



May 22, 2009

Attention: Mr. Frank Calcagno
Division of Dam Safety and Inspections
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Submitted via: <http://www.ferc.gov/whats-new/registration/hydro-security-form.asp>

Re: Draft FERC Security Program for Hydropower Projects, Revision 2 (April 17, 2009)

Dear Mr. Calcagno:

The American Public Power Association (APPA), Edison Electric Institute (EEI), and National Hydropower Association (NHA) are submitting these joint comments on the draft "Revision 2" FERC Security Program for Hydropower Projects. Together, our members include the vast majority of owners and operators of hydropower projects licensed by the Federal Energy Regulatory Commission (FERC or the Commission) and that would be covered by the revised security program.

We have compiled these comments based on work by the NHA Hydraulic Power Committee, Dam Safety Subcommittee, and comments already submitted to you by Southern California Edison Company (SCE), and we have added some further observations of our own. Though we are aware that you have this morning provided feedback to SCE on some of its comments, we hope that you will consider our comments afresh from an overall industry perspective, even where our comments may overlap the company's comments. We appreciate the opportunity to review the draft FERC program and to provide this input.

If you have any questions about these comments, or need additional information, please contact Henri Bartholomot at EEI (hbartholomot@eei.org, 202-508-5622), Jeff Leahey at NHA (jeff@hydro.org, 202-682-1700 ext. 15), or Joy Ditto at APPA (JDitto@APPAnet.org, 202-467-2900). Thank you.

Respectfully submitted,
Henri D. Bartholomot
Director, Regulatory Legal Issues, EEI

cc: frank.calcagno@ferc.gov

Comments on April 17, 2009 Draft FERC Security Program for Hydropower Projects, Revision 2

General Comments

- In general, the April 17, 2009, draft “FERC Security Program for Hydropower Projects, Revision 2” appears to take a reasonable approach to ensuring that the nation’s FERC-licensed dams have appropriate security measures in place.
- The draft program properly recognizes that different levels of security evaluations and planning are appropriate depending on the nature of a given hydropower project, the potential security threats to the project, and the potential consequences if such threats mature into harmful action against the project. The hydropower industry supports this tiered approach.
- The draft program also properly recognizes that information obtained through security evaluations and contained in security plans for hydropower projects is highly sensitive and needs to be handled with care to avoid it getting into the hands of individuals or organizations that would harm the projects. The industry supports FERC not requiring such information to be submitted to FERC or posted in the Commission’s e-library, and the Commission’s reliance on self-certification letters to ensure compliance with the program.
- The draft program also properly anticipates the need (a) for FERC and the Department of Homeland Security (DHS) to avoid duplicative programs governing hydropower project security, (b) for FERC and the North American Electric Reliability Corporation (NERC) to be on the same page regarding the interplay between security and reliability standards, and (c) for project owners to communicate with law enforcement and recovery personnel in their locales. The industry supports such efforts to avoid duplication, to avoid conflicting requirements, and to ensure proper communication among and response by those with a need-to know when incidents do occur.

General Recommendations

- Provide brief descriptions of, and distinguish, “Vulnerability Assessment,” “Security Assessment,” “Security Plan,” and “Emergency Action Plan” (EAP) at the beginning of the draft program, to assist project owners, operators, and security staff in understanding the distinctions being drawn in the body of the program.
- Allow licensees/exemptees to cross-reference and rely on single sources of information, rather than having to duplicate contents in each of the different plans. The draft program would require EAPs, Security Plans, and Rapid Recovery Plans to contain information that is too detailed and overlaps significantly. For licensees/exemptees with Business Continuity Plans, the draft program would require the same information to be kept in four or more locations. This makes maintenance of the plans a difficult bookkeeping exercise every year.

- Provide a definition of the Security Groups 1, 2, and 3 in the FERC Security Program document. The Security Group classifications are not sensitive unless the dams are identified. If a definition of the Security Groups is not contained in the FERC Security Program document, then provide it in the DAMSVR Comprehensive Manual that has restricted distribution. Currently there is no consistency with hazard potential classifications and Security Groupings. A clear definition would aid the licensee/exemptee in their development of the Security documents required by FERC.
- Allow Security Plans to be tested using consolidated drills by watershed or other grouping of projects, where such consolidated testing makes sense (for example, because of the interplay between the projects and because local law enforcement and response contacts are the same).
- Allow licensees/exemptees the option to include their Internal Response and Recovery Plan, if such a plan must exist, in their EAPs or as a supplement to the EAPs as indicated on page 51 rather than in their Security Plans. The Plan Format (Appendix E) indicates that the IRR Plan is to include much of the information already included in the EAPs including the flowcharts. Additionally, “Rapid” Recovery is a misnomer. Many considerations must be given before the recovery from an incident can occur. Economic and political factors may prohibit the recovery, rapid or otherwise, of a facility.

Specific Recommendations

- Page 2, section 2.0, first line – Remove the word “as” before the word “based.”
- Page 3, section 3.2, sixth bullet – Add “(Security Group 1 and 2 Dams)” at the end of the bullet.
- Page 3, section 3.2, seventh bullet – Add “(Security Group 1 and 2 Dams)” at the end of the bullet.
- Page 3, section 3.2, tenth bullet – Provide some examples of types of activities and incidents that would rise to the FERC notification standard versus ones that would not.
- Page 4, section 3.3 – Spell out the acronym “DAMSVR.”
- Page 4, section 3.3.1, “Vulnerability Assessment” bullet – Revise opening parenthetical remark to read “(review annually and update as necessary).” Do not require reprinting absent changes.
- Page 5, section 3.3.1, “Security Plan” bullet – Revise opening parenthetical remark to read “(review annually and update as necessary).”
- Page 5, section 3.3.1, “Annual Security Compliance Certification Letter” bullet – Replace “submitted to FERC that certifies” with “(due annually by December 31 and submitted to the FERC Regional Engineer). The letter certifies ...”

- Page 5, section 3.3.2, second paragraph, first sentence – Should “probability of loss values” be “likelihood of attack” instead?
- Page 5, section 3.3.2, “Security Assessment” bullet – Revise opening parenthetical remark to read “(review annually and update as necessary).”
- Page 5, section 3.3.2, “Security Plan” bullet – Revise opening parenthetical remark to read “(review annually and update as necessary).” Also, on the second line, add the word “due” to the end of the line.
- Page 6, section 3.3.2, “Annual Security Compliance Certification Letter” bullet – Replace “submitted to FERC that certifies” with “(due annually by December 31 and submitted to the FERC Regional Engineer). The letter certifies ...”
- Page 8, section 3.3.8 table – Revise footnote 1 to read “Update requirements: SA – review annually and update as necessary (the SA is included within the VA for a Security 1 Dam); VA – review annually and update as necessary; SP – review annually and update as necessary.”
- Page 8, section 3.4.1, first bullet – FERC should ensure that the master list of security groupings of dams is protected from public view.
- Page 8, section 3.4.1, third bullet – FERC should encourage DHS to avoid duplicating security work already covered by the FERC program.
- Page 9, section 3.4.1, first bullet (about positive control) – Add a reference to section 8.0 on page 33 that summarizes well the document security process.
- Page 9, section 3.4.1, sixth bullet – Delete the word “recommend.” For FERC to recommend security measures is a redirection in FERC’s responsibility and contrary to FERC’s expertise in Dam Safety.
- Page 9, section 3.4.1, eighth bullet – Revise to read “Review, during regularly scheduled inspections, all required security documentation as required by the security classification of the dam.”
- Page 9, section 3.4.1, twelfth bullet – Revise to read “Complete a Project Security Memorandum, with the FERC-prepared DAMSVR assessment and the Security Checklist as memo appendices, for Group 1 and 2 Dams.”
- Page 9, section 3.4.1 – Add another bullet that states “Coordinate FERC security & recreational requirements with NERC security requirements to ensure that the licensee is not subject to conflicting requirements.”
- Page 13, section 3.4.2.2, last paragraph – Add a new closing sentence “The licensee/exemptee must endeavor to keep the Security Checklist and DAMSVR results

secure.” Also, does the statement “the FERC Project Security Memorandum cannot be provided to outside organizations” apply to DHS?

- Page 15, section 3.4.3.4 – Allow licensees/exemptees to hand deliver information to the Regional Office or to submit it by certified mail. Also, is each page of the transmittal, including attachments of data, supposed to be marked with “Privileged – Security Sensitive Material”; or can just the cover page or transmittal letter be so marked?
- Page 20, section 5.1, third bullet – Should “V” be “T”?
- Page 21, section 5.2, second bullet – To avoid confusion with NERC’s use of the term “Critical Asset,” please use a different term such as “Critical Project Feature” while retaining the definition “(dam structures and appurtenant structures).” While such structures can be critical for the production of hydroelectricity, they will not all be critical to the regional energy grid whose reliability is NERC’s focus.
- Page 21, section 5.3, first paragraph, second sentence – Suggest changing “Threat” to “Likelihood/Threat” so that the L term from the DAMSVR is included.
- Page 22, section 5.3, first full paragraph, last sentence – Revise to read “The threat assessment portion of the VA must be reviewed annually and updated as needed, as part of the annual VA review (refer to section 5.4).”
- Page 28, section 7.3 – Revise the opening sentence to read “A *site-specific* Security Plan is a formal document, and must be available to authorized personnel at the operations center or administration office for all Security Group 1 and 2 Dams.” As section 7.3 recognizes, the Security Plan (SP) documentation includes “a description of security hardware and operational procedures to security concerns at a project or facility.” Thus, the SP contains highly sensitive information. It needs to be kept at staffed locations and made available to security staff, rather than just stored “on site” and made available to “the dam operator.”
- Pages 29-32, section 7.4 –
 - Allow licensees/exemptees to cover internal emergency response and recovery issues in the EAP for a project rather than in the SP. Requiring SPs to include an Internal Emergency Response and Rapid Recovery section will unnecessarily duplicate a project’s EAP and lead to confusion. The response to a security-related hazardous condition will be no different than responses to other situations already covered in the EAP, and the contact list in the EAP already includes Law Enforcement contacts. Furthermore, NERC, under FERC authority, has identified facilities critical to the bulk power system including those associated with hydroelectric generation. In compliance with NERC standards, power producers are required to develop recovery plans for the restoration of power at critical facilities. With the recovery of critical facilities covered under NERC standards, another recovery plan is redundant. Moreover, the suggested format for the Rapid Recovery sub-element and Appendix B

of the referenced Dams Sector Crisis Management Handbook, suggests the Recovery Plan include Emergency Scenarios and recovery recommendations. This information, which would be derived from the Potential Failure Mode Analyses, would be more appropriate if contained in the EAP because the EAP is specific to dams.

- Also, delete the term “rapid” before “recovery,” recognizing that recovery steps may well take time and must accommodate a variety of security, economic, regulatory, and other considerations.
- Page 30, section 7.4.1, second full paragraph – Spell out the acronym “COOP.”
- Page 31, section 7.4.2 – Define “Essential Services.”
- Page 33, section 8.0, seventh bullet – To comply with this statement, all licensees with Group 1 dams will have to run an exercise in 2010. Is that the intent of this revision?
- Page 34, section 9.0, second paragraph – Clarify that only hydro projects designated by NERC as being required to comply with NERC standards must include the NERC requirements in their security plans.
- Page 34, section 9.0, last paragraph – Change the reference from Appendix E to Appendix F.
- Page 52, section III, first line – The first “is” should be “this.”