



Opening Statement
Full Committee Hearing on Cybersecurity
Chairman Lisa Murkowski
April 4, 2017

Good morning. The committee will come to order.

We are here today to examine our collective efforts – those from Congress, the rest of the federal government, and industry – to protect our domestic energy delivery systems from cybersecurity threats.

Here in the United States, we have purposefully built redundant systems to ensure resiliency, and technological advancements have improved system efficiencies. We’ve made our devices smarter and connected more of them to the internet, boosting consumer convenience and lowering costs. But, as the so-called “Internet-of-Things” has become increasingly involved in all phases of energy generation and delivery, we’ve created even more avenues for cyber intrusion.

This committee has long-recognized that our nation’s energy sector is a popular target for bad actors – everyone from individual hackers to nation-states who wish to do us harm. That’s why we took action over a decade ago, through the Energy Policy Act of 2005, to protect the nation’s critical grid infrastructure from both physical and cybersecurity threats.

The 2005 law directed the certification of an Electric Reliability Organization – now NERC – to develop and enforce mandatory reliability standards. Congress specifically declined to provide FERC with direct authority to establish such standards, instead opting for an industry stakeholder process to assist in formulating these highly complex and technical requirements.

This decision has fostered a robust public-private partnership. Given FERC’s current lack of quorum, it seems even more prescient today. And I am pleased that NERC’s President and CEO, Gerry Cauley, is here to testify this morning.

Last Congress, in the FAST Act, we moved again to protect our energy systems from cyber attack. As enacted, that law includes provisions from this committee codifying the Department of Energy as the Sector-Specific Agency for the energy sector and providing the Secretary with authority to address grid-related emergencies caused by cyberattacks, physical attacks, electromagnetic pulses, or geomagnetic disturbances. We will address the EMP issue in depth at

a future hearing, but I look forward to hearing today from Pat Hoffman, the Acting Assistant Secretary for the Office of Electricity, about the Department's efforts to implement its FAST Act authorities.

Finally, while our committee has spent considerable time over the years examining the threats posed to the nation's grid infrastructure, today we will also assess efforts to secure natural gas pipelines. Given the interdependency of natural gas and electricity, it is imperative that these energy delivery systems are adequately protected. I look forward to Dave McCurdy's testimony today as the President and CEO of the American Gas Association. I'm also curious to learn why it is taking so long for Mr. McCurdy, a former Chairman of the House Intelligence Committee, to get the requisite security clearance from the Energy Department.

In addition, this morning we will also hear from:

- Mr. Duane Highley, the President and CEO of the Arkansas Electric Cooperative Corporation and the co-chair of the Electricity Subsector Coordinating Council, which interfaces with the federal government on behalf of industry;
- Mr. Andrew Bochman, a Senior Cyber and Energy Security Strategist for Idaho National Laboratory, the lab responsible for the Aurora experiment which first demonstrated how a cyber attack could impact physical assets; and
- Colonel Gent Welsh, from the Washington National Guard, who has done a lot of important work to secure critical infrastructure in that state and to develop a cyber workforce.

We all recognize that this is no time for the United States to rest on the question of cyber security. The number and scope of attacks is ever increasing and the resulting harm could be very significant. That is why our Subcommittee under Senator Gardner's leadership held a cybersecurity hearing last month and that is why we are broadening the effort here at full committee today.

I'd like to thank all of our witnesses for joining us this morning and look forward to their comments in just a few minutes. I'll now turn to Senator Heinrich for his opening comments.

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