Testimony of Assistant Secretary Karen S. Evans

Office of Cybersecurity, Energy Security, and Emergency Response

U.S. Department of Energy

Before the

Committee on Energy and Commerce

U.S. House of Representatives

July 12, 2019

Introduction

Chairman Rush, Ranking Member Upton, and Members of the Committee, thank you for the opportunity to discuss the continuing threats facing our national energy infrastructure. Focusing on cybersecurity, energy security, and the resilience of the Nation's energy systems is one of the Energy Secretary's top priorities. By the Administration proposing and Congress affirming the Office of Cybersecurity, Energy Security, and Emergency Response (CESER), the Secretary has clearly demonstrated his commitment to achieving the Administration's goal of energy security and, more broadly, national security.

Our Nation's energy infrastructure has become a primary target for hostile cyber actors, both state-sponsored and non-state sponsored. The frequency, scale, and sophistication of cyber threats continue to increase. Cyber incidents have the potential to disrupt energy services, damage highly specialized equipment, and even threaten human health and safety.

Earlier this year, the Office of the Director of National Intelligence released the Worldwide Threat Assessment, which noted Russia "is now staging cyber attack assets to allow it to disrupt or damage U.S. civilian and military infrastructure during a crisis..." and "...has the ability to execute cyber attacks in the United States that generate localized, temporary disruptive effect on critical infrastructure – such as disrupting an electrical distribution network for at least a few hours..." Similarly, it noted that "China has the ability to launch cyber attacks that cause localized, temporary disruptive effects on critical infrastructure – such as disruption of a natural gas pipeline for days to weeks – in the United States." ¹

The release of the President's National Cyber Strategy (NCS) in September 2018 reflects the Administration's commitment to protecting America from cyber threats. The Department of Energy (DOE) plays an active role in supporting the security of our Nation's critical energy infrastructure in implementing the NCS. These efforts reflect a concerted response to the emergence of energy cybersecurity and resilience as one of the Nation's most important security

¹ Daniel R. Coats, Director of National Intelligence, "Statement for the Record: Worldwide Threat Assessment of the US Intelligence Community (January 29, 2019): p.5-6

challenges. Fostering partnerships with public and private stakeholders is of utmost importance to me as the Assistant Secretary of CESER.

CESER activated the Emergency Response Organization for multiple natural disasters. In 2018, CESER responded to a wide range of incidents, including six hurricanes, three wildfires, two typhoons, one cyclone, one earthquake, and one volcanic eruption.

Today, I would like to focus my testimony primarily on the cybersecurity function of the office and how CESER meets the priorities of the Administration and works in conjunction with our Federal agency, State, local, tribal and territorial government (SLTT), industry, and National Laboratory partners.

CESER

The Secretary has conveyed that he has no higher priority than to support the security of our Nation's critical energy infrastructure. CESER leads the Department's efforts to secure our Nation's energy infrastructure against all hazards, reduce the risks of and impacts from cyber events and other disruptive events, and assist with restoration activities. This office works closely with the private sector, as well as Federal and SLTT government partners, to enable more coordinated preparedness and response to cyber and physical threats and natural disasters. The office enhances the Department's ability to dedicate and focus attention on DOE's Sector-Specific Agency (SSA) responsibilities and will provide greater visibility, accountability, and flexibility to better protect our Nation's energy infrastructure and support asset owners, as well as the overall critical infrastructure response framework overseen by DHS.

DOE FAST Act Authority

DOE's role in energy sector cybersecurity is established in statute and executive action. In 2015, Congress passed the Fixing America's Surface Transportation Act (FAST Act) (P.L. 114-94), codifying DOE as the SSA for cybersecurity for the energy sector, consistent with existing policy. In 2018, Congress passed the Cybersecurity and Infrastructure Security Agency Act (CISA Act) (P.L. 115-278) establishing CISA within the Department of Homeland Security (DHS). Defined in the CISA Act, "[t]he term 'Sector- Specific Agency' (SSA) means the Federal department or agency designated under this directive to be responsible for providing institutional knowledge and specialized expertise as well as leading, facilitating, or supporting the security and resilience programs and associated activities of its designated critical infrastructure sector in the all-hazards environment in coordination with the Department." Presidential Policy Directive 21 (PPD-21): Critical Infrastructure Security and Resilience states that DHS will "provide strategic guidance, promote a national unity of effort, and coordinates the overall Federal effort to promote the security and resilience of the Nation's critical infrastructure." Specific to cybersecurity, DHS has authorities that support cybersecurity assistance by the federal government to all critical infrastructure sectors, including information sharing and technical assistance. The FAST Act further mandates that the Secretary of Energy coordinate "with the Department of Homeland Security and other relevant Federal departments and agencies" and collaborate with them on, among other things, "providing, supporting, or facilitating technical assistance and consultations for the energy sector to identify vulnerabilities and help mitigate

incidents, as appropriate." With the formation of CESER, the Department's role as the SSA is strengthened and has undertaken the responsibilities with the highest degree of dedication and commitment.

The FAST Act also amended the Federal Power Act to give the Secretary of Energy new authority, upon declaration of a Grid Security Emergency by the President, to issue emergency orders to protect or restore critical electric infrastructure or defense critical electric infrastructure. This authority allows DOE to support energy sector preparations for, and responses to, emergencies.

DOE's Roles and Responsibilities for Energy Sector Cybersecurity

The National Cyber Strategy (NCS) prioritizes risk-reduction activities across seven key areas, which include national security; and energy and power. DOE's cybersecurity activities for the energy sector align to the Secure Critical Infrastructure section of Pillar I – (Protecting the American People, the Homeland, and the American Way of Life) under the category to Prioritize Actions According to Identified National Risks. It states: "The Federal Government will work with the private sector to manage risks to critical infrastructure at the greatest risk. The Administration will develop a comprehensive understanding of national risk by identifying national critical functions and will mature our cybersecurity offerings and engagements to better manage those national risks."

The strategy presents a risk-reduction-based approach to improve the Nation's cybersecurity posture in key areas, and builds on the DOE's ongoing collaboration with other agencies and private sector organizations, including the Federal Government's designated lead agencies for coordinating the response to significant cyber incidents: the DHS, acting through the National Cybersecurity and Communications Integration Center (NCCIC), and the Department of Justice (DOJ), acting through the Federal Bureau of Investigation (FBI) and its National Cyber Investigative Joint Task Force. In the event of a significant cyber incident in the energy sector, DHS and DOJ coordinates with DOE to ensure its deep expertise with the sector is appropriately leveraged.

DOE is also working with the Tri-Sector Executive Working Group (TEWG) in conjunction with the Department of the Treasury and DHS, along with our industry partners, to address and manage risks across the energy, telecommunications, and financial sectors. The formation of the TEWG was recommended by the President's National Infrastructure Advisory Council (NIAC) in their August 2017 report titled, "Securing Cyber Assets: Addressing Urgent Cyber to Critical Infrastructure."

In the energy sector, the core of critical infrastructure partners is represented by the Electricity Subsector Coordinating Council (ESCC), the Oil and Natural Gas Subsector Coordinating Council (ONG SCC), and the Energy Government Coordinating Council (EGCC). The ESCC and ONG SCC represent the interests of their respective industries. The EGCC, led by DOE and DHS, is where the interagency partners, States, and international partners come together to discuss the important security and resilience issues for the energy sector. This forum ensures we are working together in a whole-of-government response.

The SCCs, EGCC, and associated working groups operate under DHS's Critical Infrastructure Partnership Advisory Council (CIPAC) framework, which provides a mechanism for industry and government coordination. The public-private critical infrastructure community engages in open dialogue to mitigate critical infrastructure vulnerabilities and to help reduce impacts from threats.

DOE's Cybersecurity Activities for the Energy Sector

DOE plays an active role in supporting energy sector cybersecurity by enhancing the security and resilience of the Nation's critical energy infrastructure. To address these challenges, it is critical for us to be proactive and cultivate a secure energy network of producers, distributors, regulators, vendors, and public partners, acting together to strengthen our ability to identify, detect, protect, respond, and recover. The Department is focusing cyber support efforts to strengthen energy sector cybersecurity preparedness, coordinate cyber incident response and recovery, and accelerate game-changing research, development, and deployment (RD&D) of resilient energy delivery systems.

Strengthening Energy Cybersecurity Preparedness

It is necessary for partners in the energy sector and the government to share meaningful and timely emerging threat data and vulnerability information to help prevent, detect, identify, and thwart cyberattacks more rapidly. CESER is working with government partners and the energy sector to develop a secure platform to provide energy sector-wide situational awareness and actionable information to support the discovery and mitigation of advanced cyber threats to U.S. critical energy infrastructure. The Cyber Analytics Tools and Techniques (CATT TM 2.0) program will achieve this through automated analysis of voluntarily provided energy sector information technology (IT) and operational technology (OT) data, enriched with classified threat information utilizing unique and sophisticated U.S. Government tools.

Advancing the ability to improve situational awareness of OT including Industrial Control Systems (ICS) and Supervisory Control and Data Acquisition (SCADA) systems is the key focus of DOE's current activities. Detecting adversary tactics, techniques, and procedures within anomalous traffic on critical energy infrastructure can be the first step in stopping an attack in its early stages. The Department is working with our private sector partners to develop the capability to analyze the data from OT systems via the Cybersecurity for the Operational Technology Environment (CyOTETM) pilot project. The CyOTETM pilot will develop into a scalable program for industry to aid in detecting and mitigating cyber risks to OT systems.

Additionally, CESER is implementing a threat-informed, engineering-centric assessment and mitigation activity for the energy sector called Consequence-driven Cyber-informed Engineering (CCE), which is being supported by the Idaho National Labs (INL). The methodology prioritizes high-consequence risks within control systems environments, identifying the most severe consequences, and then identifies the best process design and protection approaches for eliminating the cyber risk. The lessons collected from the upcoming engagements within the energy sector will be shared with our partners to greatly expand the nation's ability to "engineer out" the cyber risk from the most critical energy infrastructure networks and systems.

Cybersecurity vulnerabilities of key control systems and operational technology are an increasing concern for the Nation's critical energy infrastructure owners and operators. The Cyber Testing for Resilience of the Industrial Control Systems (CyTRICS) program will serve as a central capability for DOE's efforts to increase energy sector cybersecurity and reliability through testing and enumeration of critical electrical components. Further, analysis of test results will identify both systemic and supply chain risks and vulnerabilities to the sector through the linkage of threat information with supply chain information and enriching it with other data sources and methods. Through CyTRICS, DOE continues to collaborate with government, National Laboratories, and industry to identify key energy sector industrial control systems components and apply a targeted, prioritized, and collaborative approach to these efforts.

CESER's efforts to develop a collective understanding of systemic and supply chain risks and vulnerabilities are aligned with Executive Order 13873 "Securing the Information and Communications Technology and Services Supply Chain," and support the Administration's priority of securing our Nation from foreign adversaries who are increasingly creating and exploiting U.S. vulnerabilities in information and communications technology.

Facilitating Cyber Incident Response and Recovery

As the Energy SSA, DOE works at many levels of the electricity, petroleum, and natural gas industries. We interact with numerous stakeholders and industry partners to share both classified and unclassified information, discuss coordination mechanisms, and promote scientific and technological innovation to support energy security and reliability. By partnering through working groups between government and industry at the national, regional, State and local levels, DOE facilitates enhanced cybersecurity preparedness.

As a member of the National Security Council and as the Energy SSA, DOE assesses and analyzes credible threats to reliability and resilience issues facing the security of our Nation's energy infrastructure. These intelligence assessments and analysis often involve classified information; however, DOE works to provide regular unclassified threat briefings to interagency and industry partners, in addition to classified threat briefings to cleared members of the sector.

DOE also maintains a close relationship with the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) to ensure they have the relevant information to execute their missions. DOE also holds regular discussions with the three energy sector Information Sharing and Analysis Centers (ISACs) – which include the Downstream Natural Gas ISAC (DNG-ISAC), the Oil and Natural Gas ISAC (ONG-ISAC) and Electricity ISAC (E-ISAC) – to share emerging and potential threats and disseminate information.

In June, CESER worked with the National Association of Regulatory Utility Commissioners (NARUC) to help State public utility commissioners (PUCs or "commissions") gather and evaluate information from utilities about their cybersecurity risk management practices. These PUC-driven evaluations of utilities in their states help to inform PUC investment decisions

regarding the effectiveness of utilities' cybersecurity preparedness efforts and the prudence of related expenditures. The preparedness and evaluation toolkit are publicly available on the NARUC website, benefitting not only commissioners, but other State officials as well. By regularly engaging with utilities through the use of the toolkit materials and analyzing the information received using the tool, commissioners can access the year-over-year change in cybersecurity preparedness of individual utilities within a PUC jurisdiction, promote continuous improvement, and increase the overall awareness and visibility of cybersecurity preparedness and resilience across the utility landscape within their states.

We are continuing to work with NARUC to support regional trainings on cybersecurity, with the goal of building commission expertise to ensure cyber investments are both secure and economically viable.²

CESER also recently supported the National Governors Association (NGA) in providing Governors and their energy advisors with policy strategies to protect electricity infrastructure and enhance cybersecurity in the electricity sector. The NGA white paper outlines the roles and responsibilities of key State, industry, and Federal entities and catalogs useful resources.³

DOE continues to work with State officials to facilitate state-industry preparedness and response coordination, encourage response plans that help prepare for any potential consequences of a cyber attack, and offer training and exercises to ensure the states are ready and able to mitigate incidents and respond, if needed.

DOE also works closely with our public and private partners with the goal of fully supporting and bolstering the actions needed to help ensure the reliable delivery of energy. We continue to coordinate with industry through the Sector Coordinating Councils (SCCs) to synchronize government and industry cyber incident response playbooks.

CESER engages directly with our government and industry partners to help ensure we are prepared and coordinated in the event of a cyber incident to the industry. The success of the 2018 iteration of DOE's Liberty Eclipse cybersecurity exercise developed in two phases. Phase I was a tabletop exercise focusing on the roles, responsibilities, and authorities, of Federal, State, and energy industry partners in response to a significant cyber attack on energy infrastructure.

Phase II included a seven-day, operations-based exercise conducted on Plum Island in New York. This exercise focused on increasing the country's ability to mitigate adversary cyber degradation of the grid's restoration capability. During Phase II, DOE worked with the Defense

² The NARUC toolkit comprises several resources, including the three documents published in June, 1) Understanding Cybersecurity Preparedness: Questions for Utilities; 2) Cybersecurity Preparedness Evaluation Tool; and 3) Glossary, in addition to the "Cybersecurity Strategy Development Guide" published in 2018. (<u>https://www.naruc.org/cpi/cpi-library/#CIP</u>)

³ NGA White Paper, Smart and Safe, State Strategies for Enhancing Cybersecurity in the Electric Sector (June 2019). <u>https://www.nga.org/wp-content/uploads/2019/04/NGA-Smart-Safe-State-Strategies-for-Enhancing-Cybersecurity-in-the-Electric-Sector.pdf</u>.

Advanced Research Projects Agency (DARPA) and multiple U.S. utilities to test and evaluate tools and capabilities that could enable the recovery of the power grid during a cyber attack. These experiments were held in an isolated and controlled environment with first responders and power engineers on hand. DOE's private sector collaboration ensures DARPA's research results are directly transitioned to industry and translated into greater preparedness from a cyber attack.

DOE continues to sponsor Clear Path, an annual all hazards focused exercise series. These regionally focused exercises highlight the interdependencies between our Nation's energy infrastructure and other sectors.

DOE's most recent exercise, Clear Path VII, took place in Memphis, Tennessee, in April 2019. This iteration examined the energy sector's response and restoration roles, responsibilities, plans, and procedures following a major earthquake along the New Madrid Seismic Zone. The exercise brought together more than 160 individuals from more than 80 organizations representing Federal and State governments; the electricity and oil and natural gas subsectors; the transportation, water, and communications sectors.

It is critical that the results of the exercises inform our response plans on a continuous basis to close identified gaps in coordination with our industry and government partners through the associated coordinating councils. Communication capabilities that are survivable, reliable, and accessible, by both industry and government, will be key to coordinating various efforts showcased in the exercise, including unity of messaging required to recover from a real-life version of the exercise scenario.

In preparation for any future grid security emergency, it is critical we continue working with our government and industry partners to further shape the types of orders that may be executed under current authorities, while also clarifying how we communicate and coordinate the operational implementation of these orders. Continued coordination with Federal, SLTT, and industry partners and participation in preparedness activities like Clear Path enable DOE to identify gaps and develop capabilities to support cyber response.

Accelerating Breakthrough RD&D of Resilient Energy Delivery Systems

Cybersecurity for energy control and OT systems is vastly different from typical IT systems. OT power systems must operate continuously with high reliability and availability. Upgrades and patches can be difficult and time consuming, with components dispersed over wide geographic regions. Further, many assets are in publicly accessible areas where they can be subject to physical tampering. Real-time operations are imperative and latency is unacceptable for many applications. Immediate emergency response capability is mandatory and active scanning of the network can often be difficult.

To select cybersecurity R&D projects, DOE constantly examines the threat landscape and coordinates with partners, like DHS, to provide the most value to the energy sector while minimizing overlap with existing projects.

CESER's Cybersecurity for Energy Delivery Systems (CEDS) R&D program is designed to assist energy sector asset owners by developing cybersecurity solutions for energy delivery systems through a focused, early-stage research and development effort. CESER co-funds industry-led, National Laboratory-led, and university-led projects with SLTT and industry partners to make advances in cybersecurity capabilities for energy delivery systems. These research partnerships are helping to detect, prevent, and mitigate the consequences of a cyber incident for our present and future energy delivery systems. In a demonstration of our coordination with other federal agencies, two of the university-led collaborations are funded in partnership with DHS Science and Technology.

In April 2019, CESER released the "Cybersecurity for Energy Delivery Systems (CEDS) 2019 Research Call" to conduct research, development, integration and demonstrations (RDI&D). This RDI&D will lead to (1) next generation tools and technologies, (2) techniques to implement cybersecurity frameworks and (3) integration of tools and technologies to help provide greater situational awareness that is unavailable today. It will likely become available and widely adopted throughout the energy sector to reduce the risk that a cyber incident could disrupt energy delivery. An estimated \$35 million in Federal funding is expected to be available for new awards under this research call.

In May 2019, CESER issued an \$8 million funding opportunity announcement seeking innovative approaches to enhance the reliability and resilience of the Nation's energy infrastructure. This includes enhancing the ability of electricity generation, transmission and distribution infrastructure, as well oil and natural gas production, refining, storage, and distribution infrastructure to survive a cyber attack while sustaining critical energy delivery functions. This funding opportunity supports the Administration's directive to secure critical infrastructure as outlined in the National Cyber Strategy, through research and development of real-time intrusion detection, self-healing energy delivery control systems, and innovative technologies that enhance cybersecurity in the energy sector.

Existing CESER projects in Artificial Intelligence and Quantum are aligned with the Executive Order 13800 "Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure" and Executive Order 13859 "Maintaining American Leadership in Artificial Intelligence." We coordinate this with the Secretary's Artificial Intelligence program to ensure broadest awareness and surface new opportunities. For example, the Cyber Attack Detection and Accommodation for Energy Delivery Systems project has advanced artificial intelligence technology by developing a commercially viable, field demonstrated, self-learning and resilient cyber-attack/anomaly automatic detection and accommodation technology to provide uninterrupted, equipment safe, controlled power generation to the grid even in the presence of attacks. This project is integral to the defense-in-depth strategy to support improved resilience in the national critical energy infrastructure. The Cyber Attack Detection and Accommodation for Energy Delivery project uses feature-based machine learning and control and estimation algorithms to detect, localize and mitigate attacks in real-time with very low false positive rates with multiple heterogeneous data streams.

To advance technologies in quantum computing, researchers at Los Alamos National Laboratory (LANL) have developed several technologies based in Quantum Information Science (QIS) for use in improving the security of the nation's electric grid. Specifically, LANL has demonstrated quantum secured communications over existing installed optical fiber infrastructure. This technology allows entities on a network to prove their identity to one another, and to be sure the messages they send are transmitted faithfully. For example, a utility control center can be certain that data received from a substation was indeed sent by that substation and has not been spoofed or altered in transit.

Additionally, CESER's Cybersecurity Risk Comparison tool is developing a method to quantify cyber risk reduction achieved through the deployment of defensive countermeasures, including selected other CEDS R&D-funded tools and technologies. Using the attack tree developed by the NERC-Critical Infrastructure Protection Committee (CIPC) Cyber Attack Task Force (CATF) and the MITRE ATT&CK framework, the research effort will develop a methodology to quantify the dollar investment associated with reducing the number of cyber attack tree paths that are functionally available to the adversary. It will achieve this through deployment of selected countermeasures, and by comparing it to the number of attack tree paths without deployment of the same countermeasures, for a specified control system architecture.

For example, the Collaborative Defense of Transmission and Distribution Protection and Control Devices against Cyber Attacks (CODEF) project is designed to anticipate the impact a command will have on a control system environment. If any commands would result in damage to the system or have other negative consequences, CODEF will have the ability to prevent their execution. This type of solution is especially intriguing as it can detect malicious activity regardless of the source, be it an insider threat or an external actor.

The Energy Sector Security Appliances in a System for Intelligent Learning Network Configuration Management and Monitoring project, otherwise known as *Essence*, is a CEDSfunded endeavor involving the National Rural Electric Cooperative Association (NRECA). *Essence* started as a concept to build a system that passively monitors all network traffic within an electric utility, and to use machine learning to develop a model of what "normal" is, so that deviations indicative of cyber compromise could be detected instantly and acted on quickly. The envisioned system was built and successfully demonstrated. Work since then was focused on extending a solid technical prototype into commercially deployable products with committed technical partners with an established presence in the utility market. To date, NRECA has engaged with partners to offer commercial products based on *Essence*.

Strengthening our Workforce Development

The final area I would like to highlight is one that is truly foundational in nature, cybersecurity workforce development. It is also a national priority outlined in the President's National Cyber Strategy, and further reinforced by Executive Order 13870, "America's Cybersecurity Workforce." Through our State, local, tribal, and territorial workforce development efforts through organizations like the National Association of State Energy Officials (NASEO), we are developing a multifaceted approach including online trainings, playbooks, workshops, and guidance. This builds capacity throughout the sector and guarantees the State energy officials we

engage with regularly have the necessary and current skills and resources needed to prepare for and respond to energy disruptions of significance, including cyber emergencies.

Building a culture of cybersecurity throughout the energy sector is critical. Technology is playing an increasingly significant role in the energy sector, requiring a workforce with knowledge of both cybersecurity and power systems. Further encouraged by the President's Executive Order on America's Cybersecurity Workforce, DOE is working in conjunction with NRECA and the American Public Power Association (APPA) to help further enhance the culture of security within their utility members' organizations. With more than a quarter of the Nation's electricity customers served by municipal public power providers and rural electric cooperatives, it is critical that they have the tools and resources needed to address security challenges. To address risks and manage the risks to an acceptable level, APPA and NRECA are developing security tools, educational resources, updated guidelines, and training on common strategies that can be used by their members to improve their cyber and physical security postures. Exercises, utility site assessments, and a comprehensive range of information sharing with their members will all be used to bolster their security capabilities.

DOE is also continuing and expanding our annual collegiate-level cyber defense competition. In 2018, DOE held two competitions to help develop the next generation of cybersecurity professionals to help secure our Nation's critical energy infrastructure. DOE's Cyber Defense Competition (CDC) took place in April, with 25 college and university teams competing at three National Laboratories. In December 2018, DOE hosted the CyberForce Competition[™], with 64 college and university teams from 24 states and Puerto Rico competing at seven National Laboratories. The next CyberForce Competition[™] will take place in November 2019 at ten National Laboratories, and is expected to expand beyond the collegiate level.

Additionally, CESER is working in coordination with the Office of Management and Budget (OMB), the Office of Personnel Management (OPM) and the Federal Chief Information Officer (CIO) Council, to fully leverage current hiring authorities under the Cybersecurity Enhancement Act of 2014. We intend to do this, in part, by utilizing cyber competitions announcements as preliminary job announcements, and then proceed through competition scores to identify highly qualified cyber professionals for potential placement and retention into the Federal Government.

Conclusion

Establishing CESER is the result of the Administration's commitment to and prioritization of energy security and national security. CESER is working on many fronts collaborating with industry and State and local governments to protect our Nation's critical energy infrastructure from all hazards, including this growing cyber threat. Our long-term approach will strengthen our national security and positively impact our economy.

I appreciate the opportunity to appear before this Committee to discuss cybersecurity in the energy sector, and I applaud your leadership. I look forward to working with you and your respective staffs to continue to address cyber and physical security challenges.