##### August 16, 2018

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Update to the Board of Directors – Sandia National Laboratories Surety Assessment**

The NAESB Board Critical Infrastructure Committee (CIC) most recently met on June 18, 2018 and July 12, 2018 to review and discuss the revised draft report on the surety assessment conducted by Sandia National Laboratories. This second draft was prepared in response to the written feedback developed by the Board CIC following the committee’s review of the first version of the draft report in February 2018. The goal of the surety assessment is to (1) assess the NAESB Certification Program for Accredited Certification Authorities, including the WEQ Public Key Infrastructure Standards, the NAESB Accreditation Requirements for Authorized Certificate Authorities, and the Authorized Certification Authority Process; (2) assess the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Standards; (3) assess the WEQ OASIS Suite of Business Practice Standards; and (4) conduct a high-level dependency analysis between the gas and electric markets.

As a result of these meetings, the Board CIC developed additional written feedback to Sandia National Laboratories regarding the surety assessment. While the committee noted its appreciation for Sandia National Laboratories’ efforts to revise the draft report, the consensus of the members was that it would be beneficial if further modifications were made in order to ensure NAESB is provided with all necessary information to evaluate any findings and recommendations contained in a final version of the report. The written feedback, similar to the previous feedback provided by the committee, recommends the final report more closely resemble the 2006 surety assessment. The committee also recommended a forward-thinking, vulnerability-based assessment, analyzing each standard to identify specific vulnerabilities, evaluate the threat, and provide possible actions to mitigate. This approach would be more aligned with the 2006 surety assessment conducted by Sandia National Laboratories on the NAESB Business Practice Standards and will help NAESB better determine any next steps which should be taken.

NAESB staff will work with Sandia National Laboratories to obtain the next iteration of the report on the surety assessment.