



Position Paper of the TNCEIP on EU Policy on Critical Energy Infrastructure Protection (November 2012)

1. Introduction and background of TNCEIP

The “Thematic Network on Critical Energy Infrastructure Protection” (TNCEIP) is an initiative of the DG Energy of the European Commission, and is made up of European owners and operators of energy infrastructure in the electricity, the gas and the oil sectors. Seven meetings have taken place so far, from December 2010 until October 2012. Such a Network is in a unique position to make a positive contribution to the debate on Europe’s energy security, crucial to the welfare of Europe’s citizens and its economy. Energy infrastructure is of vital strategic importance to Europe and this is recognized in the European Programme on Critical Infrastructure Protection (EPCIP) and the related Directive 2008/114¹ (also known as the “EPCIP Directive”). The European Commission is currently in the process of preparing a revision of the EPCIP policy, and this paper marks the positive engagement of the TNCEIP Network contributing to the successful completion of this process².

¹Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection.

²Please note that this **Position Paper** builds on the GIE **Position Paper** regarding the revision and future of the European Programme for Critical Infrastructure Protection (EPCIP). The **Position Paper** of GIE refers exclusively to the gas sector, while this TNCEIP **Position Paper** is more representative for TNCEIP, and includes all energy sectors, namely the electricity, the gas and the oil sector.

2. TNCEIP position on the revision of the EPCIP Directive

The EPCIP Directive has been in effect since 2008. The intention of the Directive is to ensure that **European critical infrastructure assets of cross-border impact** are identified and that the assessment of any needs to improve their protection is undertaken by EU Member States and energy infrastructure operators. The Directive has been implemented in all EU Member States and has already improved some relevant aspects of protection.

3. TNCEIP understanding of critical infrastructure and its protection

The TNCEIP Network's basic philosophy on European critical energy protection comprises the following three points:

- We believe in a common and holistic approach to protecting infrastructure of strategic trans-boundary importance in Europe.
- **All members of TNCEIP have faced a constant increasing number of attacks on their critical energy infrastructure in 2012, mostly in the form of thefts, vandalism, and cyber-attacks.**
- “One level playing field on security on the European level” means that owners and operators share the same goal (ensuring “efficient and secure operations at all times all around Europe”) without exceptions. This requires openness and equal sharing of information between operators, owners, and state authorities.

Energy infrastructure is subject to European and national legislation and risk assessment to determine its criticality, reflecting its strategic importance. To this end, it is important that this potential for duplication is minimized. Measures on security are furthermore always dedicated to the circumstances of a particular energy company and the corresponding EU Member State(s). **The rationale for a European dimension is that this highly interdependent network has to be seen in its entirety considering the influence of critical single elements that can affect supplies to consumers.**

4. Current situation and review on EPCIP from the perspective of the energy infrastructure sector

The TNCEIP Network believes there is some benefit in the new redrafted European legislation on European energy infrastructure protection. Raising awareness and sharing best practices between infrastructure operators are particularly crucial here, as is expanding the latter practice to National Regulatory Authorities and the EU Member States. TNCEIP supports the

initiative to redraft the EPCIP Directive and believes that developing the existing measures putting more focus on their consistent, qualitative and effective implementation is the right approach for the future; the revised Directive focuses on a risk based approach that is valid for the various sectors within the energy infrastructure.

5. Way forward and position on revision of Directive 2008/114/EC

The current Directive 2008/114/EC is seen as an important measure; any future revision of the Directive should lead to a process of **improving the protection of the energy infrastructure at European level** rather than increasing regulatory and administrative burdens. It is of crucial importance to the economic and physical welfare of Europe's citizens that the European critical infrastructure is protected. TNCEIP urges that action is taken when costs are borne by the infrastructure sector for implementing the necessary security measures. Such costs - including operating costs of security measures - need to be taken into account by the competent authorities when approving tariffs in line with EU regulation. The TNCEIP Network as a representative of European energy system owners and operators has a vital contribution to make in the framing of any future proposals or improvements. In this respect, TNCEIP's recommendations on revising the Directive are listed below.

- TNCEIP urges that the Critical Infrastructure Warning Information Network (CIWIN) should also be made available to all energy sectors to ensure the consistency of information provision and an effective information cascade.
- TNCEIP believes there is great benefit in continuing and strengthening private-public engagement in general between the European Commission, its Member States and relevant stakeholders and operators.
- With reference to contingency planning, Member States should be encouraged to support each other in case of emergencies concerning the European critical infrastructure.
- A common methodology for assessing risks and threats to the energy infrastructure sector within Europe developed by TNCEIP would be desirable. An all-hazard approach should be taken.
- On information security, TNCEIP urges the inclusion of the Information and Communication Technology (ICT) sector as well as the inclusion of operational technology in the EPCIP as this may improve the protection of System Control and Data Acquisition (SCADA) systems. The threat levels to both Information Technology (IT) and Operational Technology (OT) are rising quickly. The dependence of the critical infrastructure on both IT and OT is also

increasing rapidly. To effectively protect critical infrastructure, a holistic approach to security needs to be taken.

- TNCEIP proposes inviting the European Network and Information Security Agency (ENISA) to contribute to the revision process for ICT protection.
- To realize the ambition of the step change envisaged in EPCIP, **costs borne by the energy infrastructure sector for implementing the necessary security measures** - including operating costs of such measures- **need to be integrated into EU Member States' tariff arrangements in line with EU regulation.** How to achieve this will therefore need to be agreed at both national and EU level.

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