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Federal

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Congress Increases Focus on Physical Security

Former Federal Energy Regulatory Commission (FERC) Chairman Jon Wellinghoff has recently been calling attention to the Spring 2013 attack on a Pacific Gas and Electric (PG&E) substation in California (Wall Street Journal coverage on the topic can be found [here](#)). Although the power supply was not interrupted, all reports indicate it was not a random assault.

In response to the news coverage, several Senate leaders, including Senator Schumer (D-NY), have called on the FERC and its North American Electric Reliability Corporation (NERC) to draft and implement mandatory and enforceable standards for physical security of electric infrastructure.

Acting FERC Chairman Cheryl LaFleur issued a response to the Senate inquiry and has directed the Commission staff to evaluate the issue. NERC also replied to the inquiry and its comprehensive response can be found [here](#).

Rescheduled Physical Security Briefing

On March 21st, Con Edison will host the Department of Energy (DOE) and Department of Homeland Security (DHS), in coordination with a number of security groups and the North American Electricity Reliability Corporation (NERC), for a briefing on the physical security of electric substations. The meeting

was originally scheduled for February 4th but was postponed due to weather. The briefing is part of a series of meetings around the country targeted towards electric infrastructure owners and operators and local law enforcement.

Briefing details and registration:

Date: March 21, 2014

Time: 8:00am to 12:30pm

Registration deadline: Each person interested in attending must register by clicking [here](#). No day-of registrations will be accepted.

Location: Con Edison Auditorium, 4 Irving Place

NIST Releases Cyber Framework

On February 12th, the Obama administration released the final version of the cyber security framework for owners and operators of critical infrastructure. The standards, which are voluntary, stem from the February 2012 Presidential Executive Order on cyber security.

The Framework provides common mechanisms for companies to:

- Describe their current cybersecurity position;
- Describe their target state for cybersecurity;
- Identify and prioritize opportunities for improvement within the context of a continuous and repeatable process;
- Assess progress toward the target state; and
- Communicate among internal and external stakeholders about cybersecurity risk.

In his announcement, the President said that, "While I believe today's framework marks a turning point, it's clear that much more work needs to be done to enhance our cybersecurity. Our critical infrastructure continues to be at risk from threats in cyberspace, and our economy is harmed by the theft of our intellectual property. Although the threats are serious and they constantly evolve, I believe that if we address them effectively, we can ensure that the Internet remains an engine for economic growth and a platform for the free exchange of ideas."

You can find the final version of the framework [here](#). Although the framework is voluntary, the White House has been working on crafting incentives to encourage participation. These incentives are not yet final, nor will they include items such as liability protection for information sharing.

Senate Committee Holds State Efficiency Programs Hearing

On February 12th, the Senate Energy and Natural Resources Subcommittee on Energy held a [hearing](#) on state renewable energy and energy efficiency programs in order to spur discussion on how those programs could be duplicated at the federal level.

Senator Shaheen (D-NH) spoke about her *Energy Savings and Industrial Competitiveness Act* (also known as "Shaheen-Portman") and stated that a modified version of the bill would be reintroduced in late February or early March. Senator Portman (R-OH) also promoted the new Shaheen-Portman bill and noted industry's support.

The spoken and written testimony for the hearing included strong support for an increase in funding for the Low Income Home Energy Assistance Program (LIHEAP) and weatherization and policies that

encourage the use of Energy Savings Performance Contracting (ESPC) and Combined Heat & Power (CHP).

EI and NRDC Enter Agreement

On February 12th, the Edison Electric Institute (EEI) and the National Resources Defense Council (NRDC) announced an agreement on policy principles around increasing distributed resources - such as rooftop solar - on the grid. The [agreement](#) aims to encourage state regulators to implement policies that balance innovation with fair and adequate cost recovery for maintaining the grid.

The groups made the announcement at the winter meetings of the National Association of Regulatory Commissioners (NARUC).

Sen. Murkowski Calls for Protecting Electric Reliability

During the winter session of the National Association of Regulatory Commissioners (NARUC), Senator Lisa Murkowski (R-AK) released a white paper, entitled *Powering the Future: Ensuring that Federal Policy Fully Supports Electric Reliability*. Murkowski is the top Republican on the Senate Energy and Natural Resources Committee.

The focus of the paper is the potential unintended consequences of new Environmental Protection Agency (EPA) regulations, including draft carbon standards for power plant emissions. The Senator's report draws attention to additional concerns, including the closure of coal fired generators, increased use of intermittent resources and extreme weather.

A full version of Senator Murkowski's white paper can be found [here](#).

State

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Transco Legislation on Senate Energy Committee Agenda

Legislation authorizing the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA) to enter into a public-private partnership will be considered by the Senate Energy Committee this week. This legislation is necessary for NYPA, LIPA, and New York's investor owned utilities (IOU) to form a transmission holding company (NYTransco) intended to participate in Governor Cuomo's energy highway projects.

A copy of the legislation can be found [here](#).

LIPA Receives Federal Funding for Repair and Mitigation

Governor Cuomo reached an agreement with the Federal Emergency Management Agency (FEMA) that will provide \$1.4 billion in federal funds to support storm repair and mitigation efforts on Long Island. Of the funding, \$705 million will aid repairs to the electric grid, and \$730 million will assist with future storm mitigation efforts. Most of the funding stems from FEMA and a small portion will be drawn from federal Community Development Block Grant (CDBG) funds from the US Department of Housing & Urban Development.

As part of the agreement, FEMA will allow New York the flexibility to determine the nature and type of mitigation that will be most effective throughout the grid. The funding will also cover the elevation of damaged substations, automatic sectionalizing of switches across the grid in order to minimize outages and strategic undergrounding of appropriate power circuits, among other strategies for improved resilience.

Efforts to secure federal money to harden Long Island's infrastructure were first announced in Governor Cuomo's State of the State Address and subsequently included in the Executive Budget released last month.

The Governor's press release announcing this agreement can be found [here](#).

Green Bank Issues RFP

Through a request for proposal (RFP) issued by NYSERDA, the NY Green Bank is seeking financing proposals from industry participants and financial institutions. With the assistance of the Green Bank, successful proposals will facilitate private market financing of renewable energy and energy efficiency projects that have difficulty accessing financing due to market barriers.

Eligible proposers include energy service companies, developers, equipment manufacturers or others that provide equipment, materials and/or services related to renewable energy and energy efficiency projects along with financial institutions or other third-party capital providers that are financing, or intending to finance, such projects.

Projects supported by the NY Green Bank will include a broad range of commercially proven technologies, including solar, wind and other renewable energy generation technologies; residential and commercial/industrial energy efficiency measures; electricity load reduction; on-site clean generation, and similar projects that can support the State's clean energy objectives.

Additional information can be found [here](#).

City

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Bronx Borough President highlights "The New Bronx" in State of Borough Address

Bronx Borough President Ruben Diaz, Jr. delivered his fifth annual State of the Borough address last week and acknowledged the borough's Centennial as well as highlighting the overall improvement of the Borough since he took office in 2009. He highlighted several accomplishments, in particular, economic development, reduction of crime and the investment made in education.

Economic Development

The Borough President was especially proud of the over \$5 billion in total development that has occurred under his administration, with the creation of over 14,000 new jobs and 13,000 new units of housing. He also made mention of three current development projects:

- The transformation of Kingsbridge Armory to the Kingsbridge National Ice Center
- Bay Plaza, the first indoor mall in Co-Op City
- The Ferry Point Park golf course and clubhouse

He also noted his support for new transit projects, especially expanded Metro-North service to the East Bronx and ferry service to the Soundview section, which he emphasized would contribute to the continued economic growth of the area. He expressed disappointment at the city's disregard for the building which once housed his elementary alma mater, PS 31 and called on the city for a new RFP to be issued. He also mentioned fighting to have a voice in the determination of what of the Bronx General Post Office, which is slated for liquidation by Congress.

A complete copy of the 2014 Bronx "State of the Borough" can be found [here](#).