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To the Cybersecurity, Information Technology, and Government Innovation Subcommittee and Economic Growth, Energy Policy, and Regulatory Affairs Subcommittee of the U.S. House Committee on Oversight and Accountability

From Betty Day, Vice President, Security & Compliance and Chief Compliance Officer, Electric Reliability Council of Texas (ERCOT)

September 25, 2023

Subject: Combating Ransomware Attacks

Dear Chairwoman Mace, Chairman Fallon, Ranking Member Connolly, Ranking Member Bush, and members of the Subcommittees:

Electric Reliability Council of Texas, Inc. (ERCOT) appreciates the opportunity to submit this written statement addressing the concerns surrounding ransomware and its impacts on our nation's economy, security, and societal well-being. ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by an independent Board of Directors and subject to oversight by the Public Utility Commission of Texas (PUC) and the Texas Legislature. ERCOT provides recommendations to the PUC and the Texas Legislature and then we ultimately implement their policy decisions. We are the Independent System Operator (ISO) for the Texas grid.¹

Economic and National Security Impacts

The electricity sector's centrality to every facet of modern life underscores the profound consequences of potential disruptions, particularly from ransomware. A successful attack on our grid can have cascading effects, affecting sectors from healthcare and education to business and national defense.

Unique Regulatory Framework of the Electricity Sector

The electricity sector's multi-tiered regulatory framework offers rigorous standards and oversight. The North American Electric Reliability Corporation's (NERC's) Critical Infrastructure Protection (CIP) standards help safeguard our industry's most critical assets, so that if a ransomware incident occurs on the corporate network of a company that is required to comply with NERC CIP standards, its critical systems should remain operational. These regulatory requirements help ensure that the electric sector maintains robust cybersecurity defenses.

Supporting Texas Utilities in Maintaining Robust Cybersecurity Measures

The Texas Cybersecurity Monitor Program highlights Texas' commitment to helping ERCOT Market Participants, irrespective of size, maintain robust cybersecurity

¹ More information about ERCOT is available at www.ercot.com.



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Joint Cyber Defense Collaborative (JCDC) and the Department of Energy's (DOE's) Operational Technology (OT) Defender Fellowship, which grant frontline critical infrastructure defenders a glimpse into government cybersecurity capabilities. The OT Defender Fellowship bridges the knowledge gap between public and private sectors, allowing for the sharing of advanced techniques, best practices, and insights. It's a prime example of how the government is fostering a two-way exchange of expertise. Additionally, prioritize specialized training, exemplified by the Idaho National Lab's course on Industrial Control Systems Cybersecurity.

- **Continue to Invest in Research & Development:** Prioritize federal funding for advanced cybersecurity research, including cybersecurity tool development via grants and the National Labs.
- **Expand Workforce Development:** Consider expanding the CyberCorps Scholarship for Service program to enable recent cybersecurity graduates to work for smaller critical infrastructure companies in addition to government agencies.

In closing, the U.S. electricity sector recognizes the substantial risks posed by ransomware. Over the past 15 years, governments and industry have taken measured steps through cybersecurity regulations and industry standards to enhance defenses, aiming to maintain the reliability and security of our nation's electric grid. This approach is reflected in measures taken by the State of Texas and ERCOT to protect the security and reliability of the ERCOT grid.

Thank you for considering our perspective on this vital issue.

Sincerely,

Betty Day
Vice President, Security & Compliance; Chief Compliance Officer
Electric Reliability Council of Texas, Inc. (ERCOT)