



JOINT RISK AND RESILIENCY COMMITTEE PROPOSED MEETING AGENDA

**Videoconference
Tuesday, July 16, 2024 – 10:45 a.m. (approximately)**

Members: Chair Cecily Morris, John Koelmel, Bethaida Gonzalez, Michael Cusick
Laurie Wheelock

- 1. Adoption of the July 16, 2024 Proposed Meeting Agenda**
- 2. DISCUSSION AGENDA:**
 - a. Emerging Risks Update – (Thomas Savin)**
 - b. Cyber Security Update – (Victor Costanza)**
- 3. Next Meeting**



Emerging Risk Overview

Tom Savin

Senior Director, Enterprise Resilience

July 16, 2024

Emerging Risk Leading Practices

Core program capabilities*



Challenge biases, gathering insights across multiple sources & perspectives, to help **separate the noise** and drive focus on areas that matter



Consider **dependencies** and **interconnections** to avoid a fragmented understanding



Explore **how quickly** an uncertainty or trend may manifest to help executives confidently make decisions and communicate with stakeholders



Develop an **enhanced understanding** of ambiguous topics and inform the organization's **strategy** and **monitor changes within the risk profile**



Promote **innovative** thinking and remain **agile and dynamic**, continuously scanning for changing conditions that can impact the business

STEEP Framework for Identifying Trends & Uncertainties



Social



Technological



Economic



Environmental



Political

* International Organization for Standardization (ISO) 31050 (2023): Guidelines for managing an emerging risk to enhance resilience

Third Party Assessment - Key Observations and Opportunities

OBSERVATIONS

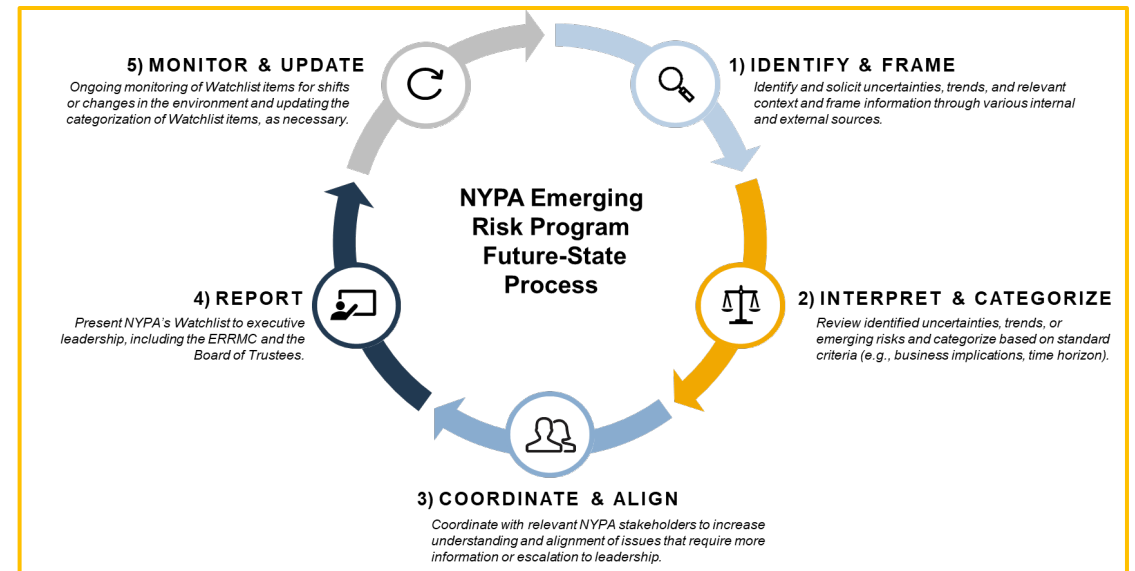
- ✓ We have strong foundational ER elements and processes, with pockets of excellence throughout the organization
- ✓ We have a high level of risk awareness, governance, and culture of continuous improvement that we can leverage

	1	2	3	4	5	6	7	8	9	10	11	12
Process to identify trends specific to their function	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
Use of external sources	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
Formal process to track external trends and indicators	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
Reporting on emerging risks focused on their function	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
Informal sharing of emerging risks with other functions	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒

Key: 🕒 = Uncertain; To confirm 🕒 = No 🕒 = Minimal 🕒 = Partial; Occurring ad-hoc 🕒 = Formalized and consistent 🕒 = Established process

OPPORTUNITIES

- 1 **Improved collaboration** to share ER insights across functions can enhance coordination, minimize surprises
- 2 A **standard, enterprise-wide process** for capturing, monitoring & reporting ER information across the organization can support effective decision-making
- 3 **Common definitions** and **assessment methodology** can enhance analysis of trends and potential impacts
- 4 Our resilience posture can be strengthened by testing assumptions and considering **emerging risk scenarios**



Emerging Risk Snapshot - July 2024

Artificial Intelligence and Energy Demands

The risk that AI-driven advancements will **significantly escalate energy demands** and data storage costs.



Escalating Political Polarization

The risk that **heightened tensions and division among employees and stakeholders** holding diverse political perspectives may disrupt operational cohesion, strain collaborative efforts essential for meeting our climate targets, and introduce potential **new threat vectors** into our business lines.



Evolving Energy Policies and Regulations

The risk includes **technical risks, financial risks** associated with the upfront costs of building and upgrading renewable energy infrastructure, political risks related to changes in government policies or public opinion, and **operational risks associated with transitioning to renewable energy**.



Increasing Geopolitical Conflict and Uncertainty

The risk of increasing geopolitical conflict lies in potential **disruptions to supply chains, heightened cybersecurity threats**, increasing and shifting regulatory and **compliance** challenges, and increasing **financial volatility**.



Increasing Local Opposition to New Development

The risk that increasing levels of coordinated local opposition to new development, particularly **NIMBY** (Not In My Backyard) sentiments, may **impede progress** toward our sustainability objectives, hindering our ability to modernize the grid and meet evolving energy needs of the State and our customers.



Unclear Market Development for Renewables

The risk that unclear or conflicting market signals and conditions could negatively **impact NYPA's ability to meet NY's electrification goals** and objectives.



Legend

Business Implications

Significant
 Moderate
 Minimal

Time Horizon

Now or within 1 year
 1-5 years
 More than 5 years

Change since last report

Increased
 Decreased
 Unchanged
 New

Emerging Risk Details – example

Escalating Political Polarization
STEEP: Political

The risk that heightened tensions and division among employees and stakeholders holding diverse political perspectives may disrupt operational cohesion, strain collaborative efforts essential for meeting our climate targets, and introduce potential new threat vectors into our business lines.

Functional Expertise

Physical Security, Cyber Security, Ethics, Human Resources

Watchlist Item Overview	Key Considerations and Potential Impacts
<p>Business Implications</p> <p>● Significant</p> <p>Time Horizon</p> <p>● Now or within 1 year</p> <p>Change since last report</p> <p>↑ Increased</p>	<p>Eventful Year Ahead - 2024 is the biggest election year in history - 40% of the world's population will have an election. Elections shape policy and regulation, policy and regulation impact conflicts, and conflicts can become a crisis.</p> <p>#Protect2024 – CISA released a centralized repository for security services, training materials, and best practices for addressing cyber, physical, and operational threats stemming from the upcoming US election.</p> <p>Conflicts Abound – In addition to upcoming elections, perceptions regarding a plethora of seemingly left/right leaning policies and world circumstances may impact behaviors of employees and stakeholders, alone or in aggregate. (e.g., DEI, ESG, Russia/Ukraine war, Israel/Hamas conflict)</p> <p>Proliferation of Misinformation – Social media platforms provide channels for users to disseminate false information, amplify tensions and embroil organizations unwillingly in political debates, potentially posing reputational harm.</p> <p>Threat Vectors Expand – As potential conflicts grow, so too does the risk of insiders and external antagonistic groups/individuals taking potentially harmful action to demonstrate their viewpoint.</p>

Top Take-aways & Recommendations

NYPA's posture is **business-as-usual** with **heightened awareness and monitoring** for early detection and mitigation. Functional Expertise stakeholders will continue horizon scanning, increase cross-functional discussion during our Weekly Resilience Call, and increase engagement with people managers to re-enforce Ethics training (e.g., Restrictions on Political Behavior- Public Officers Law §§ 73(16) and 73(17)) and other guidance to maintain a work environment based on mutual respect and neutrality.



**NY Power
Authority**

**Canal
Corporation**



Cyber Security Update

Victor Costanza

VP, Chief Information Security Officer

July 16, 2024

2024 Cyber Security Key Focus Areas



Continued building on the strength of our foundational capabilities to identify, detect, protect, respond, and recover for resilience regardless of the type of evolving threat.

IT / OT Cyber Kill Chain Capabilities

- Optimizing Identity and Access Management to further strengthen 'least privilege' to our environment.
- Expanding Zero Trust architecture from NYPA to Canals for securing users and applications.
- Enhancing threat hunting capabilities and sharing with our Federal, State, and Industry partners.

Enhancing the ability to Respond

- Ensuring readiness to respond through execution of functional incident response exercises.
- Five (5) Regional Exercises successfully completed across NYPA.
- Simulate realistic scenarios to build muscle memory of incident responders to reduce overall impact.

Increasing our Enterprise Resilience via ability to Recover

- Maintaining capabilities to restore our systems back to normal business and operation within our tolerance levels.
- Demonstrating readiness to recover through enhanced Disaster Recovery testing of these capabilities..
- Incorporation of these recovery scenarios into our incident response drills to ensure reduced time to recover.

2024 Cyber Security Key Focus Areas



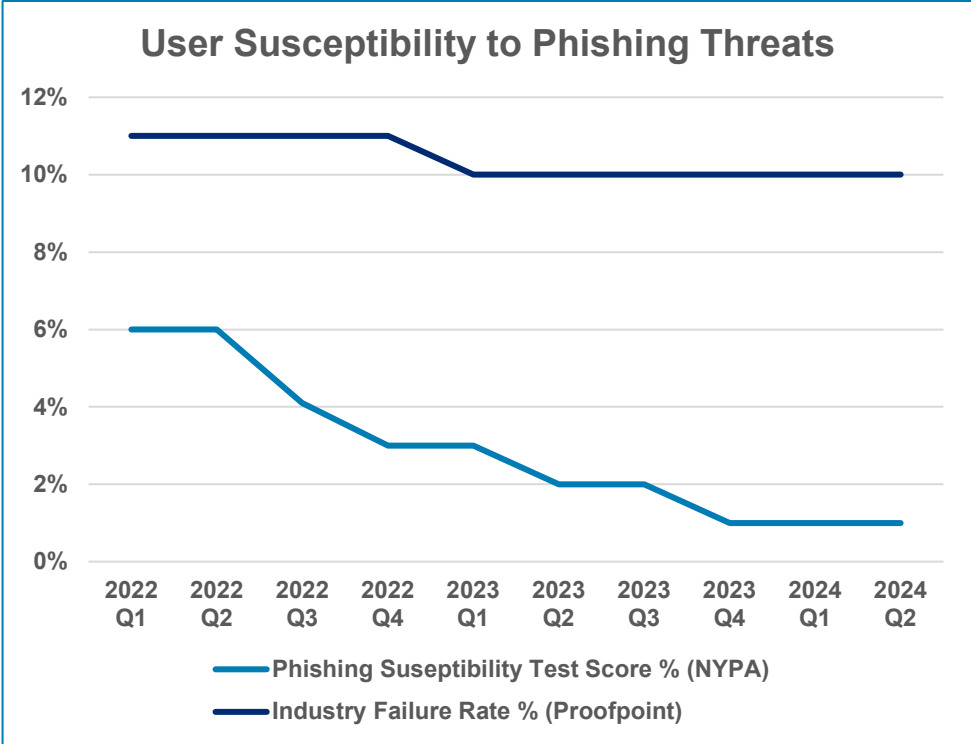
Continued building on the strength of our foundational capabilities to identify, detect, protect, respond, and recover for resilience regardless of the type of evolving threat.

Reducing User Susceptibility through Increased Awareness

- Reinforcing user awareness training to promote safe use of digital resources & ongoing vigilance.
- Enhancing our user outreach through safety tailgates, security video tutorials, and in-person events.
- Expanding Cyber Collective Defense Consortium outreach to help our customers protect themselves by increasing security awareness.

By the numbers:

- 91% of cyber attacks start with phishing.
- The Energy/Utility industry susceptibility rates for 2022 and 2023 have been 11% and 10% respectively.
- NYPA has reduced our susceptibility rate down to 1% due to the efforts of our Cyber Awareness programs.



2024 Cyber Security Key Focus Areas

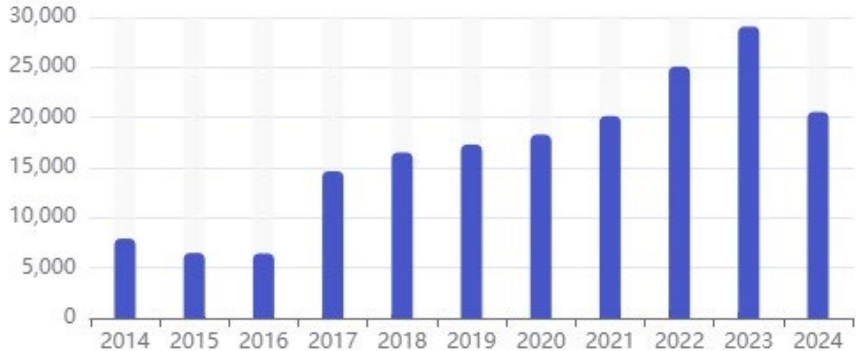
- 4,066 - Notable threat events handled/month
- 99.9% - Security tools coverage rate
- 96% - Vulnerability mgt SLA compliance rate
- 5 - Drills and exercises completed
- 0 - Material cyber security incidents

By the numbers (continued YTD):

As the volume and severity of vulnerabilities continues to increase...

NYPA has continued to evolve its vulnerability management capability to keep pace.

Number of CVEs by year (Common Vulnerabilities and Exposures)



Industry vulnerability Trends – Source: <https://www.cvedetails.com/>

Average Days to Remediate Vulnerabilities



We continue to make investments in our team and capabilities to ensure that security is designed-in to everything we do and are prepared to quickly detect & respond to threats.



**NY Power
Authority**

**Canal
Corporation**



July 16, 2024

Next Meeting

The next meeting of the Risk and Resiliency Committee is scheduled to be held on **Tuesday, September 17, 2024.**