

Currently, SCE and PG&E are heavily engaged in the development of physical security standards as part of the NERC standards drafting team, in response to the FERC's *Order Directing Filing of Standards*, issued March 7, 2014 in Docket No. RD14-6-000. This is a priority effort for the IOUs and for California. The NERC process has a very aggressive timeline and will result in standards being filed with the FERC in early June 2014. The FERC is expected to rule on the standards shortly thereafter. To avoid unnecessary duplication, conflict and fully leverage and consider the results of the national effort, any state process should begin after the federal standards have been issued. This approach would necessitate a shift in the adoption of any needed California-specific standards toward the **first quarter 2016**. The amendment to the proposed Public Utilities Code 364(a) of SB 699 should read as follows: "The commission shall adopt inspection, maintenance, repair, and replacement standards, and adopt rules to address security threats, for the distribution systems of investor-owned electric utilities no later than ~~July 1, 2015~~ **March 31, 2016**."

If California-specific security standards are needed, they should be developed after federal standards have been adopted, and in consideration of those requirements, so as to avoid conflicting standards. This will also provide a state security standards effort with an established and federally approved starting point, which will reduce redundancy, potential conflicts, and allow the state to better utilize its resources. The amendment should read as follows: *"In developing standards addressing security threats under Section 364 (a), except where infeasible, any security standards developed by the Commission shall not conflict with federal law or regulation relating to physical security or cybersecurity of utilities and the electric grid."*

Any security details provided in the compliance report must be confidential, and restricted from the public. Public access to IOU security plans has to be very carefully considered and limited as public engagement could result in sensitive security information being provided to individuals with intent to do harm to utility facilities. The amendment should read as follows for the proposed Public Utilities Code 364(b) under SB 699: ~~*That report shall be made available to the public.*~~ *"The Commission shall consider this report to be confidential. Before ordering any public disclosure, under Section 583 of the Public Utilities Code, of information relating to security or critical infrastructure information deemed sensitive by a utility, the Commission shall determine that such release will not risk public safety."*

California's electric corporations have large service territories. As such, any adopted physical security standards will take time to implement. SCE has and will continue to work diligently to secure its critical infrastructure, including the incorporation of any new standards. The amendment to the proposed Public Utilities Code 364(c) under SB 699 should read as follows: *"Prior to the issuance of any sanctions as described in this section, California's electric corporations shall have adequate time in which to meet the new standards and requirements."*