

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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MEMORANDUM

September 25, 2018

To: Subcommittee on Energy Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Hearing on “DOE Modernization: The Office of Cybersecurity, Energy Security, and Emergency Response”

On **Thursday, September 27, 2018, at 10:15 a.m. in room 2322 of the Rayburn House Office Building**, the Subcommittee on Energy will hold a hearing titled “DOE Modernization: The Office of Cybersecurity, Energy Security, and Emergency Response.”

I. DEPARTMENT OF ENERGY OFFICE OF CYBERSECURITY, ENERGY SECURITY, AND EMERGENCY RESPONSE

The President’s Fiscal Year (FY) 2019 budget request for the Department of Energy (DOE) divided the Office of Electricity Delivery and Energy Reliability into two offices: Electricity Delivery and a new Office of Cybersecurity, Energy Security, and Emergency Response (CESER).¹ On February 14, 2018, DOE Secretary Rick Perry officially established the CESER office, to be headed by an Assistant Secretary and charged with protecting the nation’s energy infrastructure “from cyber threats, physical attack and natural disaster.”² Congress

¹ Congressional Research Service, *The President’s FY2019 Budget Request for the Department of Energy* (Mar. 9, 2018) (IN10868).

² Department of Energy, *Secretary of Energy Rick Perry Forms New Office of Cybersecurity, Energy Security, and Emergency Response* (Feb. 14, 2018) (www.energy.gov/articles/secretary-energy-rick-perry-forms-new-office-cybersecurity-energy-security-and-emergency).

recently passed the FY 2019 Energy and Water Development Appropriations Act, which provides \$120 million for the CESER office.³

The CESER office administers two key DOE programs: Cybersecurity for Energy Delivery Systems (CEDS) and Infrastructure Security and Energy Restoration (ISER). CEDS's mission is to mitigate the risk of energy disruptions caused by cyber events through both near- and long-term initiatives. The ISER program provides outreach to state, local, tribal, and territorial partners to make sure their energy assurance plans include integrated information sharing initiatives and align with activities undertaken by the energy industry sector.⁴ President Trump nominated Karen Evans to serve as the Assistant Secretary of the CESER office on June 13, 2018.⁵ The Senate confirmed her nomination on August 28, 2018, and she was sworn in on September 4, 2018.⁶

II. RECENT COMMITTEE LEGISLATIVE ACTIVITY

Over the course of the past two Congresses, the Committee has pursued a number of legislative efforts to enhance the cybersecurity of the nation's energy infrastructure. Most significantly for the purpose of this hearing, the Committee reported legislation in May 2018, H.R. 5174, to authorize in statute the CESER office. Also important is the Committee's successful effort to amend the Fixing America's Surface Transportation (FAST) Act in 2015 to provide DOE with enhanced electric grid cybersecurity authority. These efforts are elaborated upon further below. In addition, to reporting H.R. 5174 in May, the Committee reported three other bills to address energy cyber and physical security; detailed descriptions of those bills can be found [here](#).

A. H.R. 5174, the Energy Emergency Leadership Act

Rep. Walberg (R-MI) and Rep. Rush (D-IL) introduced H.R. 5174, the Energy Emergency Leadership Act, on March 6, 2018.

The legislation amends Section 203(a) of the Department of Energy Organization Act to create a new DOE Assistant Secretary position with jurisdiction over all energy emergency and security functions related to energy supply, infrastructure, and cybersecurity. The bill authorizes

³ House of Representatives Committee of Conference, *Department of Defense for the Fiscal Year Ending September 30, 2019*, 115th Cong. (2018) (H. Rept. 115-952).

⁴ Department of Energy, FY 2019 Congressional Budget Request – Volume 3 Part 1 (Mar. 2018) (www.energy.gov/sites/prod/files/2018/03/f49/DOE-FY2019-Budget-Volume-3-Part-1_0.pdf).

⁵ The White House, *President Donald J. Trump Announces Intent to Nominate Personnel to Key Administration Posts* (Jun. 12, 2018) (www.whitehouse.gov/presidential-actions/president-donald-j-trump-announces-intent-nominate-personnel-key-administration-posts-46/).

⁶ Department of Energy, *Karen Evans Sworn in as DOE Assistant Secretary for Cybersecurity, Energy Security, and Emergency Response* (Sept. 4, 2018) (www.energy.gov/articles/karen-evans-sworn-doe-assistant-secretary-cybersecurity-energy-security-and-emergency).

the new Assistant Secretary, upon a State, local, or tribal government's request, to provide DOE with technical assistance and support and response capabilities regarding energy security threats, risks, and incidents. The Committee reported H.R. 5174 unanimously by voice vote on May 9, 2018.

B. Cybersecurity Provisions of Public Law 114-94, Fixing America's Surface Transportation Act

On December 4, 2015, former President Obama signed the Fixing America's Surface Transportation (FAST) Act into law, which authorized \$305 billion for long-term infrastructure planning and investment throughout the country. The Upton-Pallone amendment to the FAST Act provides the Department of Energy (DOE) with new authority to address cybersecurity threats. The amendment designates DOE as the sector-specific agency to carry out all cybersecurity responsibilities for the energy sector. The provision requires the Secretary of Energy to coordinate with the Department of Homeland Security and other related agencies to report directives, conduct incident management, and provide technical assistance to critical energy infrastructure owners and operators. DOE is also the lead agency responsible for coordinating with state and local governments, tribes, and U.S. territories. This part of the FAST Act also created the Strategic Transformer Reserve for the storage, placement, and deployment of large power transformers for use during physical attacks, cyber-attacks, electromagnetic pulses, geomagnetic disturbances, severe weather, and seismic events.⁷

III. WITNESS

The following witness has been invited to testify:

The Honorable Karen S. Evans

Assistant Secretary

Office of Cybersecurity, Energy Security, and Emergency Response (CESER)

U.S. Department of Energy

⁷ Fixing America's Surface Transportation Act, Pub. L. No. 114-94.