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PROJECT NO. 52933

**CY 2022 REPORTS OF THE § PUBLIC UTILITY COMMISSION
ELECTRIC 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 2023 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, 2022, for the 2023 program year.

II. Fee for 2023 Program Year

On September 26, 2022, ERCOT requested \$4,146.76 be approved as the fee amount for the 2023 calendar year (Attachment A). Mr. Thomas Gleeson, Executive Director of the Commission, subsequently approved the proposed fee and underlying calculation methodology on

September 29, 2022. 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 2023 calendar year shall be **\$4,146.76**. Notice of the fee will also be posted on ERCOT's website on or before October 1, 2022. 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, 2022

Respectfully submitted,

/s/ Brandon Gleason

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September 26, 2022

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 2023 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 2023 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 2023 calendar year, P.U.C. Subst. R. §25.367(n)(2)(B) requires ERCOT file and post notice of the fee by October 1, 2022. 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 2023 calendar year.

ERCOT proposes the fee applicable to non-ERCOT utilities be **\$4,146.76** for the 2023 calendar year. This proposed fee is calculated by dividing the year four cost of the cybersecurity monitor contract entered into by the Commission, ERCOT, and Securitas Critical Infrastructure Services, Inc. (\$591,855.48) 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 2022 (157), then adding a 10% administrative fee. If the proposed fee is acceptable, please respond by September 29, 2022 so that ERCOT may fulfill its filing and posting obligations.

Thomas Gleeson
September 26, 2022
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If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Chad V. Seely

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