

TO: Chair and Governing Board Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution Approving the Utility Physical Security Plan

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). PPC is required to develop and submit a Utility Physical Security Plan (Plan) to the California Public Utilities Commission (CPUC) annually.

The Plan is developed in accordance with the 2019 CPUC Decision (D.) 19-01-018 (Decision). A key element of the Plan is the identification of "Covered Distribution Facilities". IE has no identified Covered Distribution facilities as defined by the Decision and employs security best practices and regular facilities threat and security assessments.

FISCAL IMPACT

Approval of the Plan has no direct fiscal impact to the City and the General Fund. Funds for such electric distribution facility security enhancements or projects will be from IE's annual electric rate case proceedings and operating budget as approved by the PPC Governing Board each fiscal year.

RECOMMENDATION

The Governing Board of the PPC approve the Plan.

BACKGROUND

On April 16, 2013, one or more individuals attacked equipment located within Pacific Gas and Electric Company's (PG&E) Metcalf Transmission Substation, ultimately damaging 17 transformers. These individuals also cut nearby fiber-optic telecommunication cables owned by AT&T. In response to the attack, the Federal Energy Regulatory Commission (FERC) directed the North American Electric Reliability Corporation (NERC) to develop new physical security requirements, resulting in the creation of NERC Critical Infrastructure Protection Order CIP-014.

California Public Utilities Code Section 364 was amended by SB 699 in 2014 to require the CPUC to consider rules for physical security risks.

In response to SB 699, the CPUC's Safety and Enforcement Division, Risk Assessment and Safety Advisory Section (RASA) prepared a white paper proposing a new requirement for investor-owned utilities (IOUs) and publicly owned utilities (POUs) to develop security plans that would identify security risks to their distribution and transmission systems and propose methods to mitigate those risks.

SUBCOMMITTEE FINDINGS

The Utility Physical Security Plan was discussed during the PPC Subcommittee meeting conducted on February 2, 2021.

STAFF ANALYSIS

In 2019, CPUC Decision (D.) 19-01-018 (Decision) adopted the Joint IOU/POU Straw Proposal as modified by the CPUC RASA proposal, with additional clarifications and guidance. The Decision clarified that where there is a conflict between the Straw Proposal and the CPUC RASA proposal, then it is the rule in the RASA proposal that controls.

The Decision asserted that the POU's should utilize the Plan process described therein. Island Energy has followed the plan development process as outlined by the CPUC.

There are three (3) key elements within the Plan requirements.

1. Development of a Mitigation Plan for Covered Distribution Facilities:

“Covered Distribution Facilities” are specific, critical electrical distribution facilities as defined by the Decision. In general, Covered Distribution Facilities include critical local and regional infrastructure such as hospital trauma centers, water treatment and distribution facilities, wastewater treatment plants, regional airports, “black start” generation powerplants and certain military facilities.

Island Energy does not serve any critical “Covered Distribution Facilities” as defined by the Decision, and therefore is not required to develop specific security mitigation plans for its distribution facilities; but instead to continue with general security and threat assessment and to employ distribution facility security best practices.

2. Independent Third-party Review

The Pittsburg Police Department Special Response Unit has reviewed the Plan and inspected PPC's IE distribution facilities. Municipal police departments have been deemed qualified as an independent third-party reviewer for municipal utilities. The third-party reviewer comments have been incorporated into the Plan and the related response letter is included in the Plan as Exhibit C.

3. Qualified Authority Review

The Plan was submitted to the California Office of Emergency Services (CalOES) on February 8, 2021 for review. The CalOES has been deemed a “Qualified Authority” for review of the Plan.

PPC has been advised that given the number of plans to be reviewed by CalOES, that it could take up to a year for the review. PPC has been further advised to submit its Plan to the CPUC by the requested July 12, 2021 submittal date and to indicate that the Qualified Authority review is “Pending”.

ATTACHMENTS: Resolution
Exhibit A – Pittsburg Power Company Utility Physical Security Plan

Report Prepared By: Douglas Buchanan, Power Company Manager