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European Union Agency for the Cooperation of Energy Regulators

Cybersecurity Network Code – Update, next steps

by

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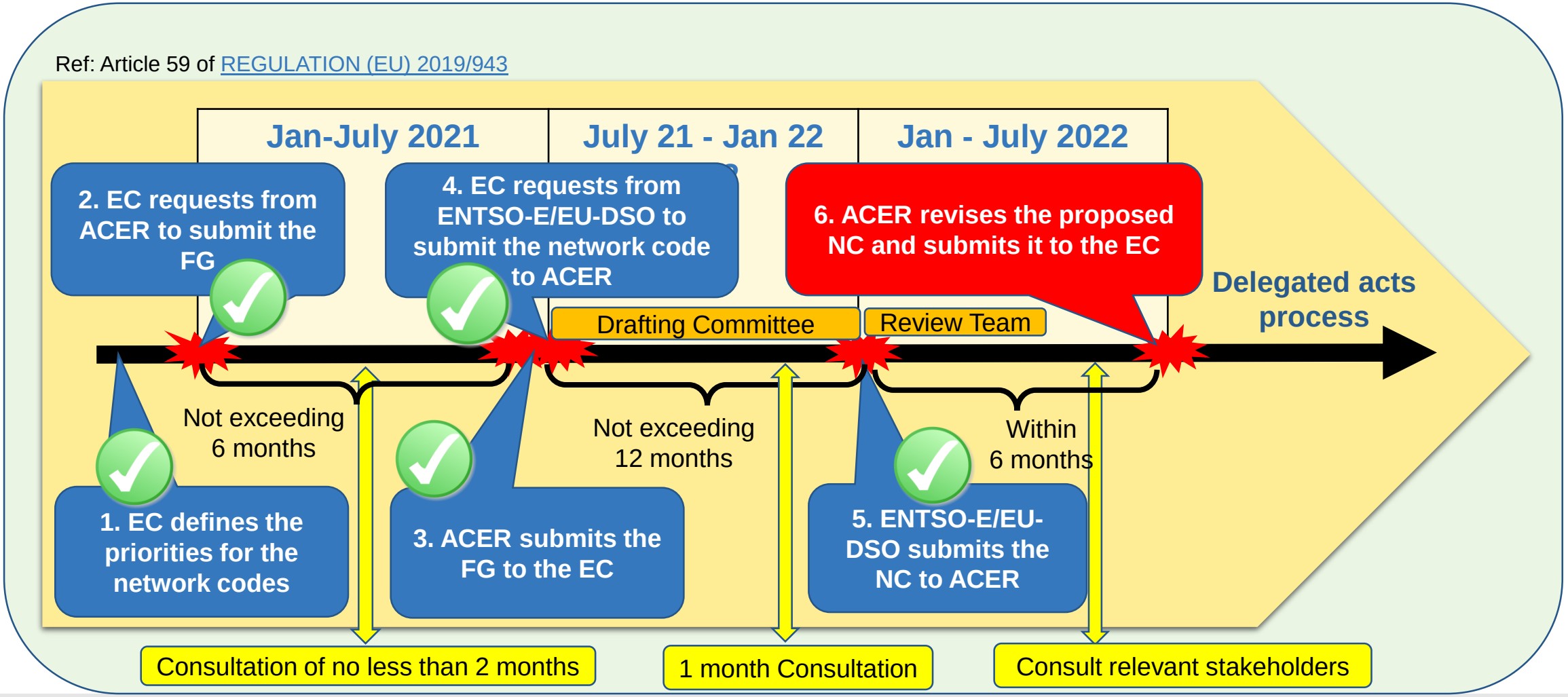
Cybersecurity Coordination Group - 6th Meeting

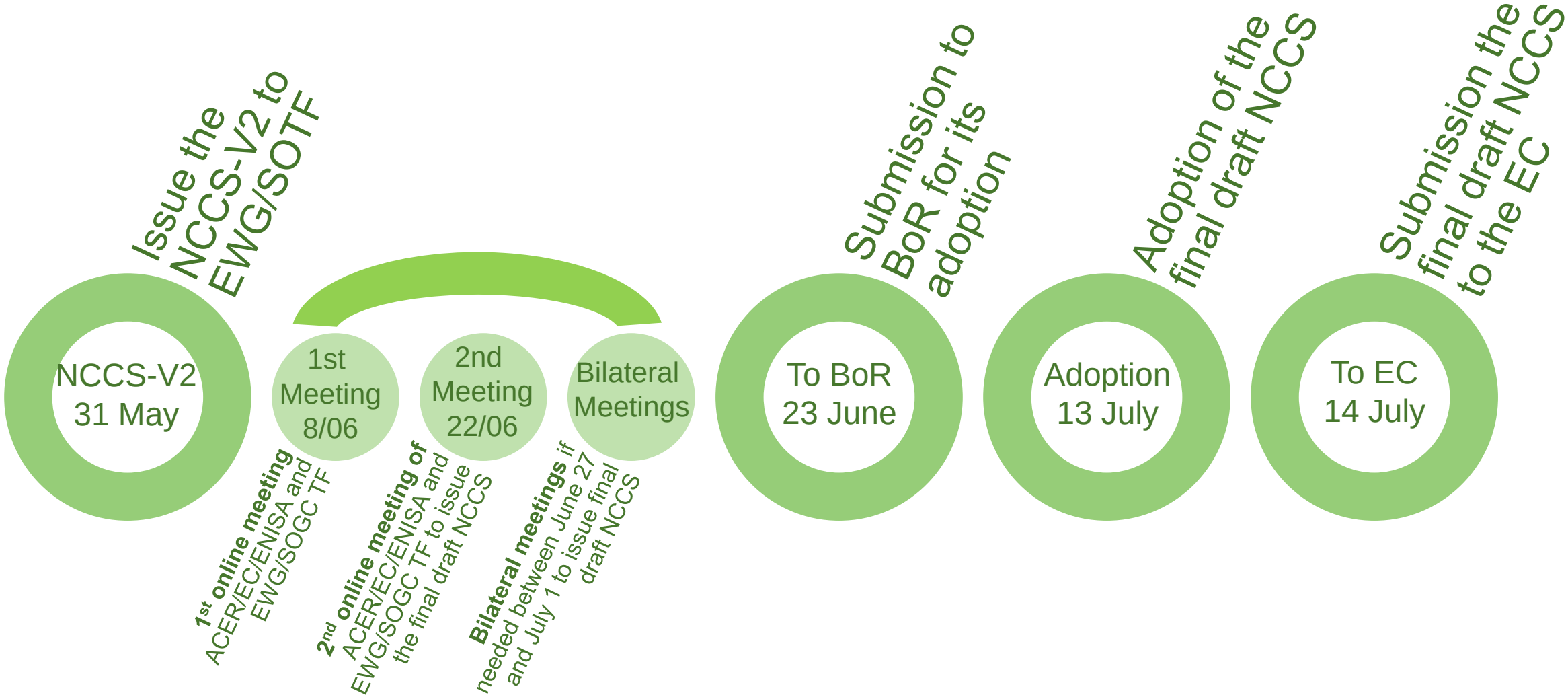
5 July 2022 - Hybrid meeting

Background - General schedule for the NCCS

Ref: Article 59 of REGULATION (EU) 2019/943



Setting the adoption process



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ACER review of the draft NCCS

For the review, ACER established an ad-hoc Review Team (5/5) to support ACER on two streams:

1. **Definition of high-level principles (HLP) that will lay the foundations for defining Terms and Conditions or Methodologies (TCM) needed for the implementation of the network cod**e: risk assessment methodologies, risk assessment report, minimum/advanced controls and standards mapping matrix, harmonised procurement requirements and incidents classification scale methodology.

2. **Align the current proposed governance in NCCS with the governance in:**
   - The Network and Information Security Directive (NIS2) - COM(2020)823 of 16 December 2020
   - Electricity Directive and Electricity Regulation
   - Risk Preparedness Regulation
   - other relevant EU law

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Hearings of relevant stakeholders

- ✓ Three-hour hearing organized with relevant stakeholders between 28 April 2022 and 16 May 2022 (T&D Europe, CSIRT-NW, EU DSO Entity, SmartEn, NIS WS on Energy, ENTSO-E and NEMOS)
- ✓ Participation of permanent delegations of ACER, EC and ENISA, with the presence of NRAs by one representative/observer (representing ACER/CEER)
- ✓ More than 60 entries, about 50 considered for the new version NCCS-V2

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Main proposals in the revision

- ✓ Enhance the alignment with NIS2 scope (Art. 2)
- ✓ Introduce flexibility for the nomination of the NCCS-NCA, with possible delegation of tasks and enhanced cooperation among National Authorities
- ✓ Delegate governance and oversight of TCM to NCCS-NCAs, with support from ACER upon request
- ✓ Review and enhance principles and criteria for Risk Assessment Methodologies
- ✓ Alignment on the length with FG of the risk assessment cycle duration
- ✓ Strengthen tools to exercise oversight and liability by the NCCS-NCA and the NRA

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Main proposals in the revision

1) **RCCs** back under the scope (Art. 2(1)(c) vs Art. 2(1)(o))
2) The NCCS-NRA shall agree **the processes intended to be used for performing their tasks and to exercise their decision-making powers under this Regulation**, in consultation with Working Group and monitoring by the Monitoring Body.
3) Entities being allowed to **recovery additional costs**
4) The Working Group shall develop an ***Implementation Guidelines*** with broader stakeholder's participation (Art. (6), (7) and (14)) in consultation with the Monitoring Body.
5) **Duration of outages** as a new criterion of the risk assessment matrix.
6) The NCCS must cover risks linked to distributed cyberattacks in **multiple entities generating heavy disturbances to the grid in more than a Member State**.

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Main proposals in the revision

8) ACER/ENISA shall issue **guidelines to ensure that information exchanged/transmitted to any entity/authority is anonymized and aggregated** if appropriate and possible (Art. 2 and 29).
9) **Better alignment with NIS2 of information exchange** in Art. (38), (39) and (40), also introducing the National Single Point of Contacts (SPOC), moving the reporting process of reportable incidents to the operational level and revising the deadlines.
10) **Responsible disclosure of zero day vulnerabilities based on CVD** (Coordinated Vulnerability Disclosure).
11) Clarifying that **final responsibility stays with Operators when obligations are fulfilled by third parties**.
12) **Review of the Title X – Protection of information** and **remove the request for specific NCCS clearances.**

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Main proposals in the revision

13) **Article 8(12) – Role of the EC in the case no decision is taken in respects to TCM adoption** (Decision on by 8 June 2022.
14) **Art. 40 – Re-assignment of roles on reporting based on EU information sharing architecture** (ENISA)
15) **Art. 40(3) – Removed the clause that would have limit the case allowed for the disclosure of information under a very strict condition** (ENISA)
16) **Art. 49(6) – Added paragraph 7 to allow NCCS-NCA to share information without originator consent when the missing dissemination of an information may prevent systemic risks also in other sectors. Applicability of Art. 49 to entities not in scope and without an equivalent system for protecting information.**
17) Re-drafting of **Art. 13 to allow more flexibility for monitoring**.
18) **Recovery of costs to extend the scope of recovery to ENTSO-E and EU-DSO.**

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Main proposals considered in V. 2.1

Special cases

8) **Art. 38 – To be checked and eventually stress in the cover letter the need to either use the National schemes or the EU Schemes from the CS Act.**
9) **Art. 44 – Introduction of provisions to introduce bilateral communications with European Cyber Crises Liaison Organisation Network (EU-CyCLONe) in the event of a crisis.**
10) **A general statement to consider to allow regions that have the capabilities to do so, to proceed with some implementation steps as soon as possible.**
11) **Possibility to have a distribution of cybersecurity costs according to several organizational and geographical levels (TSOs/DSOs/Others and at European, regional and national level).**

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Many thanks for your attention

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