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Federal

Congress Holds Data Privacy Hearings

Following the recent theft of personally identifiable information (PII) from Target, Neiman-Marcus and others, Congress has devoted much of its attention on consumer data-breach protection. How and whether related legislation comes about is an open question. Areas open for debate will likely include regulatory requirements aimed at ensuring that companies protect customer PII, public notification of cyber breaches, and related criminal and civil penalties for failing to adequately protect PII.

Below you will find links to a series of related hearings that occurred last week:

- The Senate Banking, Housing and Urban Affairs Committee's Subcommittee on National Security and International Trade and Finance (Sen. Mark Warner, D-VA) held a hearing on [Safeguarding Consumers' Financial Data](#), featuring testimony from the United States Secret Service.
- The Senate Judiciary Committee (Sen. Patrick Leahy, D-VT) held a hearing on [Privacy in the Digital Age: Preventing Data Breaches and Combating Cybercrime](#) featuring testimony from Target and Neiman Marcus.
- The House Energy and Commerce Committee's Subcommittee on Commerce, Manufacturing and Trade (Rep. Lee Terry, R-NE) held a hearing entitled [Protecting Consumer Information: Can Data Breaches Be Prevented?](#) Featuring testimony from Lawrence Zelvin, Director, National Cybersecurity and Communications Integration Center, Department of Homeland Security as well as Neiman Marcus and Target. The Committee released a hearing [briefing memo](#) for reference.
- The Senate Banking Housing and Urban Affairs Committee (Sen. Tim Johnson, D-SD) held a hearing on [Oversight of Financial Stability and Data Security](#) featuring testimony the U.S.

Department of the Treasury, Federal Reserve System, and Federal Deposit Insurance Corporation.

Ranking Member of House Energy Committee Announces Retirement

One of the longest serving members of congress and among the most active in energy policy, Rep. Henry Waxman (D-CA), announced he will not seek reelection. In his 40 years in the House, Waxman has served as Chairman of the House Energy and Commerce Committee and the House Oversight Committee. He also played key roles in crafting the Affordable Care Act and the American Clean Energy and Security Act (also known as Cap and Trade). Additionally, Henry Waxman served as the most fervent advocate for addressing climate change and founded the Bicameral Climate Change Task Force. Rep. Waxman's announcement brings the total number of retiring members of congress to 25.

President Nominates FERC Chair

Several months after the failed nomination of Ron Binz for Chairman of the Federal Energy Regulatory Commission (FERC), President Obama announced his latest pick: Norman Bay. Bay's nomination came only days after the current Acting Chair, Cheryl LaFleur, announced her intention to remain in the role.

Since 2009, Bay has been serving as the FERC Director of the Office of Enforcement. His past roles include Law Professor at the University of New Mexico School of Law and U.S. Attorney in the District of New Mexico. His biography can be found [here](#).

Although Bay is known among the banking community where he actively pursued energy price manipulators, there is little to no history on where stands on energy policy. At this moment, the timing of Bay's Senate confirmation hearing is unknown.

Senators Urge President to Delay Power Plant Rules

As part of an ongoing pushback on President Obama's Climate Change Action Plan, 22 Senators—21 Republicans and 1 Democrat— wrote a [letter](#) to the President urging him to “consider the burden to ratepayers before moving forward with plans to increase regulation of the existing power generation fleet” as part of his Climate Action Plan, specifically referencing EPA's expected proposal to “address emissions from existing power plants.”

The letter is signed by Sens. Blunt (R-MO), Alexander (R-TN), Barrasso (R-WY), Boozman (R-AR), Coats (R-IN), Cornyn (R-TX), Enzi (R-WY), Fischer (R-NE), Heller (R-NV), Hoeven (R-ND), Inhofe (R-OK), Johanns (R-NE), Manchin (D-WV), Moran (R-KS), Murkowski (R-AK), Portman (R-OH), Risch (R-ID), Roberts (R-KS), Scott (R-SC), Sessions (R-AL), Thune (R-SD), and Vitter (R-LA).

House Committee Passes Cyber Security Legislation

On February 5th, the House Homeland Security Committee unanimously passed H.R. 3696, the “National Cybersecurity and Critical Infrastructure Protection Act of 2013” (the NCCIP Act). The NCCIP Act seeks to strengthen public-private cybersecurity partnerships, incident response, and standards setting; bolster private sector cybersecurity liability protections via improvements to the Support Anti-Terrorism By Fostering Effective Technologies Act of 2002 (the “SAFETY Act”) and; improve federal cybersecurity IT and workforce capabilities.

While several non-controversial amendments were adopted, there was one amendment unique to the electric grid. The amendment was offered by Rep. Payne (D-NJ) and mirrors the Saving More American Resources Today Grid Study Act of 2013 or SMART Grid Study Act of 2013. The SMART Grid Study Act would direct the Secretary of Homeland Security (DHS), and the heads of other federal departments and agencies, as necessary, to enter into an agreement with the National Research Council to research the future resilience and reliability of the nation's electric power transmission and distribution system.

To learn more about the bill, click [here](#).

State

AFL-CIO Launches Grassroots Campaign to Support Energy Highway

Last week, the AFL-CIO launched a grassroots campaign urging its members to contact the Public Service Commission (PSC) and express support for Governor Cuomo's proposal to expedite the Energy Highway approval process.

In 2012, Governor Cuomo announced the Energy Highway Initiative to upgrade the state's transmission system and address bottlenecks that prevent the downstate market from accessing cost effective power generated in the upstate area. During his State of the State address earlier this year, Cuomo called for an expedited approval process for transmission lines in existing rights-of-way or state-owned property reducing the time from two years to ten months.

The e-mail blast and social media postings solicited support by cautioning that thousands of jobs, millions of dollars in property tax revenues, and billions of dollars in overall economic impact are on the line.

More information about the grassroots campaign can be found [here](#) on the AFL-CIO's website.

Senate Majority Coalition Questions Off-Budget Energy Spending

The New York State Budget process is underway with the Legislature holding hearings to review the Governor's 2014-2015 Executive Budget Proposal. As part of this review, the Senate Majority Coalition (Coalition) has focused on a number of "off-budget" energy initiatives which utilize resources that are collected and used separate from the State's spending plan and Legislative oversight (RPS, SBC, EEPS, RGGI).

A report issued by the Coalition questions how much is spent, where the "non-appropriating" spending channels originate, and what projects are supported. The report outlines the New York State Energy Research and Development Authority's (NYSERDA) expenses from 2008 through 2015 and estimates that such expenses have increased by more than 241% in that time.

The Coalition continues to argue that the Legislature, the Office of the State Comptroller and the public do not have enough insight, review, and oversight of these initiatives, especially as compared to other budget items. NYSERDA President & CEO, Jim Rhodes, was asked as a recent budget hearing to provide more detailed accountings to the Legislature. Mr. Rhodes indicated that he would follow-up with that information.

The Senate Majority Coalition's Report on "off-budget" energy initiatives can be found [here](#).

Senate Energy Committee Advances Con Edison's Gas Expansion Legislation

The Senate Energy Committee advanced legislation that would assist natural gas expansion throughout New York State. The bill is part of Con Edison's proactive agenda and is intended to eliminate some of the hurdles converting customers from oil to natural gas.

The environmental and fiscal benefits of natural gas are well documented. These benefits have been recognized by the City of New York, as well as Governor Cuomo and the Public Service Commission. However, several obstacles impede Con Edison's ability to meet the high demand for converting such as permitting limitations, high customer costs, and costly construction needed to enhance, expand, and connect gas infrastructure to new customers.

This legislation seeks to eliminate these obstacles in three ways:

1. Directs the Public Service Commission to facilitate contacts with state and local government entities to review and better coordinate the permitting process.
2. Establishes a revolving loan fund utilizing the Systems Benefit Charge (SBC) to provide low interest financing for conversions. The SBC program supports numerous programs to improve the state's transmission and distribution infrastructure. It is funded through a surcharge on customers' utility bills.
3. Enables the New York Power Authority (NYPA) to provide low interest financing to utilities for infrastructure build-outs.

Coordinating the permitting process and providing access to affordable financing will reduce the time required to complete conversions and further the goal of converting customers to cleaner fuels and reducing energy costs.

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

New York State Legislators Announce New Environmental Caucus

Members of the New York State Legislature announced a new bi-partisan environmental caucus, the New York State Caucus of Environmental Legislators (NYSCEL). The NYSCEL is an affiliate of the National Caucus of Environmental Legislators.

This organization represents a group of "environmentally progressive" members of the state Legislature representing districts throughout the state. It is intended to be a forum for elected officials to consider various legislative and policy issues related to preserving and protecting the environment and public health. The NYSCEL will hold meetings and other events to educate elected officials and the public about the need for action on environmental and public health issues.

More information about the NYSCEL can be found [here](#) on their website.

Governor Cuomo Launches Citizen Preparedness Corps Training Program & Website

Governor Cuomo launched the Citizen Preparedness Corps Training Program that will train approximately 100,000 New Yorkers this year in the proper preparation for emergencies or disasters.

Originally announced in Cuomo's Budget proposal as part of the "Reimagining New York for a New Reality" initiative, the program seeks to provide citizens with the tools and resources to prepare, respond, and recover from emergencies and disasters. A website, www.prepare.ny.gov, has also been created to offer information about additional trainings, disaster preparedness tips, and ways to volunteer in the event of a disaster.

The NYS Division of Homeland Security and Emergency Services (DHSES), in collaboration with the National Guard, will offer emergency preparedness courses to interested citizens throughout the year with support from federal homeland security funds. The training courses will provide an introduction to responding to a natural or man-made disaster. Participants will be advised on how to properly prepare for any disaster, emphasizing proper preparation in the home. Trainers will also supply information on what organizations can provide additional support; how to register for NY-Alert, the free statewide emergency alert system; and how to be aware of notifications from such sources as the Emergency Broadcast System.

Additional information about the launch of this program can be found [here](#) in the Governor's press release.