

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections – New York Regional Office
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January 16, 2009

To The Party Addressed:

Subject: Proposed Changes to the FERC Hydro Security Program

We are in the process of reviewing the FERC Hydro Security program to identify areas that require updating. The purpose of this letter is to inform you of proposed changes to the FERC Hydro Security Program and to provide a timeline for the revisions.

In November 2001 all FERC dams were assigned to one of three Security Groups with specific requirements designated for each group. Considering that some projects have been surrendered, transferred, or added since that time, a listing of your specific Security Group 1 and Security Group 2 dams is included with this letter as an Attachment. The Vulnerability Assessment, Security Assessment, Security Plan and security measures requirements for each security grouping is defined in the FERC Security Program for Hydropower Projects (Revision 1 – 11/15/2002), which can be found at:

<http://www.ferc.gov/industries/hydropower/safety/guidelines/security/securitytext.pdf>.

The following changes to the FERC Security Program for Hydropower Projects are currently being considered. Once the Hydro Security Program draft revision is made, a 30-day comment period will be established.

I. FERC Hydro Security Program Requirements

1. The owners of Group 1 dams will conduct an annual review of the Vulnerability Assessments (VA) and update the VA if necessary (similar to the annual Emergency Action Plan – EAP – update). In particular, the threat scenarios should be reviewed, and if any threat scenarios are added, modified or deleted, you should revise your VA to reflect the updated changes. Dam owners will submit a letter each year that certifies compliance with the VA requirements, and highlights any parameters that have changed. The VA will continue to be reviewed by FERC D2SI staff annually during the dam safety and security inspection.
2. The VA will be reprinted every five-years (similar to the EAP reprinting

schedule). The VA should fully address the potential threats and likelihood, the vulnerability of the assets, the potential consequences, and the effectiveness of your security measures against those threats, vulnerabilities, and consequences.

3. In addition to the specific threat scenarios developed by the dam owner, at a minimum the following threat scenarios will be included in the VA:

- Insider
- Vandalism/Theft
- Local group (3-5 individuals) w/small arms, and explosives [details redacted]
- Dedicated group (3-5 individuals) w/small arms, vehicles (land and water) and explosives [detail redacted]
- Cyber attack

4. The owners of Group 2 dams will conduct an annual review of the Security Assessment (SA). The dam owner will submit a letter annually that certifies compliance with the SA requirements, and highlight any parameters that have changed. For purposes of measuring security against a threat for the SA, a generic “intruder” who is not equipped with any special tools should be included in the SA.

5. Security Plans (SP) will be updated annually, or “as required” (if less than 1 year). Dam owners will submit a letter each year that certifies compliance with the SP requirements, and highlight any parameters that have changed.

6. A Response Plan sub-element will be added to the SP. (This will replace the previous concept of integrating security with EAP procedures). Details of the Response Plan will be included in the next revision of the FERC Hydro Security Program, scheduled to be available by April 30, 2009.

7. Security Plans will be tested at least every 5 years. A drill or tabletop is sufficient and the test can be part of the Dam Safety EAP exercise.

II. Security Grouping Revisions

The current FERC security group classifications for dams were developed immediately after September 11, 2001. The original grouping was primarily based on consequences. Since 9/11 the dam sector security programs have more fully developed into a risk based evaluation which appropriately considers threat, vulnerability, and consequences.

With information we received during the 2007 and 2008 FERC security inspections and using the likelihood, vulnerability and consequence values of FERC DAMSVR evaluations, we have explored a way to re-examine the current security grouping of all FERC dams based on risk rather than consequences alone. As currently

considered, the number of Group 1 dams could decrease by over 50% by fully utilizing risk.

However, we are also in the process of refining the DAMSVR method to be more specific in relation to consequence and vulnerability values. Rather than roll out the tentative list of Security Group changes this year, we have decided to wait until we can utilize the improved DAMSVR method to more accurately define the potential risks at the hydro projects. Until that time, we will continue to use the Grouping lists developed in 2001 (as shown in the Attachment [redacted from posted document]).

During 2009, FERC inspectors will use the revised DAMSVR method to provide more detailed risk evaluations of your dams. By January of 2010 we will notify you of the revised list of security group changes. For your information, approximately 25 dams that were previously Group 2 are being considered for Group 1 status. If you own any of these dams, they will be highlighted in the Attachment, but changes to groupings will not occur until January of 2010.

The following is a tentative schedule for implementation of these changes:

Activity	Completion Date
Request information for outstanding 2003 Security Recommendations (self-assessments) in a follow-on letter to licensees	week of January 19, 2009
Complete draft of proposed revision of FERC Security Program for Hydropower Projects (Revision 2) and complete draft of revision of DAMSVR Methodology	2/27/2009
Comment period for Revision 2 of the FERC Security Program for Hydropower Projects and DAMSVR revision	2/27/2009 to 3/31/2009
Roll out revised Security Program and DAMSVR Method*	3/31/2009
Discuss outstanding 2003 Security Recommendations and FERC completes new DAMSVR Assessments	2009 inspection season
Inform licensees of revised Dam Groupings list and reminder of VA/SA/SP due date	1/4/2010
Licensee documentation completion date (VA, SA, SP)	12/31/2010
Licensees submit letter summarizing compliance and recommendations of new documents/assessments	3/11/2011
D2SI staff review of new assessments and plans	2011 inspection season

* When finalized, current documented holders of DAMSVR will automatically be sent any revision of the DAMSVR method. If you would like a copy of the revised process, please refer to <http://www.ferc.gov/industries/hydropower/safety/guidelines/security/damsvr-req.asp>

If you have any questions, or initial comments regarding the above proposed changes, please contact Mr. Frank Calcagno, of our Washington Office, at frank.calcagno@ferc.gov or 202-502-6026.

Again, thank you for the dedication you have shown in securing your facilities in a responsible manner.

Sincerely,

Peter R. Valeri
Regional Engineer