  - Is exempt from mandatory disclosure under FOIA, and
  - Gives strategic information beyond the location of the critical infrastructure."

- Critical infrastructure means existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters

18 C.F.R. § 388.113

# CEII and Confidential Information

- CEII is information that could be used by a person wishing to do harm to disable or severely damaging critical electric system assets.
- CEII and Confidential Information
  - CEII is a component of Confidential Information. Both CEII and CIP are combined into CII.
- Other forms of confidential information:
  - Employee Personal Information, such as **Social Security Number** and Background Check information
  - Customer financial information
  - Market sensitive information and pricing details




Participating Transmission Owners Administrative Committee (PTO-AC)
CEII Working Group, Presentation of April 23,2009

# History and rationale for CEII protection

- October 2001 FERC established procedures and restrictions on information in its possession that could compromise national security.
- February 2003 Order 630 established a formal procedure for the management of CEII.
- July 2003 Order 643 addressed CEII retained by individual companies requiring adoption of standards and protocols for protecting CEII.
- June 2005 Order 662 Commission decided to protect information believed to pose a security risk even where the information may be publicly available elsewhere.
- March 2007 Order 890 required transmission providers to have disclosure procedures.
- June 2009 Participating Transmission Owners Administrative Committee (PTO AC) issued guidelines to Transmission Owners for the identification, handling and protection of CEII.[1]

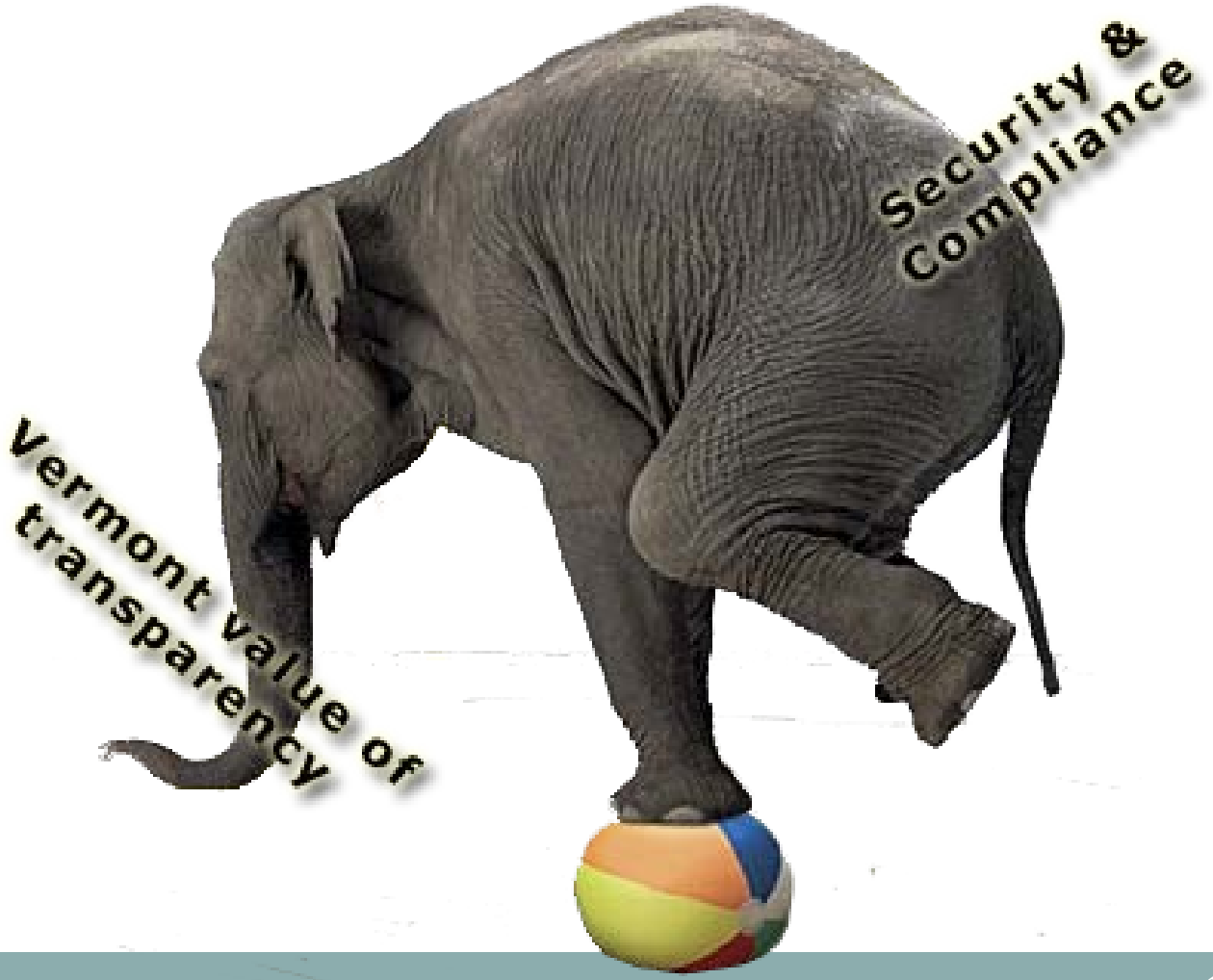
[1] The PTO AC is establish by Section 11.04 of the ISO-NE Transmission Operating Agreement to consider (among other things) recommendations to the ISO-NE regarding actions, policies and rules of the ISO-NE affecting the PTO's Transmission facilities.

# CEII presents an inherent tension

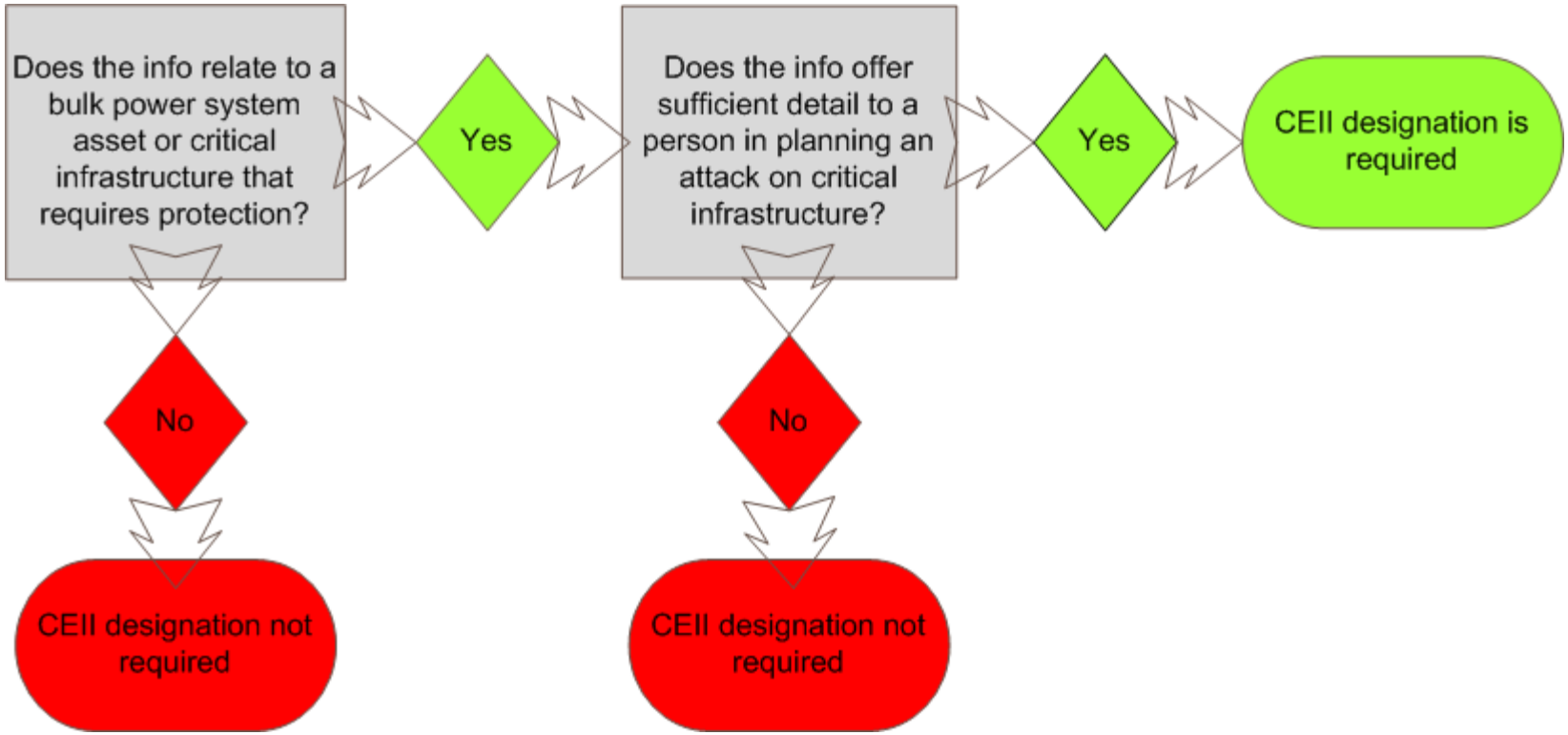
- Violation of the rules risks…
  - Threat to grid security
  - Non-compliance potentially leading to negative audit or fines

- Overly cautious interpretation of the rules risks…
  - Lack of transparency
  - Public suspicion or skepticism of need for projects
  - Negative state regulatory outcomes

# Vermont CEII procedures must strike a balance…



# Identifying CEII



# Some documents likely to contain CEII

## (It's all in the details.)

| Type of document | Reasons CEII is likely |
|---|---|
| Detailed transmission maps | Depicts line rates or transfer capability; breaker/transformer details such as ratings; interconnection details |
| NE345 kV system diagram | Includes bus detail |
| Transmission "needs" descriptions and supporting studies | Provides level of details that depicts vulnerability & weaknesses in the system |
| Justification for proposed infrastructure | Provides level of details that illustrates or implies problems under contingencies; depicts vulnerability & weaknesses in the system |
| Detailed system disturbance/event follow-up/blackout report | Describes vulnerability |
| Reliability Agreement information | Depicts needs |

# TO's responsibilities for handling CEII

- Materials containing CEII shall be clearly stamped
  - "Contains Critical Energy Infrastructure Information - Do Not Release." 18 C.F.R. § 388.112(b))
- Materials containing CEII shall *only* be released to legitimate users with a legitimate need upon the execution of a non-disclosure agreement (NDA); 18 C.F.R. § 388.113(4)
- Materials containing both public information and CEII should be redacted if possible. Materials that are redacted prior to release shall be clearly stamped "This document has been redacted for public use. Contact the document owner for further information."
- The following rules apply to CEII documents:
  - Prohibit display of CEII documents in non-secure areas.
  - Secure access to electronic CEII documents on websites, LAN shares, or hard drives for access by employees, authorized consultants, or other authorized persons.
  - Limit external distribution to authorized parties.

*Source: PTO-AC Guidelines for Handling CEII Materials and CEII Request Effective Date: June 25, 2009*

# Principles guiding VELCO's compliance to date

- Designate as CEII only what we are confident is CEII.
- Implement and follow a systematic, rather than ad hoc, approach to designation.
  - Internal CEII review team.
- Find a way to achieve compliance and open communication simultaneously.
- Strive to provide full and clear information that does not include CEII.
  - As far as possible, explain the details of and need for projects without including CEII to avoid the need for NDAs and confidential filings.
  - Fit the information to the audience's need to know. (Past practice was to provide everything to everyone.)
  - Experience is showing relatively few changes in practice.

# Exemptions

- The following are exempt from NDA requirement:
  - Owners/operators of transmission facilities and their authorized agents requesting information about their own facilities. 18 C.F.R. § 388.113(d)(1)
  - Operators and other employees governed by the ISO-NE Information policy.
  - Federal Agency employees acting within their jobs. 18 C.F.R. § 388.113(d)(2)
- The following groups are presumed to be legitimate users, but must provide assurance of non-disclosure.
  - Landowners whose property is crossed by a projects may receive "plan and profile sheets" containing CEII. 18 C.F.R. §388.113(d)(3)
  - State Agency employees carrying out their regulatory roles. 18 C.F.R. § 388.113(d). FERC Form: State Agency Employee Non-Disclosure Agreement.

# Where do we go from here?

Biggest challenge: transition from pre- to post-CEII where information was previously shared freely and now carries an obligation for VELCO to protect.

- Procedures governing the handling of CEII in Board proceedings
- Form of CEII non-disclosure agreement to be used in Board proceedings
- Treatment of materials previously made public but which utilities now have an obligation to protect (are now classified as CEII)
- An efficient review process when there is a disagreement with a CEII designation
- What else?