



Filing Receipt

Received - 2021-09-29 01:10:42 PM
Control Number - 49819
ItemNumber - 29

PROJECT NO. 51878

REPORTS OF THE ELECTRIC	§	PUBLIC UTILITY COMMISSION
RELIABILITY COUNCIL OF TEXAS	§	
FOR CALENDAR YEAR 2021	§	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 2022 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, 2021 for the 2022 program year.

II. Fee for 2022 Program Year

On September 23, 2021, ERCOT requested \$4,046.00 be approved as the fee amount for the 2022 calendar year (Attachment A). Mr. Thomas Gleeson, Executive Director of the Commission, subsequently approved the proposed fee and underlying calculation methodology on

September 27, 2021 (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 2022 calendar year shall be **\$4,046.00**. Notice of the fee will also be posted on ERCOT's website on or before October 1, 2021. 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 29, 2021

Respectfully submitted,

/s/ Brandon Gleason

Chad V. Seely
Vice President and General Counsel
Texas Bar No. 24037466
(512) 225-7035
chad.seely@ercot.com

Nathan Bigbee
Assistant General Counsel
Texas Bar No. 24036224
(512) 225-7093
nathan.bigbee@ercot.com

Brandon Gleason
Assistant General Counsel
Texas Bar No. 24038679
(512) 275-7442
brandon.gleason@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS,
INC.



Taylor
 2705 West Lake Drive
 Taylor, TX 76574
 T 512.248.3000
 F 512.248.3095

Austin
 7620 Metro Center Drive
 Austin, TX 78744
 T 512.225.7000
 F 512.225.7020

ercot.com

September 23, 2021

VIA EMAIL ONLY (Thomas.Gleeson@puc.state.tx.us)

Thomas Gleeson, Executive Director
 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 2022 Calendar Year

Dear Mr. Gleeson:

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 2022 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, 2021. 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 2022 calendar year.

ERCOT proposes the fee applicable to non-ERCOT utilities be **\$4,046.00** for the 2022 calendar year. This proposed fee is calculated by dividing the third year cost of the cybersecurity monitor contract entered into by the Commission, ERCOT, and Securitas (\$577,419.96) 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 2021 (157), then adding a 10% administrative fee. If the proposed fee is acceptable, please respond by September 29, 2020 so that ERCOT may fulfill its filing and posting obligations.

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

Sincerely,

Chad V. Seely
Vice President & General Counsel
Chad.Seely@ercot.com
(512) 225-7035

Peter M. Lake
Chairman
Will McAdams
Commissioner
Lori Cobos
Commissioner
Jimmy Glotfelty
Commissioner



Greg Abbott
Governor
Thomas J. Gleeson
Executive Director

Public Utility Commission of Texas

September 27, 2021

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 the Cyber Security Monitor Program

Dear Mr. Seely:

I have received and reviewed your letter dated September 23, 2021, in which the Electric Reliability Council of Texas, Inc. (ERCOT) requests approval of the fee and calculation methodology for the 2022 calendar year Cyber Security Monitor Program (Program), in accordance with Section 39.1516, Utilities Code.

The letter requests that the fee applicable to non-ERCOT utilities be set at 4,046.00 for calendar year 2022. Additionally, the letter outlines a proposed methodology for calculating this fee.

I have reviewed both the proposed calculation methodology and resulting fee to each non-ERCOT utility that elects to participate in the Program. I believe both are consistent with the statutory language in 39.1516, Utilities Code, and 16 Texas Administrative Code §25.367(n) regarding ERCOT's obligations to fund the Program.

Therefore, I deem both the methodology and fee proposed by ERCOT to be approved for the 2022 calendar year.

Sincerely,

Thomas J. Gleeson
Executive Director

