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Electricity Industry to Scan Grid for Spies

By SIOBHAN GORMAN

WASHINGTON -- The electric-utility industry is planning a pilot initiative to see whether Chinese spies have infiltrated computer networks running the power grid, according to people familiar with the effort.

Officials of the North American Electric Reliability Corp., an industry regulatory group, are negotiating with a defense contractor for the job of searching for breaches by cyberspies, according to people familiar with the plans.

NERC is completing plans for the pilot program as it launches a separate, broader initiative to evaluate power companies' ability to withstand cyber attacks. The industry has sought to bolster computer-system security as public and congressional scrutiny of its potential vulnerability has grown.

The initiatives acknowledge the threat of cyber breaches, cybersecurity specialists said. NERC's limited pilot program would be the first industry-level look at cyberspying on electric networks.

NERC Chief Security Officer Michael Assante declined to comment on the detection initiative, but said NERC, an organization with authority to regulate its member companies, is launching a broad effort to assess how prepared companies are.

As the administration of President Barack Obama draws up plans to fund a high-tech, electric "smart grid," Mr. Assante said, "we think it's a really good time to have one concerted effort to evaluate preparedness of the sector."

From the Archives

U.S. Electric Grid Penetrated by Spies (4/08/09)

The Wall Street Journal reported in April that Russian and Chinese spies had penetrated the U.S. electric grid. Lawmakers are pushing at least three different proposals to boost cybersecurity in the electric sector, including measures that would give the federal government authority to issue regulations to combat imminent threats.

Bob West, a cybersecurity consultant who works with the electric industry, said NERC is trying to help the industry "be proactive" before Congress implements potentially tougher rules.

Often, U.S. intelligence agencies, not the companies themselves, are the first to detect penetrations of company networks, intelligence officials said.

In the next month, NERC plans to conduct cyberwar games with a handful of power companies to assess their ability to respond to potential cyberattacks, Mr. Assante said. The group will include a cross-section of utilities, including ones operating larger grid infrastructure as well as power plants.

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