##### June 14, 2018

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: NAESB Update Call – Sandia National Laboratories Surety Assessment**

On June 18, 2018, the NAESB Board Critical Infrastructure Committee (CIC) will hold a conference call to review and discuss a second draft version of the surety assessment conducted by Sandia National Laboratories. The final report was intended to be divided into findings and recommendations addressing three areas: the NAESB Certification Program for Accredited Certification Authorities, the WGQ and RMQ Internet Electronic Transport and the Electronic Delivery Mechanism Standards. Following a meeting between the Sandia National Laboratories team and subject matter experts hosted by NAESB in August 2017, the scope of the surety assessment was expanded to include portions of the WEQ OASIS Standards.

NAESB was also provided an opportunity to review the first draft of the surety assessment and provide feedback. On February 26, 2018, the Board CIC held a conference call to review and discuss the first draft. During that call, several Board CIC members noted that the draft version of the report lacked the same depth as past reports on previous surety assessments. The committee also noted that there was not sufficient detail to support the findings and recommendations. The Board CIC prepared a letter in response to the draft report to assist in the development of the final report and requested that the final report: (1) be similar in structure and format to past reports; (2) provide specific details, analysis, and recommendations on the standards considered as part of the surety assessment; (3) provide specific information on any potential gaps or vulnerabilities found while conducting the surety assessment; and (4) describe the scenarios considered in the development of the surety assessment, including scenarios identified by Board Critical Infrastructure Committee members, and potential consequences of a cyber-attack including economic and reliability considerations.

As announced during the April 6, 2017 NAESB Board of Directors meeting, the surety assessment is sponsored by the Department of Energy and seeks to analyze security elements within the NAESB Business Practice Standards and Model Business Practices and to perform a high-level dependency analysis between the gas and electric markets. In preparation, the Chair of the Board of Directors reconvened the Board Critical Infrastructure Committee for the purpose of monitoring cybersecurity and critical infrastructure activities, specifically the surety assessment. The Board Critical Infrastructure Committee conference calls are open to all interested parties.