CEER

Council of European Energy Regulators

Cyber Security in Europe and CEER's new PEER initiative

Lord Mogg, CEER President

NARUC-CEER International Forum, 27 April 2017, Arlington, Virginia

Fostering energy markets, empowering **consumers**.

Outline

- New EU legislativedevelopments:
  - NIS Directive
  - GDPR
  - Clean Energy legislative Proposals (and EECSP energy recommendations)
- What Europe‘s national energy regulatory authorities (NRAs) are doing on cyber:
  - Enhancing national cyber capability
  - PEER (cross-agency cooperation) in Europe
  - International cooperation
- Some challenges:

NIS (Network Information Security) Directive

- NIS - new (cross-sectoral) law to strengthen EU network and information security (enters into force nationally - May 2018)

- Introduces a new EU-wide baseline Cyber Security (CS) obligations for:
  - Operators of essential services in energy, transport, banking, etc
  - Digital service providers - search engines, online marketplaces, cloud-computing

- NIS Directive focuses on 3 pillars:
  - Raising resilience through baseline CS standards
  - Ensuring EU-wide minimum CS capabilities through audits and penalities
    - NIS competent authorities on national and sector level
  - Increase cooperation (incident reporting obligations) nationally and EU level
    - EU Agencies and between counrtries
    - Nationally between public and private stakeholders

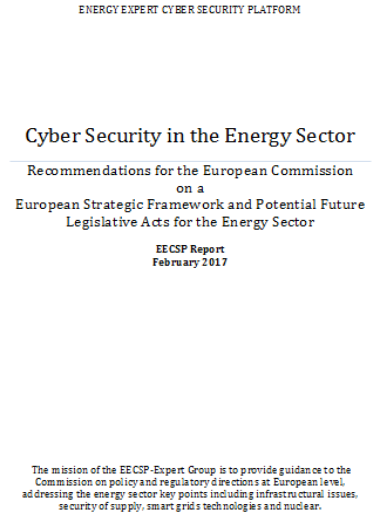
General Data Protecion Regulation (GDPR)

- GDPR - legislation to set EU-wide data protection standards

- Strengthens data protection rights of individuals, provides businesses with clear, modern and applicable rules
- Main rules include:
  - Easier access to private data
  - A right to data portability
  - The “right to be forgotten”
  - Reporting obligations for “data handlers” in case of data theft
  - Penalties in case of severe data theft incidentes

- Adoped in 2016. Legislation to take effect in 2018

Energy Expert Cyber Security Platform (EECSP)


ENERGY EXPERT CYBER SECURITY PLATFORM

Cyber Security in the Energy Sector

Recommendations for the European Commission on a European Strategic Framework and Potential Future Legislative Acts for the Energy Sector

EECSP Report
February 2017

The mission of the EECSP-Expert Group is to provide guidance to the Commission on policy and regulatory directions at European level, addressing the energy sector key points including infrastructural issues, security of supply, smart grids technologies and nuclear.

- EECSP (international cyber expert group)
- Report (Feb 2017)
  - 10 challenges for energy + nuclear
  - 39 gaps
- EECSP recommendations to the European Commission (EC) for an energy-specific cyber strategy to close gaps:
  - Set-up an effective threat and risk management system;
  - Set-up an effective cyber defense framework;
  - Continuously improve cyber resilience in energy;
  - Build-up required capacity and competence for cyber in energy.

Clean Energy For All Europeans Legal Proposals (1/2)

- Legislative package proposed by European Commmission (Nov 2016, revisions Feb 2017)
- Currently in negotiations by EU law-makers
- Cyber issues (not addressed in NIS) are reinforced:
  - Risk Preparedness Regulation – identify crisis scenarios and risk preparedness plans;
  - Recast Electricity Regulation – new EU wide Network Code on cyber security
- Addresses main recommendations for a specific cyber strategy for energy issues of the EECSP

Clean Energy For All Europeans Legal Proposals (2/2)

- New cyber issues addressed:
  - Mandatory cyber requirements for smart meters
  - Key role for Distribution System Operators (DSOs) in cyber when performing their duties
  - New EU wide Network Code on cybersecurity rules
  - Electricity operators to contribute to the development of resilience in respect of the risk of CS attacks or incidents
  - Requires Member States (MS) to have risk preparedness plans at national + regional level

(but cyber is linked to electricity security of supply in the Risk Preparedness Regulation!) – we are reviewing gaps !

Evolving cyber framework for European energy NRAs to consider

- Support **information-sharing initiatives** and collaboration at any level
  - Gradually build trust between actors
  - Promote an open environment
- Encourage **cross-border cooperation** and joint initiatives to share best-practice, knowledge and resources in a collective effort
- Actively engage and support European and national/regional initiatives
  - Facilitate quantitative risk assessments
  - Drive CS-awareness and/or introduce baseline security and safety standards
  - Take part to the introduction of a Maturity Framework
  - Take part to research projects or education activities to offer also a Regulator perspective

European energy NRAs work on cyber

- CEER/ACER cyber work stream – NRA + ACER experts
  - Building NRA capacity in light of the evolving role of NRAs in cyber
  - Reports, Factsheets, workshops to educate and exchange info
- CEER cyber **training** courses (next one June 2017)
- Dialgoue **internationally** (e.g. EU-US regulatory roundtable, EECSP)
- Participation in EC‘s Smart Grids Task Force (Expert Group 2 on cyber)
  - Best Available Techniques (BATs) to make smart grids secure by design

  (Nov 2016 – being updated)
  - New cyber standards
- New **PEER** initaitive to enhance cross-agency cooperation (including on cyber) with involvement of EU Agencies (e.g. ENISA, ACER, consumer bodies etc.)

Partnership for the Enforcement of European Rights (PEER)

- Initiative of CEER to **enhance cross-sectoral and cross-authority cooperation** at EU level to benefit consumers
- **EU focus** – Partnership for the Enforcement of European Rights (PEER)
- **Invited Partners:** EU Agencies (ACER, ENISA, BEREC), Ombudsmen and Consumer Bodies
- **Pilot test** the collaboration (with 2 pilots) in 2017- 2018
  - Pilot 1 possible workshop " Deploying a secure IoT (energy: smart meters, telecoms deployment of 5G)".
  - Pilot 2 possible workshop "Bundled goods and protecting consumers rights (including data) in highly digitalised sectors".

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Thank you for your attention!

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