

Testimony of Ashley Slater  
Vice President, Regulatory Affairs  
National Rural Electric Cooperative Association

Oregon State Legislature  
Senate Committee on Energy and Environment

*“Grid Security”*

# Introduction

The National Rural Electric Cooperative Association (NRECA) is the national trade association representing nearly 900 local electric cooperatives and other rural electric utilities. America's electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry.

From suburbs to remote farming communities, electric cooperatives power 1 in 8 Americans and serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape. Electric cooperatives operate at cost and without a profit incentive. NRECA's member cooperatives include 63 generation and transmission (G&T) cooperatives and 831 distribution cooperatives.

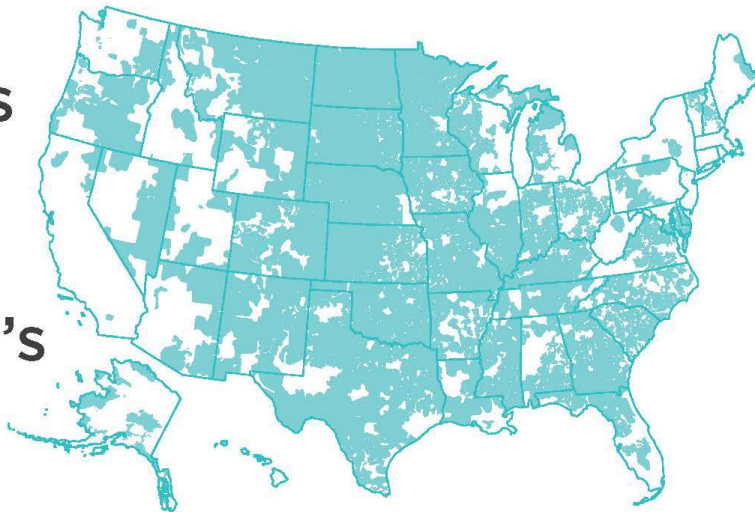
Protecting the nation's electric power grid and ensuring an affordable, reliable, and security supply of electricity are top priorities for electric cooperatives.



# America's Electric Cooperatives

From booming suburbs to remote rural communities, America's electric cooperatives are energy providers and engines of economic development. Electric cooperatives play a vital role in transforming communities.

Cooperatives  
power  
**56%**  
of the nation's  
landmass.



Our co-ops serve  
**42 million** people,  
including **92% of persistent**  
**poverty counties.**

Power over  
**21 million**  
businesses, homes,  
schools and farms  
in **48 states.**

Returned more than  
**\$1.5 billion**  
in capital credits **to their**  
**consumer-members** in 2020.



**831**  
**distribution cooperatives**  
are the foundation of the electric cooperative network. They were built by and serve co-op members in the community with the delivery of electricity and other services.



**63**  
**generation & transmission cooperatives**  
provide wholesale power to distribution co-ops through their own electric generation facilities or by purchasing power on behalf of the distribution members.

# Federal Response to Recent Substation Attacks

In December 2022, two Duke Energy substations were damaged by firearms in North Carolina, causing about 45,000 customers to lose power



Attacks on four substations in Washington state left more than 10,000 customers without power



Following these attacks on substations and other energy infrastructure, the Federal Energy Regulatory Commission (FERC) directed the North American Electric Reliability Corporation (NERC) to assess the physical security landscape and provide recommendations for necessary adjustments to physical security grid reliability standards. The report is due in April

# Federal Standards for Bulk Power Physical Security

## Background

### Metcalf, CA Substation Attack – A Turning Point

The 2013 rifle attack on a critical electric power substation in Metcalf, CA prompted utilities across the country to reevaluate and restructure their physical security programs. It ultimately resulted in a new mandatory Physical Security Reliability Standard (CIP-014) for bulk power asset owners proposed by the North American Electric Reliability Corporation (NERC) and approved by the Federal Energy Regulatory Commission (FERC).

### A New Federal Mandatory Physical Security Standard

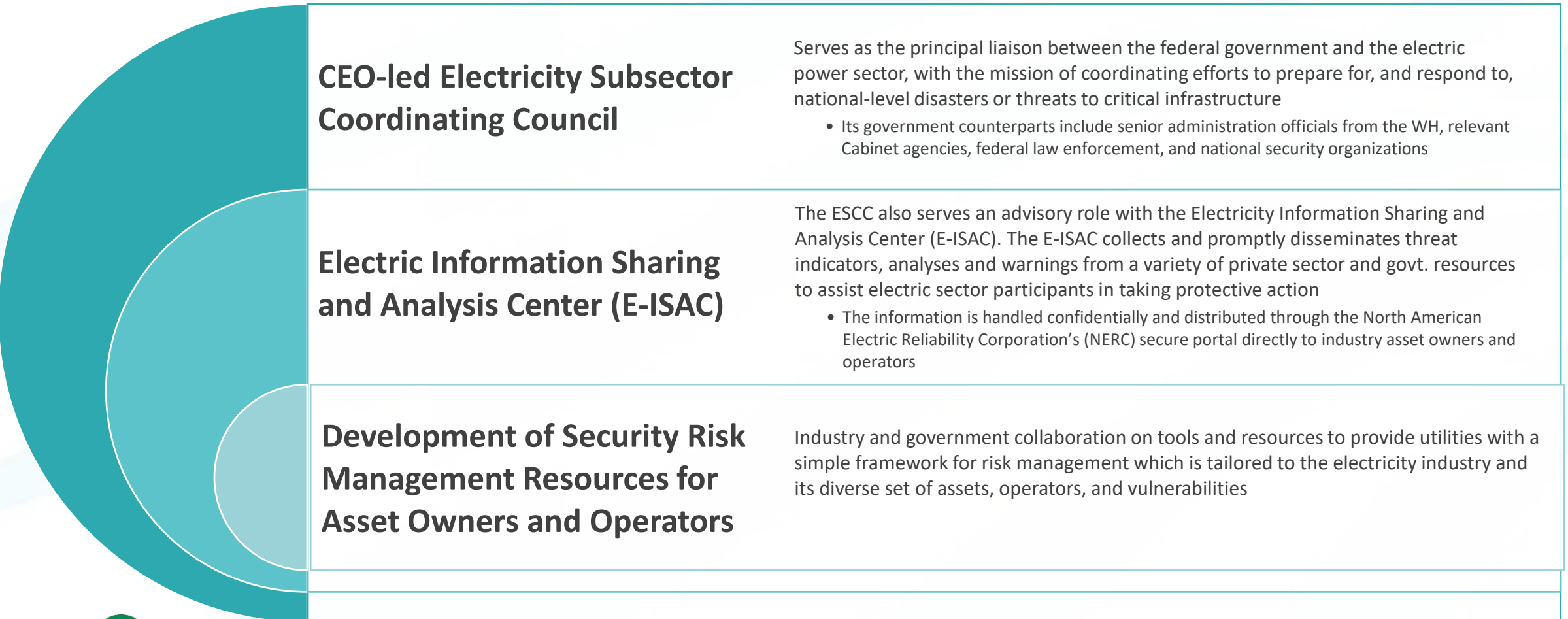
CIP-014 “is a mandatory physical security standard that requires utilities to have measures in place on their most critical assets to prevent cascading or uncontrolled outages on the bulk power system should a physical event take place and also to have methods in place to defend from such attack.” (Source: NERC)

### Targets of Recent Attacks Not Subject to NERC Standard

**“The attacks in Washington (as well as the attacks in North Carolina) were on substations that do not rise to the level of criticality that they would be subject to the CIP-014 requirements.** That said, both of these events, while unrelated, highlight the need to take another look at physical vulnerabilities on the grid, working in collaboration with industry and our government partners – both federal and state . . .” (Source: NERC)

# Government and Industry Partnership

## A Successful Framework





# Co-op Policy Priorities

---

## **Protect the Standards Development Process**

Industry experts participate in the NERC standards development process by developing standards for a wide variety of threats and vulnerabilities. These standards are mandatory and enforceable once NERC and FERC approve. The current process is working and is adaptable to a security threat landscape that is constantly changing.

---

## **Improve Information Flow and Protection**

Increase co-op access to government intelligence information related to a specific threat or vulnerability that could be timely and actionable for industry. This includes more quickly granting security clearances for co-op representatives.

---

## **Industry Action in Response to Government Requests**

When industry acts in response to a federal government request due to an imminent or ongoing national security threat, such good faith action by the utility should receive liability protection.

---

## **Support for Small and Medium Entities: One-Size Fits All Doesn't Work**

Support efforts (including funding) to develop and expand cyber and physical security resources and technologies that meet the unique needs of small and medium-sized utilities.

---