



## Utilities and Regulators Contemplate The Potential Costs Of Enhanced Physical Security

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By: Shawn Whites (paralegal)

The security of the electric grid, both cyber- and physical, recently has received much public attention due to publicity surrounding a sniper attack on a California substation (see our blog post on grid security [here](#)). But FERC Commissioners John R. Norris and Philip D. Moeller advise against widespread panic and superfluous spending on security measures that could “inadvertently promote the prospect of additional copycat attacks” by publicly highlighting the grid’s areas of vulnerability. In their February 20, 2014 statements (available [here](#) and [here](#)), both Commissioners acknowledged that there is always room for improving security measures. Commissioner Norris suggested that utilities continue to focus on “modernizing” the grid with the further deployment of phasor measurement units, wide-area management systems, enhanced situational awareness to improve reliability and efficiency, and increased use of microgrids and smart grid technology to improve system resiliency. Norris also championed the planned initiatives between NERC and industry stakeholders as concrete, smart solutions to growing threats. Norris fears, however, that actions such as the erection of physical barriers—called for specifically by Sen. Charles E. Schumer (D-NY) ([statement here](#))—are “20th century solution[s] for a 21st century problem.”

Norris’s words of caution are well-timed. It has recently been reported that Dominion Virginia Power is planning to spend up to \$500 million on the installation of anti-climb fences and other steel barriers around their most critical infrastructure. In addition, a recent order issued by the New York State Public Service Commission requires that Con Edison invest \$1 billion over the next four years to protect its infrastructure from natural threats such as Hurricane Sandy, and human security threats such as the Metcalf incident. While

Commissioner Norris conceded that some such measures may be warranted, he highlighted the risk of “piling up billions in consumer costs in rate base” attempting to protect “400,000 miles of transmission lines and 55,000 substations” with walls and fences.

## Categories

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