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**Speaking Notes of Francis Bradley  
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Good afternoon Chairman Bay and Commissioners.

My name is Francis Bradley and I serve as Chief Operating Officer of the Canadian Electricity Association. CEA represents Canadian investor-owned, public power and municipal utilities in the generation, transmission, distribution and power marketing business. I am also a member of the NERC Critical Infrastructure Protection Committee.

Along with our U.S. counterparts, Canadian stakeholders share a common vision and stake in the success of the international NERC regime. CEA therefore remains very grateful for the opportunity to participate in this annual conference.

In that regard, I am particularly appreciative of the chance to participate on this panel. Not only do CEA members have equal skin in the game when it comes to security of the North American grid, but the nature of security threats and vulnerabilities themselves demands coordinated partnership and action – not solutions pursued in isolation.

In this spirit, my remarks today will focus on the following themes: (1) NERC standards and their optimal role going forward; (2) the increasing importance of effective partnerships between industry and government; and (3) the imperative of applying a North American lens to the pursuit of grid security solutions.

Regarding NERC's cyber standards, they now need time to mature and demonstrate their effectiveness.



Recent years have witnessed significant churn in the modification of CIP standards. Like our U.S. peers, CEA members have invested unprecedented time and resources in preparing for Version 5 compliance. CEA strongly believes that these standards must be given the chance to mature, with industry granted sufficient opportunity to cultivate experience in implementation.

A major benefit of granting Version 5 adequate time for maturation is enabling positive unintended consequences to come to fruition. A few CEA members, for example, report that early experience in preparing for V5 implementation has improved their ability to detect and mitigate human error.

With respect to Industry-Government Partnerships: There are many examples, and they are proving to be capable of addressing security challenges in ways which are set apart from, but complementary to, NERC standards.

The Electricity Subsector Coordinating Council or ESCC is an obvious example. One illustration of the increasing effectiveness of this CEO-level body is the number and nature of initiatives launched since FERC's last reliability conference.

The ESCC is also playing a critical role on another top priority in the grid security arena – information sharing. With ESCC support, new information sharing technologies like CRISP are being refined, while the capability of NERC's E-ISAC is being bolstered.

An example of a new industry-government partnership in Canada which reinforces the value of these collaborations is the Canadian Cyber Threat Exchange, or CCTX. Launched in early 2016 by some of the largest firms in Canada (This is an economy wide initiative being driven by the CEOs of companies such as Air Canada, CN Rail, ManuLife, Telus, TD Bank, and Hydro One), CCTX is attracting significant interest from firms of all sizes, and is further underscoring how robust, creative partnerships between industry and government are increasingly becoming the key tools in enhancing the grid's overall security posture. While this is a private sector-led initiative, its activities are being delivered in close partnership with the Canadian Cyber Incident Response Centre, Canada's national CERT, and the Communications Security Establishment, the Canadian equivalent to the NSA.



The third and final theme which I would like to explore is the imperative of sustaining a coordinated approach across North American on grid security solutions.

CEA is committed to contributing to the success of vital forums like NERC and the ESCC. What's more, we remain confident that security outcomes are optimized when there is built-in recognition of the need for and value in ensuring applicability of solutions across the North American landscape.

The number of milestones achieved on these fronts continues to grow – a few of which I will highlight briefly:

- Canadian stakeholders remain engaged in numerous ESCC work streams which have direct cross-border relevance:
- Major incident response exercises are now beginning to appropriately simulate the likelihood of cross-border impacts of coordinated attacks and natural disasters (e.g. NERC's GridEx III scenario included widespread outages and events in Canada, while a recent ESCC scenario simulated earthquake-induced damage in Canadian and U.S. regions of the Pacific Northwest).
- The U.S. *FAST Act* requires: (i) the U.S. Department of Energy (DOE) to consult with Canadian and Mexican authorities prior to issuing new grid security emergency authority; and (ii) DOE and FERC to develop voluntary information sharing protocols with Canadian entities. CEA hopes that the latter provision is implemented so as to bolster the E-ISAC's unique role in North America.
- On the margins of a historic state visit in March 2016, President Obama and Prime Minister Trudeau pledged further cooperation on clean energy. Their plan includes a deliverable on a joint strategy for strengthening the security and resilience of the North American grid. This strategy will be released by end of 2016, and will address many of the topics flagged for this panel.

These and other actions bode well for cementing grid security as a cooperative, North American enterprise going forward. However, sustained vigilance is required to ensure



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that a **continental** lens is continually applied to these challenges and that solutions are more effective as a result.

Once again, I thank the Commission for the privilege of being here today and would be happy to answer any questions that you may have.