



## NORTH AMERICAN ENERGY STANDARDS BOARD

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July 19, 2012

The Honorable Harry Reid  
Majority Leader, United States Senate  
522 Hart Senate Office Building  
Washington, D.C. 20510-2803

Dear Senator Reid,

Thank you so much for bringing your concerns<sup>1</sup> directly to us. We would like to first address your concerns regarding the status of Authorized Certificate Authorities (ACAs) and applicability of our standards. As for the status of the ACAs, no certificate authorities have been credentialed by NAESB as ACAs – they are in a pending status. For applicability of our standards, our business practice standards do not apply to nor impact the reliability of the bulk power grid – that is the domain of the North American Electric Reliability Corporation (NERC).

The development and application of cyber-security standards has been a complex, rapidly changing area. NAESB's certification process and current digital certificate and public key infrastructure standards are examples of this rapid evolution. In the specific instances that you cite, I'm pleased to say that the problems you identify do not exist. In fact, no companies have yet been certified by NAESB; all such potential certifications are in a pending status. A major reason they are pending is that the standards themselves are in the process of revision, based upon continuing industry-wide input, with the final revisions targeted for year-end 2012. Thus, in essence, both the standards and the certification of companies as being compliant so that they may take on roles as ACAs are moving targets at the present time. You are correct that NAESB's standards are voluntary; we are not an enforcement agency. That said, no company will be considered compliant for our purposes as an ACA unless they first provide an affidavit that they follow our protocols, when we adopt the revised standards later this year. To maintain status as an ACA, companies will be required to provide affidavits on an annual basis. As the standards are completed, they will be provided to the Federal Energy Regulatory Commission.

We should also clarify that in this specific area of digital certificates and public key infrastructure standards, our standards apply solely to the wholesale commercial business practices of the electricity industry. NAESB does not develop standards for the reliability of the power grid; those standards are developed by the NERC and we work with them to assure that our commercial business practices complement their reliability standards.

For steps that NAESB is taking to ensure that all digital certificates issued by ACAs to provide access to information and transactions for the business practices for electricity reservations and scheduling, I would refer you to the program<sup>2</sup> adopted by our Board late last year. The program will be implemented when the revisions to our standards for digital certificates and public key infrastructure are completed. Our progress in completing the standards can be monitored on web site.<sup>3</sup> There you can review the minutes of each meeting, the minority and majority positions discussed, and the industry voting that has taken place for these standards.

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<sup>1</sup> The concerns are referenced in the following communication: [http://www.naesb.org/misc/senator\\_reid\\_071212.pdf](http://www.naesb.org/misc/senator_reid_071212.pdf).

<sup>2</sup> The Certification Program, approved by the NAESB Board of Directors in September 2011 can be accessed from: [http://www.naesb.org/pdf4/certification\\_process.docx](http://www.naesb.org/pdf4/certification_process.docx), and is posted on the NAESB web site for public access.

<sup>3</sup> The NAESB web site page for the PKI Subcommittee can be accessed from the following link: [http://www.naesb.org/weq/weq\\_pki.asp](http://www.naesb.org/weq/weq_pki.asp), all of which is accessible to any interested party, regardless of membership in NAESB.

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We very much appreciate the attention you are giving this important set of issues, and hope to continue our communication regarding them. If you or your staff has additional concerns or questions about the NAESB process or the status of the digital certificates and public key infrastructure standards, please contact our office.

With Best Regards,

Rae McQuade  
President, NAESB

Michael Desselle  
Chairman, NAESB, Board of Directors

cc: William P. Boswell, NAESB General Counsel  
Christopher Miller, Senior Policy Advisor – Energy and Environment, Office of Senate Majority Leader  
Harry Reid