

HOUSE BILL 969

C5, S2

3lr2834
CF SB 800

By: **Delegate Qi**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters and Health and Government Operations

Committee Report: Favorable

House action: Adopted

Read second time: March 11, 2023

CHAPTER _____

1 AN ACT concerning

2 **Public Service Commission – Cybersecurity Staffing and Assessments**
3 **(Critical Infrastructure Cybersecurity Act of 2023)**

4 FOR the purpose of requiring the Public Service Commission to include on its staff a certain
5 number of experts in cybersecurity to perform certain duties; requiring the
6 Commission to establish, in coordination with the Office of Security Management,
7 cybersecurity standards and best practices for regulated entities, share information
8 on cybersecurity initiatives and best practices with certain entities, and conduct a
9 certain periodic assessment; requiring certain public service companies, including
10 certain electric cooperatives, to adopt and implement certain cybersecurity
11 standards and a zero-trust cybersecurity approach for certain services, establish
12 certain minimum security standards, and periodically contract with a third party to
13 conduct a certain assessment and submit certain information to the Commission
14 beginning in a certain year; requiring the Commission to conduct an evaluation on
15 or before a certain date based on certain assessments; and generally relating to
16 cybersecurity standards and assessments for public service companies and the Public
17 Service Commission.

18 BY repealing and reenacting, with amendments,
19 Article – Corporations and Associations
20 Section 5–637
21 Annotated Code of Maryland
22 (2014 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Public Utilities
2 Section 1–101(a)
3 Annotated Code of Maryland
4 (2020 Replacement Volume and 2022 Supplement)

5 BY adding to
6 Article – Public Utilities
7 Section 1–101(h–1) and 5–306
8 Annotated Code of Maryland
9 (2020 Replacement Volume and 2022 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – Public Utilities
12 Section 2–108(d) and 2–113
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2022 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – State Finance and Procurement
17 Section 3.5–301(a) and (b)
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2022 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Corporations and Associations**

23 5–637.

24 (a) (1) Except as provided in paragraph (2) of this subsection, this subtitle
25 applies to the provision of broadband Internet service by a member–regulated cooperative.

26 (2) A member–regulated cooperative may not, for the sole purpose of
27 providing broadband Internet service, exercise the power of condemnation under §
28 5–607(a)(16) of this subtitle.

29 (b) A member–regulated cooperative is subject to the following provisions of the
30 Public Utilities Article:

31 (1) § 5–103;

32 (2) § 5–201;

33 (3) § 5–202;

34 (4) § 5–303;

1 (5) § 5–304;

2 **(6) § 5–306;**

3 ~~[(6)] (7)~~ § 7–103;

4 ~~[(7)] (8)~~ § 7–104;

5 ~~[(8)] (9)~~ § 7–203;

6 ~~[(9)] (10)~~ § 7–207;

7 ~~[(10)] (11)~~ § 7–302;

8 ~~[(11)] (12)~~ Title 7, Subtitle 5, Part I and Part II;

9 ~~[(12)] (13)~~ Title 7, Subtitle 7; and

10 ~~[(13)] (14)~~ § 13–101.

11 Article – Public Utilities

12 1–101.

13 (a) In this division the following words have the meanings indicated.

14 **(H–1) “CYBERSECURITY” HAS THE MEANING STATED IN § 3.5–301 OF THE**
 15 **STATE FINANCE AND PROCUREMENT ARTICLE.**

16 2–108.

17 (d) (1) The State budget shall provide sufficient money for the Commission to
 18 hire, develop, and organize a staff to perform the functions of the Commission, including
 19 analyzing data submitted to the Commission and participating in proceedings as provided
 20 in § 3–104 of this article.

21 (2) (i) As the Commission considers necessary, the Commission shall
 22 hire experts including economists, cost of capital experts, rate design experts, accountants,
 23 engineers, transportation specialists, and lawyers.

24 (ii) To assist in the regulation of intrastate hazardous liquid
 25 pipelines under Title 11, Subtitle 2 of this article, the Commission shall include on its staff
 26 at least one engineer who specializes in the storage of and the transportation of hazardous
 27 liquid materials by pipeline.

1 (3) **THE COMMISSION SHALL INCLUDE ON ITS STAFF ONE OR MORE**
2 **EMPLOYEES THAT ARE EXPERTS IN CYBERSECURITY TO:**

3 **(I) ADVISE THE CHAIRMAN OF THE COMMISSION AND THE**
4 **COMMISSIONERS ON MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY**
5 **PRACTICES OF PUBLIC SERVICE COMPANIES;**

6 **(II) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT**
7 **ON CYBERSECURITY ISSUES RELATED TO UTILITY REGULATION;**

8 **(III) STUDY AND MONITOR CYBERSECURITY BEST PRACTICES**
9 **FOR INFORMATION TECHNOLOGY AND OPERATIONAL TECHNOLOGY;**

10 **(IV) ASSIST IN DRAFTING CYBERSECURITY-RELATED**
11 **REGULATIONS;**

12 **(V) ASSIST THE COMMISSION IN MONITORING THE MINIMUM**
13 **SECURITY STANDARDS DEVELOPED UNDER § 5-306 OF THIS ARTICLE;**

14 **(VI) CONVENE WORKSHOPS WITH PUBLIC SERVICE COMPANIES**
15 **THAT DO NOT MEET MINIMUM SECURITY STANDARDS; AND**

16 **(VII) PREPARE REPORTS FOR THE COMMISSION TO REVIEW,**
17 **INCLUDING REPORTS ON:**

18 **1. CYBERSECURITY THREATS AND SOURCES; AND**

19 **2. THE EFFICACY OF CYBERSECURITY PRACTICES OF**
20 **PUBLIC SERVICE COMPANIES.**

21 **(4)** The Commission may retain on a case by case basis additional experts
22 as required for a particular matter.

23 **[(4)] (5)** The lawyers who represent the Commission staff in proceedings
24 before the Commission shall be appointed by the Commission and shall be organized and
25 operate independently of the office of General Counsel.

26 **[(5)] (6)** (i) As required, the Commission shall hire public utility law
27 judges.

28 (ii) Public utility law judges are a separate organizational unit and
29 shall report directly to the Commission.

1 **[(6)] (7)** The Commission shall hire personal staff members for each
2 commissioner as required to provide advice, draft proposed orders and rulings, and perform
3 other personal staff functions.

4 **(8) THE COMMISSION SHALL:**

5 **(I) COLLABORATE WITH THE OFFICE OF SECURITY**
6 **MANAGEMENT TO ESTABLISH CYBERSECURITY STANDARDS AND BEST PRACTICES**
7 **FOR REGULATED ENTITIES, TAKING INTO ACCOUNT UTILITY NEEDS AND**
8 **CAPABILITIES BASED ON SIZE;**

9 **(II) PERIODICALLY SHARE INFORMATION ON CYBERSECURITY**
10 **INITIATIVES AND BEST PRACTICES WITH MUNICIPAL ELECTRIC UTILITIES;**

11 **(III) BEGINNING ON OR BEFORE OCTOBER 1, 2023, AND EVERY 2**
12 **YEARS THEREAFTER, EVALUATE THE ASSESSMENTS SUBMITTED UNDER §**
13 **5-306 OF THIS ARTICLE FOR CYBERSECURITY-RELATED POLICIES AND**
14 **PROCEDURES, INCLUDING CYBERSECURITY AND DATA PRIVACY THREAT**
15 **PROTECTIONS; AND**

16 **(IV) SUBMIT THE EVALUATION UNDER ITEM (III) OF THIS**
17 **PARAGRAPH TO THE OFFICE OF SECURITY MANAGEMENT IN THE DEPARTMENT OF**
18 **INFORMATION TECHNOLOGY AND THE MARYLAND DEPARTMENT OF EMERGENCY**
19 **MANAGEMENT.**

20 **[(7)] (9)** Subject to § 3-104 of this article, the Commission may delegate
21 to a commissioner or personnel the authority to perform an administrative function
22 necessary to carry out a duty of the Commission.

23 **[(8)] (10)** (i) Except as provided in subparagraph (ii) of this paragraph
24 or otherwise by law, all personnel of the Commission are subject to the provisions of the
25 State Personnel and Pensions Article.

26 (ii) The following are in the executive service, management service,
27 or are special appointments in the State Personnel Management System:

- 28 1. each commissioner of the Commission;
- 29 2. the Executive Director;
- 30 3. the General Counsel and each assistant general counsel;
- 31 4. the Executive Secretary;
- 32 5. the commissioners' personal staff members;

1 6. the chief public utility law judge; and

2 7. each license hearing officer.

3 2–113.

4 (a) (1) The Commission shall:

5 (i) supervise and regulate the public service companies subject to
6 the jurisdiction of the Commission to:

7 1. ensure their operation in the interest of the public; and

8 2. promote adequate, economical, and efficient delivery of
9 utility services in the State without unjust discrimination; and

10 (ii) enforce compliance with the requirements of law by public
11 service companies, including requirements with respect to financial condition,
12 capitalization, franchises, plant, manner of operation, rates, and service.

13 (2) In supervising and regulating public service companies, the
14 Commission shall consider:

15 (i) the public safety;

16 (ii) the economy of the State;

17 (iii) the maintenance of fair and stable labor standards for affected
18 workers;

19 (iv) the conservation of natural resources;

20 (v) the preservation of environmental quality, including protection
21 of the global climate from continued short–term and long–term warming based on the best
22 available scientific information recognized by the Intergovernmental Panel on Climate
23 Change; [and]

24 (vi) the achievement of the State’s climate commitments for reducing
25 statewide greenhouse gas emissions, including those specified in Title 2, Subtitle 12 of the
26 Environment Article; **AND**

27 **(VII) THE PROTECTION OF A PUBLIC SERVICE COMPANY’S**
28 **INFRASTRUCTURE AGAINST CYBERSECURITY THREATS.**

29 (b) The powers and duties listed in this title do not limit the scope of the general
30 powers and duties of the Commission provided for by this division.

1 **5-306.**

2 (A) IN THIS SECTION, “ZERO-TRUST” MEANS A CYBERSECURITY APPROACH:

3 (1) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION; AND

4 (2) BASED ON THE PREMISE THAT TRUST IS NEVER GRANTED
5 IMPLICITLY BUT MUST BE CONTINUALLY EVALUATED.

6 (B) THIS SECTION DOES NOT APPLY TO A PUBLIC SERVICE COMPANY THAT
7 IS:

8 (1) A COMMON CARRIER; OR

9 (2) A TELEPHONE COMPANY.

10 (C) A PUBLIC SERVICE COMPANY SHALL:

11 (1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE
12 EQUAL TO OR EXCEED STANDARDS ADOPTED BY THE COMMISSION;

13 (2) ADOPT A ZERO-TRUST CYBERSECURITY APPROACH FOR
14 ON-PREMISES SERVICES AND CLOUD-BASED SERVICES;

15 (3) ESTABLISH MINIMUM SECURITY STANDARDS FOR EACH
16 OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON
17 THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS
18 ASSOCIATED WITH SUPPLY CHAINS; AND

19 (4) (I) BEGINNING IN 2024 AND AT LEAST ONCE EVERY OTHER
20 YEAR THEREAFTER, CONTRACT WITH A THIRD PARTY TO CONDUCT AN ASSESSMENT
21 OF OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICES BASED
22 ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY SECURITY
23 FRAMEWORKS; AND

24 (II) SUBMIT TO THE COMMISSION:

25 1. THE RESULTS AND RECOMMENDATIONS OF EACH
26 ASSESSMENT; AND

1 **2. CERTIFICATION OF THE PUBLIC SERVICE COMPANY’S**
2 **COMPLIANCE WITH STANDARDS USED IN THE ASSESSMENTS UNDER ITEM (I) OF THIS**
3 **ITEM.**

4 **Article – State Finance and Procurement**

5 3.5–301.

6 (a) In this subtitle the following words have the meanings indicated.

7 (b) “Cybersecurity” means processes or capabilities wherein systems,
8 communications, and information are protected and defended against damage,
9 unauthorized use or modification, and exploitation.

10 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2024,
11 the Public Service Commission shall conduct an evaluation based on assessments
12 conducted on a public service company’s information technology devices conducted under
13 Section 1 of this Act.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.