



Control Number: 49819



Item Number: 25

Addendum StartPage: 0

PROJECT NO. 27706

**REPORTS OF THE ELECTRIC PUBLIC UTILITY COMMISSION
RELIABILITY COUNCIL OF TEXAS §
§
§ OF TEXAS**

PROJECT NO. 49819

**RULEMAKING RELATING TO PUBLIC UTILITY COMMISSION
CYBERSECURITY MONITOR §
§
§ OF TEXAS**

NOTICE OF TEXAS CYBERSECURITY MONITOR PROGRAM FEE

Pursuant to 16 Texas Administrative Code (TAC) § 25.367(n)(2)(B), Electric Reliability Council of Texas, Inc. (ERCOT) submits this Notice of Texas Cybersecurity Monitor Program Fee for the 2021 calendar year.

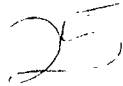
I. Background

Texas Senate Bill 936 (S.B. 936), 86th Legislature, Regular Session, authorized the creation of a cybersecurity monitor program (Texas Cybersecurity Monitor Program) for certain electric utilities and granted the Public Utility Commission of Texas (Commission) the authority to adopt rules necessary to implement the program. S.B. 936 mandates the Commission and ERCOT contract with an entity to serve as the Commission’s cybersecurity monitor. It also provides that “an electric utility, municipally owned utility, or electric cooperative that operates solely outside the ERCOT power region may elect to participate in the cybersecurity monitor program.” These “non-ERCOT utilities” are required by statute to contribute to the costs of the Texas Cybersecurity Monitor Program in the event they elect to participate.

Following S.B. 936, the Commission adopted P.U.C. Subst. R. § 25.367, which in part requires ERCOT obtain approval of the non-refundable fixed fee amount and calculation methodology applicable to non-ERCOT utilities that elect to participate. It also requires ERCOT file and post notice of the approved fee on or before October 1, 2020 for the 2021 program year.

II. Fee for 2020 Program Year

On September 10, 2020, ERCOT requested \$3,998.00 be approved as the fee amount for the 2021 calendar year (Attachment A). Mr. John Paul Urban, Executive Director of the Commission, subsequently approved the proposed fee and underlying calculation methodology on



September 23, 2020 (Attachment B). Accordingly, pursuant to P.U.C. Subst. R. § 25.367(n)(2)(B), ERCOT hereby files notice that the fee for non-ERCOT utilities to participate in the Texas Cybersecurity Monitor Program for the 2021 calendar year shall be **\$3,998.00**. Notice of the fee will also be posted on ERCOT's website on or before October 1, 2020. ERCOT will also make available on its website a form participation agreement for non-ERCOT utilities to complete in order to participate in the Texas Cybersecurity Monitor Program.

Dated: September 30, 2020

Respectfully submitted,

/s/ Brandon Gleason

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September 10, 2020

VIA EMAIL ONLY

John Paul Urban, Executive Director (Johnpaul.Urban@puc.state.tx.us)
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, Texas 78701

Re: Request for Approval of Fee Amount and Calculation Methodology in Connection with Cybersecurity Monitor Program for 2021 Calendar Year

Dear Mr. Urban:

Electric Reliability Council of Texas, Inc. (ERCOT) hereby requests Public Utility Commission of Texas (Commission) approval of the fee amount and calculation methodology in connection with the Cybersecurity Monitor Program for the 2021 calendar year. As you are aware, Texas Senate Bill 936 (S.B. 936), relating to cybersecurity monitor for certain electric utilities, 86th Legislature, Regular Session, granted the Commission the authority to establish a cybersecurity coordination program and adopt rules necessary to implement the program. As part of the program, S.B. 936 mandates the Commission and ERCOT contract with an entity to serve as the Commission’s cybersecurity monitor. It also provides that “an electric utility, municipally owned utility, or electric cooperative that operates solely outside the ERCOT power region may elect to participate in the cybersecurity monitor program.” These “non-ERCOT utilities” are required by statute to contribute to the costs of the Cybersecurity Monitor Program in the event they elect to participate.

Following S.B. 936, the Commission adopted P.U.C. Subst. R. § 25.367, which in part requires ERCOT obtain approval of the fee amount and calculation methodology applicable to non-ERCOT utilities that elect to participate in the Cybersecurity Monitor Program. For the 2021 calendar year, P.U.C. Subst. R. §25.367(n)(2)(B) requires ERCOT file and post notice of the fee by October 1, 2020. This letter serves as ERCOT’s request for approval of the fee and calculation methodology described below so that ERCOT may timely file and post notice of the fee for non-ERCOT utilities to participate in the Cybersecurity Monitor Program for the 2021 calendar year.

ERCOT proposes the fee applicable to non-ERCOT utilities be **\$3,998.00** for the 2021 calendar year. This proposed fee is calculated by dividing the second year cost of the cybersecurity monitor contract entered into by the Commission, ERCOT, and Securitas (\$563,336.52) by the number of active Transmission and/or Distribution Service Providers (TDSPs) in the ERCOT Region and non-ERCOT utilities that participated in the Cybersecurity Monitor Program in 2020 (155), then adding a 10% administrative fee. If the proposed fee is acceptable, please respond by September 24, 2020 so that ERCOT may fulfill its filing and posting obligations.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Chad V. Seely
Chad V. Seely
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DeAnn T. Walker
Chairman
Arthur C. D'Andrea
Commissioner
Shelly Botkin
Commissioner
John Paul Urban
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

September 23, 2020

Chad V. Seely, Vice President & General Counsel
Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive
Austin, TX 78744

RE: Response to Approval of Fee Amount and Calculation Methodology in Connection with
Cybersecurity Monitor Program

Dear Mr. Seely:

I am receipt of your letter dated September 10, 2020, in which the Electric Reliability Council of Texas, Inc. (ERCOT) requested approval of the fee and calculation methodology for the 2021 calendar year of the Cybersecurity Monitor Program in accordance with Texas Senate Bill 936 (S.B. 936), 86th Legislature, Regular Session.

In that letter, ERCOT requests that the fee applicable to non-ERCOT utilities be set at \$3998.00 for the 2021 calendar year. ERCOT also outlines the proposed methodology used to calculate this fee in its letter.

I have reviewed the calculation methodology proposed by ERCOT and the resulting fee to each non-ERCOT utility who elects to participate in the Cybersecurity Monitor Program. The methodology and fee appear consistent with S.B. 936 as well as 16 Texas Administrative Code (TAC) §25.367(n) to codify ERCOT's obligations regarding funding for the cybersecurity monitor.

I deem both the methodology and fee proposed ERCOT to approved for the 2021 calendar year.

Sincerely,

A handwritten signature in black ink, appearing to read "John Paul Urban".

John Paul Urban
Executive Director