

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE) for Authority to Increase Electric Rates and Charges to Recover costs of Research and Development Agreement with Lawrence Livermore National Laboratory for Century Energy Systems. Application 11-07-008 (Filed July 18, 2011)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4(a) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas and Electric (SDG&E) and Lawrence Livermore National Laboratory (LLNL) hereby give notice of the following ex parte communication. The communication occurred on Friday, November 15, 2013, at approximately 11:00 a.m. at the offices of California Public Utilities Commission. The communication was oral and included the handout attached to this notice. [Rule 8.4(a)(c)]

Erik Jacobson, Director, Regulatory Relations, PG&E, initiated the communication with Audrey Lee and Carol Brown, Advisors to Commission President Michael Peevey, and Damon Franz and Cem Turhal on behalf of the Commission's Energy Division. In addition, the following individuals participated in the meeting:

- PG&E- Steve Knaebel, Director of Security; and Antonio Alvarez, Manager of Integrated Resource Planning;
- SCE- Michael Hoover, Director of Regulatory Affairs; Glenn Haddox, Director of

Cybersecurity & IT Compliance; John Minnicucci, Manager of Advanced Technology Policy;

- SDG&E Scott King, Information Security Manager; Corey McClelland, IT Project Manager; and Billy Blattner, Manager of Regulatory Relations; and
- Lawrence Livermore National Laboratory John Grosh, Deputy Associate Director, Computation Directorate. [Rule 8.4(b)]

Mr. Jacobson summarized some of the key changes Senate Bill 96 (SB 96) made to the CES-21 (California Energy Systems for 21st Century) research and development program approved by the Commission. He stated that SB 96 requires the utility to file a joint report by December 1, 2013, defining the scope of the proposed research projects. Mr. McClelland described legislative requirements for data and the definition of cyber security and grid integrity. He emphasized the need to restrict confidentiality of the tactics, techniques and procedures developed by the utility to address cyber security threats.

Mr. King said it was critically important for utilities to collaborate on detecting and responding to cyber security threats. He mentioned the Northern Electric Reliability Corporation's recent GridEx exercise designed to test crisis response for cyber or physical security incidents involving the electric grid. Laddox provided an overview of the Joint Utilities proposed cyber security project. He said one of the goals of this research is to develop tools to detect and respond to emerging cyber attacks and machine to machine automated response capabilities. This research is anticipated to occur over 3 years.

Mr. Alvarez described the proposed regulation project. An objective of this project is to develop new planning tools to integrate high levels of renewable

generation into the system

Mr. McClelland summarized the preliminary budgets for two research projects, \$28 million for cyber security and \$2 for grid integration with \$5 million proposed to be held in reserve. Pursuant to SB 96, the Directors will be eliminated and each utility will identify program managers to coordinate over activities. Finally, Mr. Grosh described LLNL's role as the technology integrator. He summarized some of the skills and expertise LLNL brings to the proposed research project and stated that LLNL will subcontract with other DOE national laboratories, academic institutions and/or private industry on the initiatives. [Rule 8.4(c)]

/s/ BRIAN K. CHERRY

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Attachment

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