



September 20, 2012

Chairman Jon Wellinghoff

STATEMENT

Statement of Chairman Jon Wellinghoff on New FERC Office to Focus on Cyber Security

"I am pleased to announce the establishment of a new office that is designed to provide leadership, expertise, and assistance to the Commission in identifying, communicating, and seeking comprehensive solutions to significant potential cyber and physical security risks to the energy infrastructure under the Commission's jurisdiction. This new office will be called the Office of Energy Infrastructure Security, or as everything in FERC has to have shorthand, OEIS.

"Specifically, the Office will concentrate its efforts and resources in four areas. First, OEIS is charged with developing recommendations for identifying, communicating and mitigating potential cyber and physical security threats to Commission jurisdictional energy infrastructure using our existing statutory authorities. Second, OEIS will offer assistance, expertise and advice to other federal and state agencies, jurisdictional utilities, and Congress for identifying, communicating and mitigating cyber and physical security threats to Commission jurisdictional energy infrastructure. Third, the Office will participate in interagency and intelligence-related coordination and collaboration efforts with appropriate federal, state agencies and industry representatives on cyber and physical security matters related to Commission jurisdictional energy infrastructure. Fourth, OEIS will conduct outreach with private sector owners, users and operators of the energy delivery systems, regarding identification, communication and mitigation of cyber and physical threats to Commission jurisdictional energy infrastructure.

"OEIS is an outgrowth of the growing potential for cyber security attacks and physical security risks such as an electromagnetic pulse event that necessitate a significantly more agile approach. Because of the widespread effects and serious consequences that a successful cyber or physical security event may bring, it is important that swift, consistent, and effective action be taken by entities to prevent such attacks. Effective mitigation will require rapid interactions among regulators, industry and federal and state agencies. The key benefit of a stand-alone office focused on energy infrastructure security is that it leverages the existing resources of the Commission with the resources of other government agencies and private industry in a coordinated, focused manner. I want to emphasize, however, that OEIS' work will be complementary to, not a replacement of, FERC's existing regulatory processes for reliability. Thus, OEIS is intended to enhance our ability to ensure the reliability of the bulk power system.

"Joe McClelland has agreed to be the Director for the new Office. I want to thank Joe for his leadership and accomplishments as the architect of FERC's success in assuring the reliability of the bulk power system since Congress gave us this mission seven years ago. Initially, Joe built the Reliability Division from the ground up within OEMR. Five years ago when OER was established as a stand-alone office, Joe took a new organization, created a vision, implemented an action plan and OER became a model organization. It's directly due to the dedication and good work of Joe and his staff that we now have reached the point where a separate stand-alone office dedicated to energy infrastructure security is possible.

"I have all the confidence that Joe will be able to replicate his past success with OEIS.



FACTS

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"I am also happy to announce that Ted Franks will be acting Director of OER. Under Ted's direction, OER will continue all of its important work on reliability standards, compliance, engineering, planning and operations. Finally, I want to emphasize that OER, as well as OEIS, will continue to work closely and cooperatively with NERC."