##### March 15, 2018

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Update to the Board of Directors – Sandia National Laboratories Surety Assessment**

In January, a draft version of the [report](https://naesb.org/member_login_check.asp?doc=bd_cic022618w1.pdf) on the surety assessment conducted by Sandia National Laboratories was made available to NAESB. The draft report is divided into findings and recommendations addressing three areas: the NAESB Certification Program for Accredited Certification Authorities, the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Standards, and the WEQ OASIS Standards. As indicated in the report, the original scope of the surety assessment included the WGQ and RMQ Internet Electronic Transport and Electronic Delivery Mechanism Standards and the NAESB Certification Program for Accredited Certification Authorities, which includes the WEQ Public Key Infrastructure Standards, the Accreditation Requirements for Authorized Certification Authorities, and the Authorized Certification Authority Process. Following a meeting between the Sandia National Laboratories team and subject matter experts hosted by NAESB in August 2017, the scope of the surety assessment was expanded to include portions of the WEQ OASIS Standards.

Before the development of the final report on the surety assessment, NAESB was provided the opportunity to review the draft and provide feedback. This review was conducted by the Board Critical Infrastructure Committee via conference call on February 26, 2018. During the meeting, several committee members noted that the draft version of the report lacked the same depth as past reports on previous surety assessments as well as sufficient detail to support the findings and recommendations. The committee has prepared a letter in response to the draft report to assist in the development of the final report and requested that the final report: (1) be similar in structure and format to past reports; (2) provide specific details, analysis, and recommendations on the standards considered as part of the surety assessment; (3) provide specific information on any potential gaps or vulnerabilities found while conducting the surety assessment; and (4) describe the scenarios considered in the development of the surety assessment, including scenarios identified by Board Critical Infrastructure Committee members, and potential consequences of a cyber-attack including economic and reliability considerations .

As announced during the April 6, 2017 meeting of the NAESB Board of Directors, the surety assessment, sponsored by the Department of Energy, seeks to analyze security elements within the NAESB Business Practice Standards and Model Business Practices and perform a high-level dependency analysis between the gas and electric markets. In preparation, the Chair of the Board of Directors reconvened the Board Critical Infrastructure Committee for the purpose of monitoring cybersecurity and critical infrastructure activities, specifically the surety assessment.