

CONNECTICUT
MUNICIPAL ELECTRIC
ENERGY COOPERATIVE



30 Stott Avenue
Norwich, CT 06360-1526
860-889-4088 Fax 860-889-8158

December 5, 2008

Honorable Daniel Caruso
Chairman
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

RE: Implementation of Section 8 of Public Act 07-242: An Act Concerning Electricity and Energy Efficiency

Dear Chairman Caruso:

The Connecticut Municipal Electric Energy Cooperative hereby submits its response to the Connecticut Siting Council's request for comments on its draft Best Management Plan.

Please feel free to contact me if you have any questions.

Sincerely,

Robin Kipnis

Robin Kipnis
Email: robink14@comcast.net
(860)810-5284

cc: Service List

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STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

Proceeding for the Implementation of Section 8 and Section 54 of Public Act No. 07-242 An Act Concerning Electricity and Energy Efficiency.	Siting Council Docket 346 December 5, 2008
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Comments of the Connecticut Municipal Electric Energy Cooperative

On Draft Proposed Best Management Practices

Introduction

Section 8 of Public Act 07-242 mandates the Connecticut Siting Council (referred to below as either the "CSC" or the "Council") in cooperation with the Connecticut Department of Homeland Security ("DHS") and the Department of Public Utility Control ("DPUC") to "investigate energy security with regard to the siting of electric facilities, including consideration of planning, preparedness, response and recovery capabilities." In response, the Council initiated a contested case proceeding with regard to this matter and the Connecticut Municipal Electric Energy Cooperative ("CMEEC") moved to be granted party status. The Council granted party status to CMEEC on November 5, 2008. On October 1, 2008 the Council issued a draft **Best Management Practices** ("BMP") document which has as its stated purpose the discussion points the Council intends to use when evaluating proposed electric generating, transmission facility or substation "facilities" subject to review by the Council. The Council invited comments on the BMP. CMEEC provides comments on the BMP as set forth below.

- 1. Newly developed, comprehensive and mandatory standards promulgated by national and regional agencies vested with specific authority over electric reliability that address protection of both the physical and cyber security of electric infrastructure facilities will render Council review duplicative and/or contradictory**

At the outset, CMEEC emphasizes that it supports efforts to insure the security of Connecticut's electric infrastructure. However, implementation by the Council of an additional layer of regulatory requirements on top of those already imposed by the Federal Energy Regulatory Commission ("FERC"), the North American Electric Reliability Council ("NERC") and the Northeast Power Coordination Council ("NPCC") addressing physical and cyber security of the electric power system may be unduly duplicative or contradictory. In this respect, CMEEC is in agreement with the comments to the draft BMP filed in this docket in the joint memorandum filed by United Illuminating and Connecticut Light and Power. CMEEC believes that the security requirements imposed by these national and regional entities protect Connecticut's

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electricity infrastructure and cover in much greater detail and comprehensiveness the same subject matter addressed by the draft BMP.

Under FERC, the Office Electric Reliability is charged with protecting and improving the reliability of the bulk power system in the United States. Its mission and responsibilities overlap with those being proposed by the CSC in its BMP. For example, the Office of Electric Reliability sees its mission in part, as the following:

1. Monitor and participate in the standards development process to help improve the quality of reliability standards proposed to the Commission. Review filed standards to make recommendations as to whether the Commission should approve or remand it, or whether the Commission should direct the Electric Reliability Organization (ERO) to create a new standard or revise an existing standard.
2. Monitor the compliance of the users, owners, and operators of the bulk power system with the reliability standards.
3. Monitor the compliance of the users, owners, and operators of the bulk power system with the reliability standards.
4. Explore, develop, and implement procedures and/or reliability standards to secure the bulk power system, including cyber facilities, against outside attack.

FERC, in turn, has certified NERC as the ERO pursuant to section 215 of the Federal Power Act, who in turn has entered into agreements with eight regional entities of which the Northeast Power Coordinating Council (NPCC) is one such entity. It is under this comprehensive structure charged with the reliability and security of the national bulk power system that the CSC would be seeking to impose additional energy security measures.

By way of specific example of the significant overlap, under NERC regulations, cyber security and critical infrastructure protection concerns for the bulk power system in North America have been extensively addressed through Critical Infrastructure Standards ("CIP") standards. For example, in the area of cyber security, CIP 001 through 009 require all necessary entities as defined by the CIP standards on an annual basis to develop and maintain a methodology and listing which identifies all critical assets to the bulk power system and to identify all critical cyber assets associated with a critical asset. In addition, the standards require all applicable entities to provide security management control, personnel training, electronic security, physical security, system security management, incident reporting, response planning and recovery plans. Additional areas addressed by specific and detailed NERC Reliability Standards include: coordination plans for new facilities, operating personnel training, and disturbance monitoring equipment, load shedding programs, transmission operations, and voltage controls.

In addition, the Northeast Regional Power Coordinating Council (NPCC) has been charged by the FERC's Office of Electric Reliability ("ERO") to address the issues of electric infrastructure reliability. NPCC states its mission as follows:

Northeast Power Coordinating Council, Inc. (NPCC), has been delegated the authority by the ERO to create Regional Standards to enhance the reliability of the international, interconnected bulk power system in Northeastern North America. These Regional Standards will be more specific and/or more stringent than the ERO Reliability Standards. Regional Standards will be developed and revised according to a NERC ERO and FERC approved NPCC Regional Reliability Standards Development Procedure.

The NPCC has its own on-going reliability assessment and development of standards programs that address, in a comprehensive fashion, the reliability and security needs of the northeast's power systems.

Not only is there a significant and dynamic existing structure to develop reliability and security measures, but these entities have been given extensive monitoring and enforcement authority. This monitoring and enforcement authority further insures the security of the energy infrastructure. FERC, under the 2005 Energy Act, has considerable enforcement and sanctioning powers, including investigative powers and the ability to assess civil penalties. NERC also has enforcement authority including the ability to issue sanctions, remedial action directives, and perform compliance audits and spot checks. NPCC Compliance Staff will use the NERC Uniform Compliance Monitoring and Enforcement program (Appendix 4C to the NERC Rules of Procedure) to determine whether violations to NERC, and Regional Reliability Standards have occurred after making the appropriate compliance investigation. NPCC will then enforce the violations in accordance with the ERO Sanction Guidelines.

2. If the Council determines to adopt the BMP, the Council should limit its effect to only those projects which are the subject of applications for siting authority approval submitted following the Council's adoption of rules or procedures to implement section 8 of P.A. 07-242

As stated in the Council's explanatory statement accompanying the BMP, the BMP

is intended to present discussion points the Council could consider in regards to security when reviewing a proposed electric generating facility, transmission facility, or electric substation. Discussing such issues in the application process will improve the Council's scope of review.

CSC, Draft Best Management Practices, p1. This language suggests that the Council is intending to apply its review on a prospective basis only, limited to newly filed applications to the Council. CMEEC supports this intent for the reason that retroactive imposition of standards not in place at the time of prior approvals and determinations made by the Council would create significant uncertainty for the applicants with completed facilities or who may be well into the construction process. More importantly, applying any requirements prospectively would not leave the security of the infrastructure vulnerable for the reasons outlined in 1. above. The stakeholders already have a regulatory structure in place to insure infrastructure security,

3. Necessary Parties have not participated in the Council's Docket 346

CMEEC respectfully submits that other parties, crucial to accomplishing the intent of P.A. 07-242, section 8, and have not participated in the Council's proceeding to date. It would seem that any investigation of the security of the electric infrastructure should necessarily involve these additional parties with a direct stake in and expert knowledge about the issues. For example, the Independent System Operator – New England, Inc. ("ISO-NE") has responsibility for the bulk power system planning and operations with respect to system security in both the day ahead and real time markets for all of New England, including Connecticut. As a result, ISO-NE's input and perspective will be very important to effective consideration of the issues raised in this investigation. CMEEC also submits that the electric power generators in the state should become part of this proceeding as well. In addition, the Nuclear Regulatory Commission, ("NRC") is extensively involved in security of the nation's commercial nuclear power stations, including Connecticut's Millstone Power Station. The CSC should not overlook the participation of the other entities discussed above, FERC, NERC and NPCC. Without the benefit of input from these entities, it is unclear to CMEEC whether the Council can develop a sufficient proceeding record to support findings developed in this proceeding.

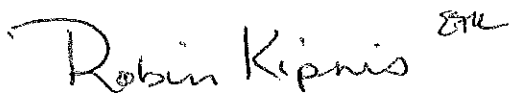
Conclusion

CMEEC believes strongly in the necessity of protecting our power resources from both physical and cyber threats. Extensive and detailed federal and industry regulatory requirements have been developed over the last several years for the electric industry to address these matters and in most instances the process of developing reliability measures is on-going. In this context, CMEEC submits that the Council should proceed carefully in the conduct of this proceeding such that it not create new regulatory and reporting requirements which could contradict the extensive security requirements already in place and perhaps as a result negate security measures already in place. On closer examination, the Siting Council may find that its efforts are duplicative of the efforts of NERC, NPCC and ISO-NE. CMEEC also requests that the Council, if it does decide to adopt additional regulatory requirements, proceed prospectively only and that it seek the input of additional necessary parties before final implementation of the procedures contemplated by the draft BMP.

Respectfully Submitted,

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

By its attorney,

 Robin Kipnis

Robin Kipnis
Asst. General Counsel
CT Municipal Electric Energy Cooperative