

# A Collision of Two Infrastructures

or Energy, delivered by Google

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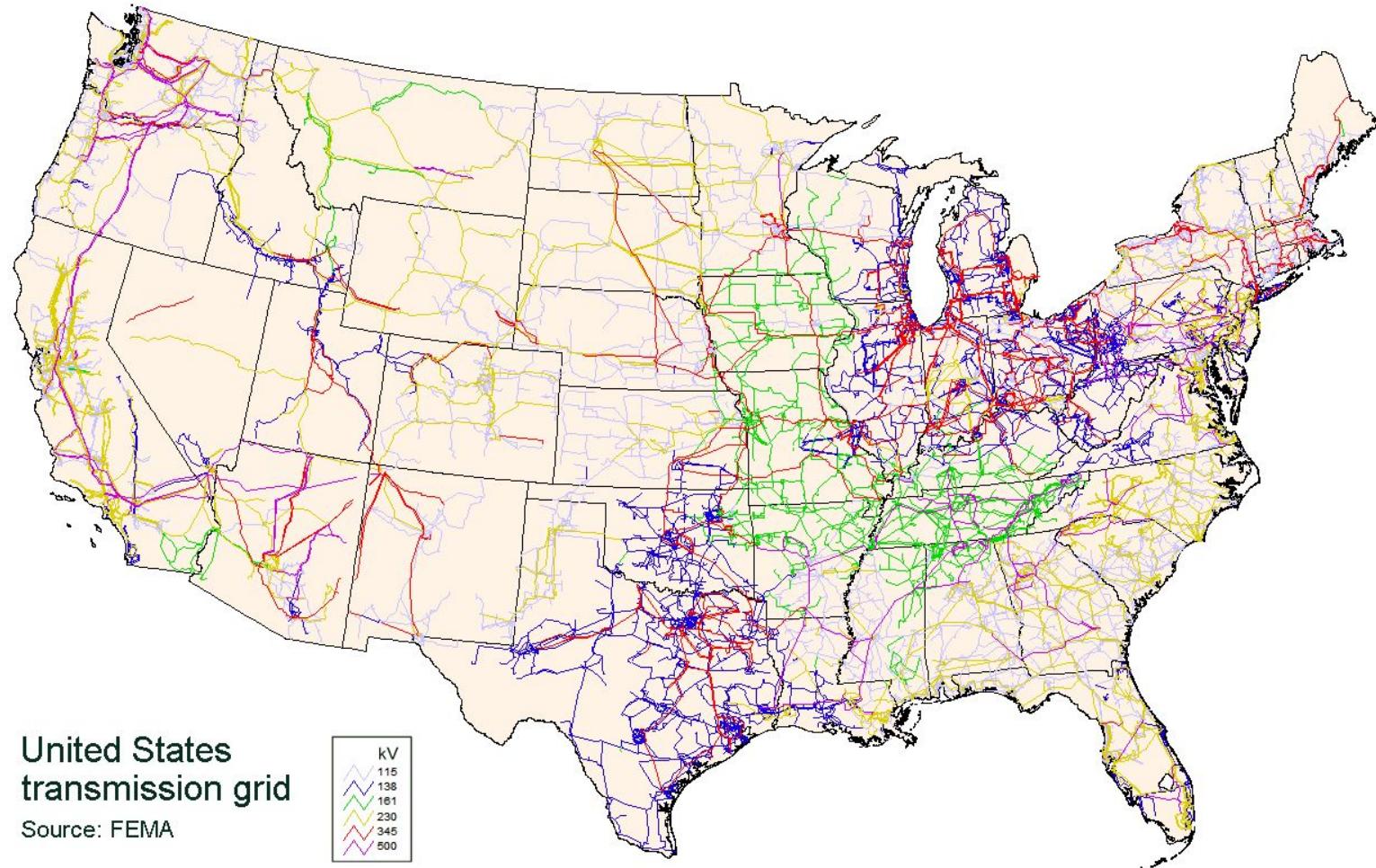


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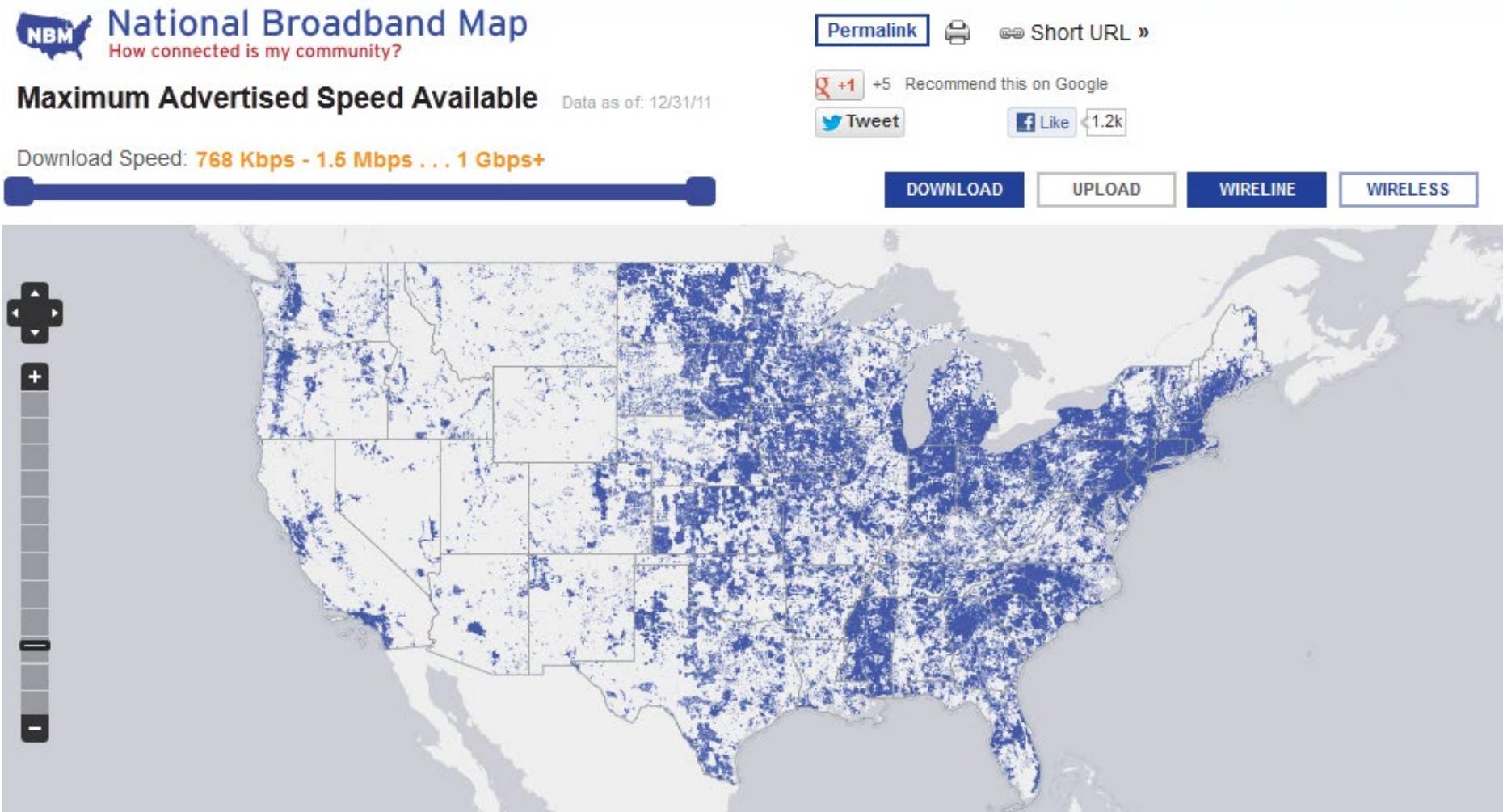
# Agenda

- The Collision of Two Infrastructures
- Cyber-Physical Security

# The National Electric Grid:



# The National Telecommunications Grid:



# Historical timeline

Ages of Man	“Physical” Energy	Fuel	Available Technology
<b>Stone Age</b> 1.5M BCE – 2400 BCE	N/A	300 °C Wood	350 °C Campfire
			800 °C Pit Kiln
<b>Bronze Age</b> 3000 BCE – 1500 BCE	850 °C Bronze	2000 °C Oil	1000 °C Bloomery
<b>Iron Age</b> 1300 BCE – 500 AD	1538 °C Iron	2000 °C Coal	2000 °C Blast Furnace

# Historical timeline

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<b>Information Age</b> 1900 AD – Present	Pure Energy	Electricity	Data Centers

# Energy is Information



The grid is run by computers  
Our society needs computers  
Computers need electricity

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# Merge the two infrastructures

Internet now is essential to:

- Banking and Finance
- Insurance
- Chemical
- Oil and Gas
- Electric
- Law Enforcement
- Higher Ed
- Transportation (Rail)
- IT and Telecom
- Water

# Information is Energy:

- How much money do you have in your bank account?
- What was your favorite photo from your last vacation?
- What did you do at work last week?

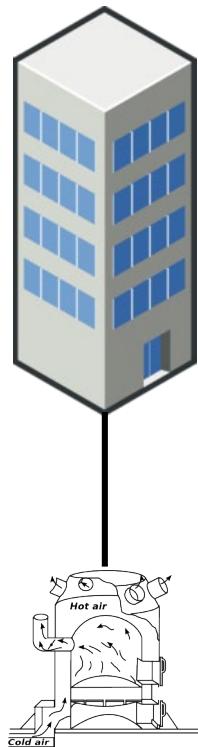
# A history lesson: Sam Insull

- Edison's personal secretary
- Vice President at General Electric
- Founder of Chicago Edison Company
- Believed in a centralized system in order to minimize ***marginal*** costs of delivering electric power
- **NOTE:** Power (*MW*)! Not Energy (*MWH*)!

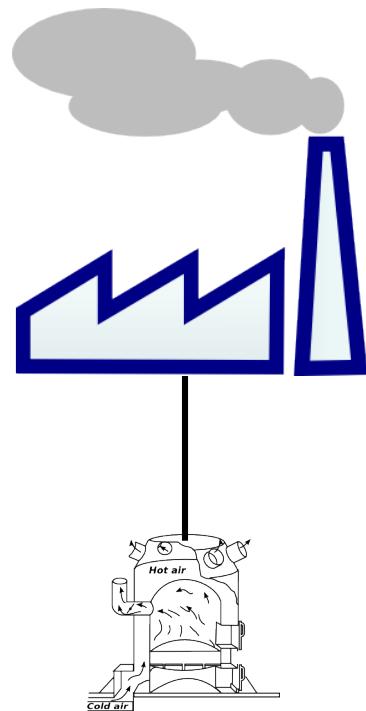


# Load Diversification

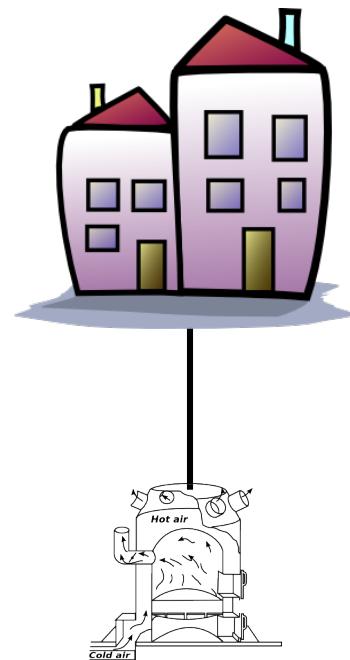
10 MW Load



10 MW Load



10 MW Load



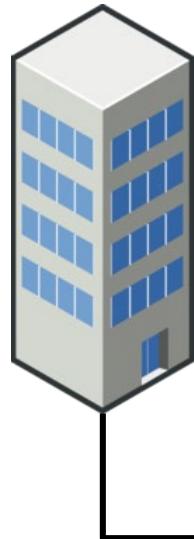
10 MW Generator

10 MW Generator

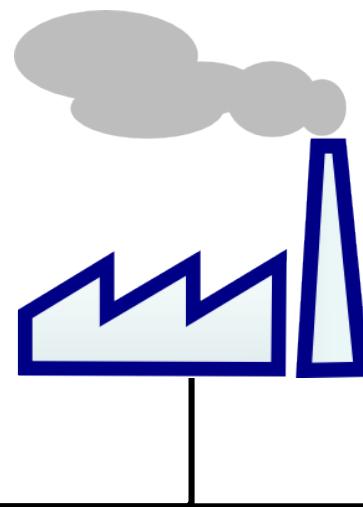
10 MW Generator

# Load Diversification

10 MW Load



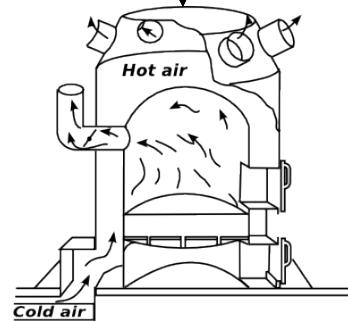
10 MW Load



10 MW Load



25 MW Generator



# Insull used *load diversification* to serve clients

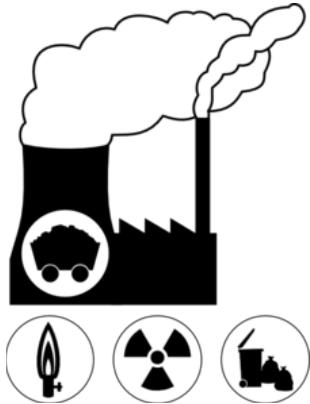
In a Chicago block with 193 customers,

- The calculated required load was 92 kW
- He served the clients with a 29 kW substation
- The more diverse the load, the more money he could make!
- Or the lower cost it would cost the end client.

# Electric Grid: Centralized or Decentralized?

- In the 1890's there were 1,500 individual power plants operating independently.
- Why did they connect with each other to create a centralized system?

Turns out, Insull's math works on generation as well!



**Reliable power:** Always on

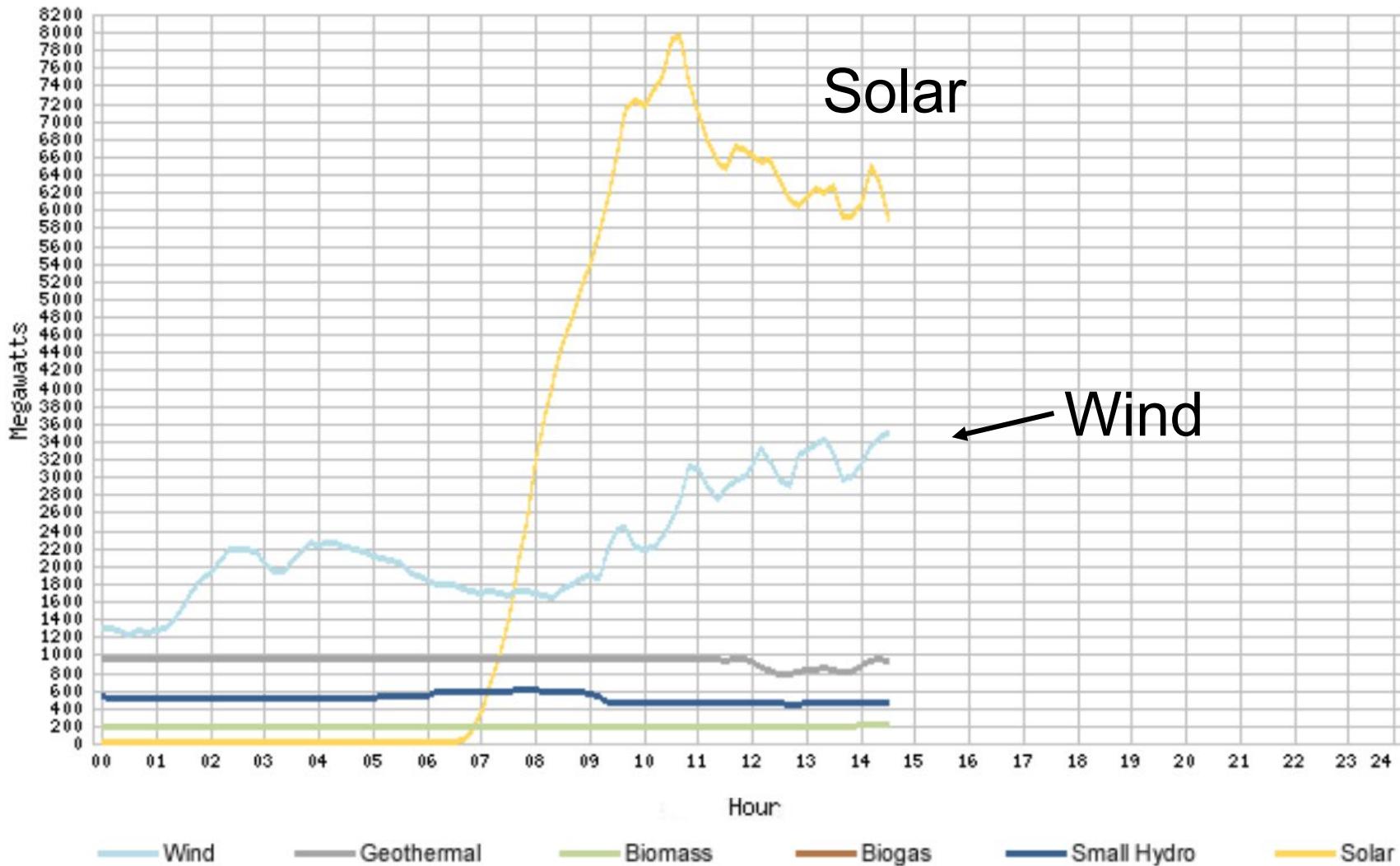


**Variable power:** can make statistically reliable if generators are in diverse environments!

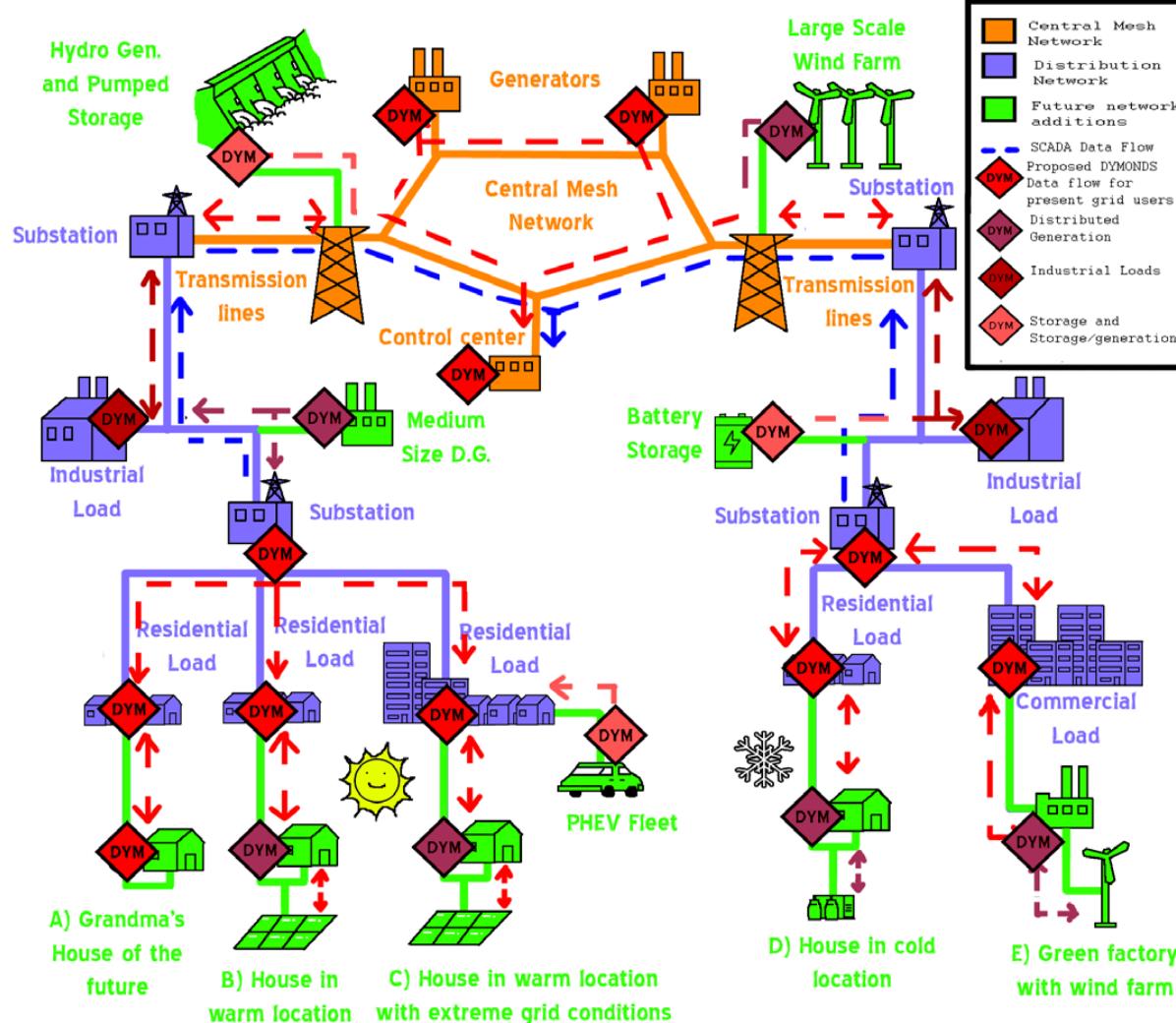
Variable Power are treated as ***Loads!***

# CAISO Renewable Resources 4/8/2017

MW



# Dynamic monitoring and decision systems (DYMONDS)



# Data

Interestingly, his math was based on statistics...

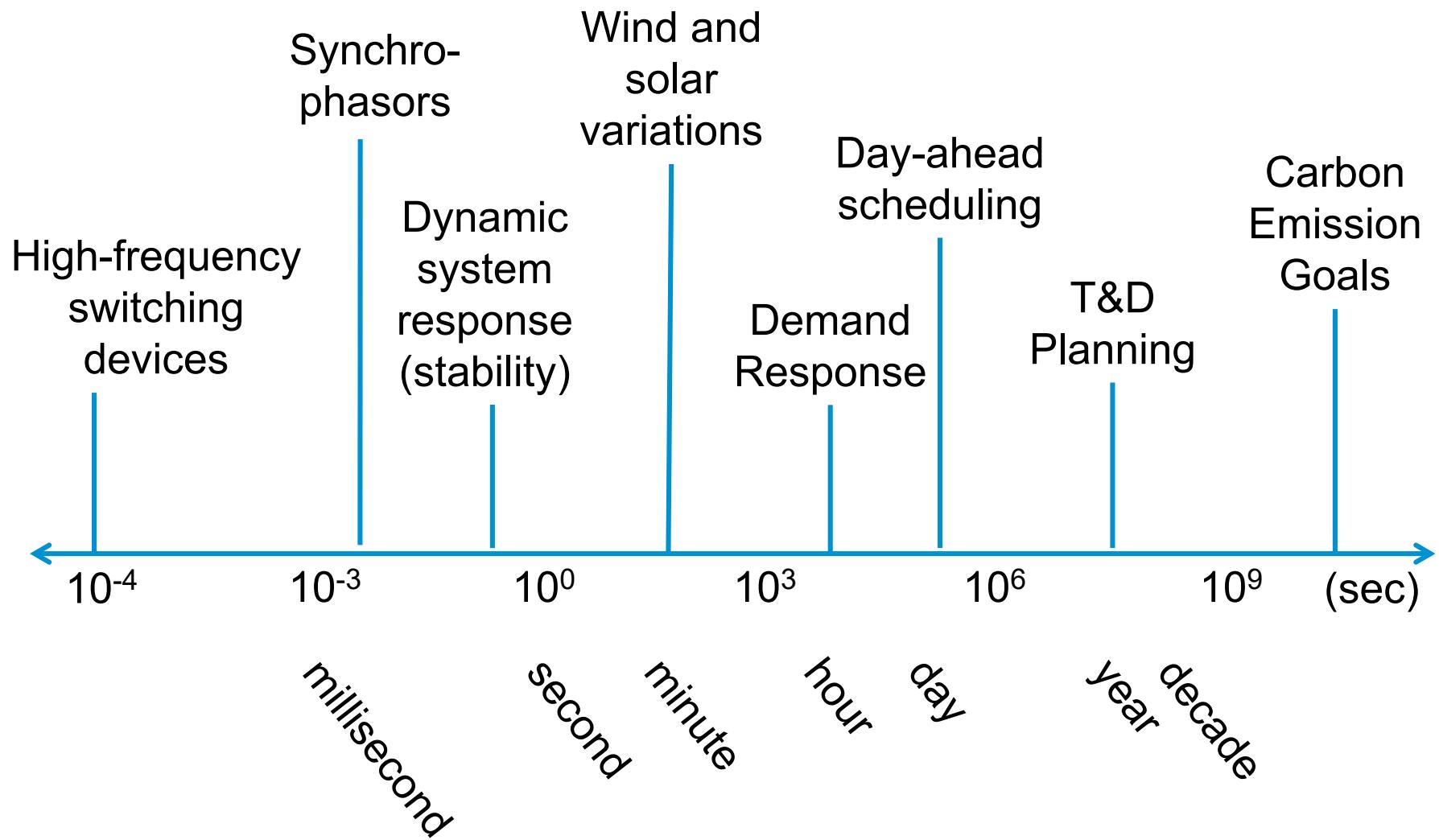
- ...and statistics requires data. Lots of it.

The more sensors, the better

The more frequent sensor, the better

How *fast* do you think we can collect data?

# Problems and issues faced by the Grid



# Synchophasor

- A device that collects data 30-60 *times per second*
- Install on substations
- Devices are \$2,000 - \$3,000 each
- But the data center cost....?



# Connected devices generate a \*lot\* of data

## Meters:

- kWh
- kW
- kVAR

15 minute increments

x 8 data points

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280,000 data points per year!

## Weather

- Temperature
- Humidity
- Etc.

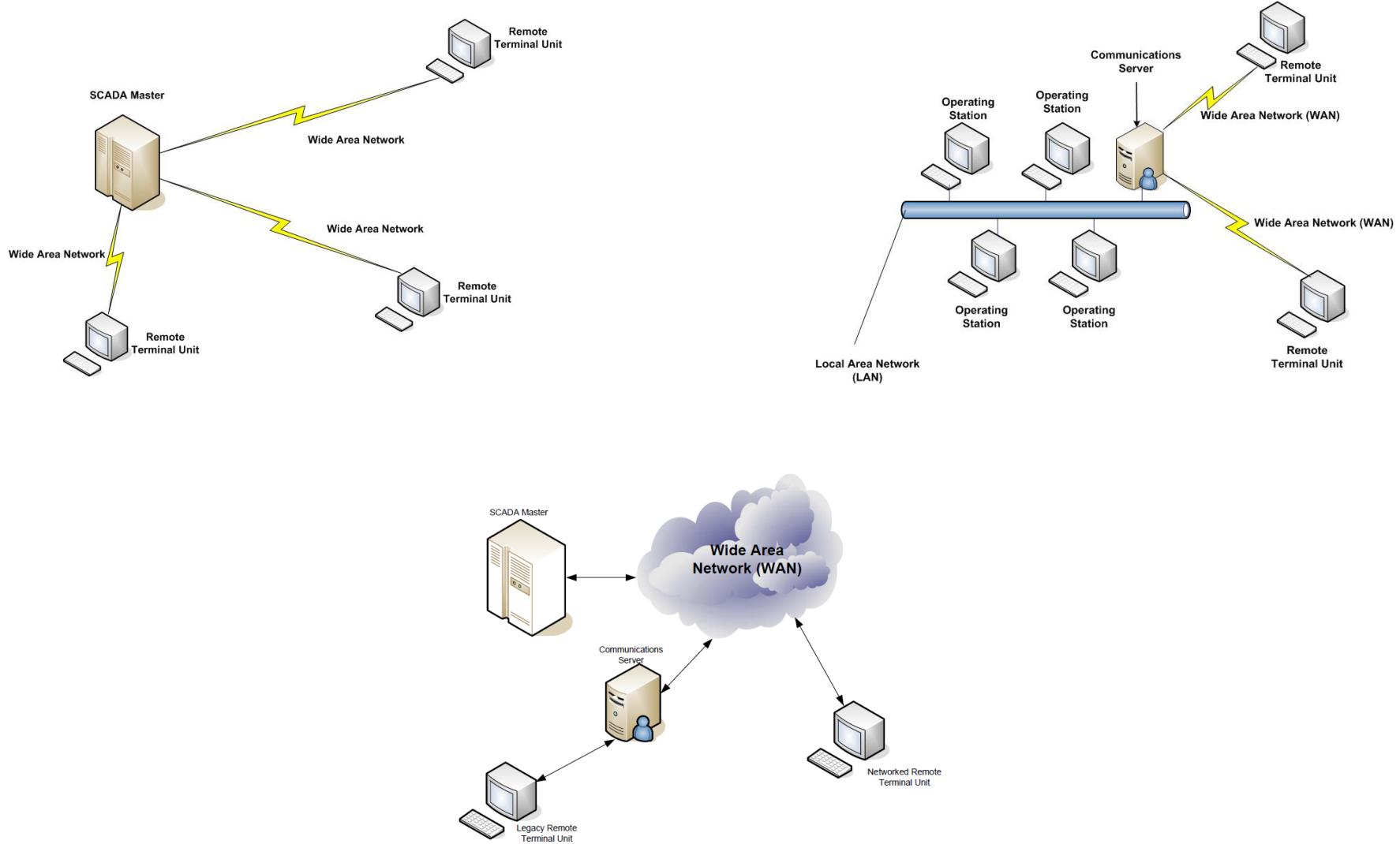
Assuming 100's of millions of devices –  
Need between 3 - 300 PetaBytes of  
storage for data per year

## Time

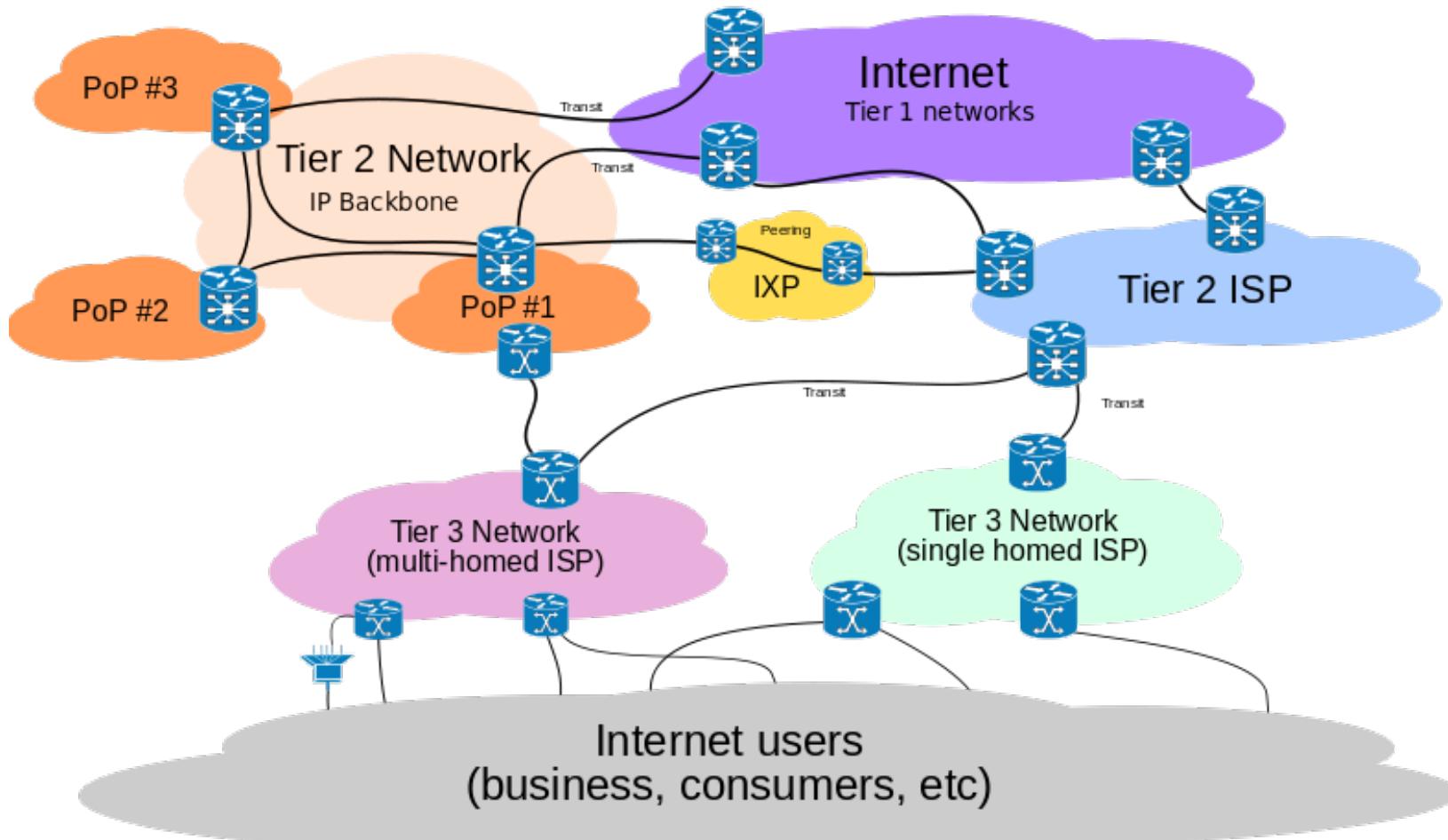
- Date
- Time
- Weekday

Size of Facebook: 100 – 300 PB

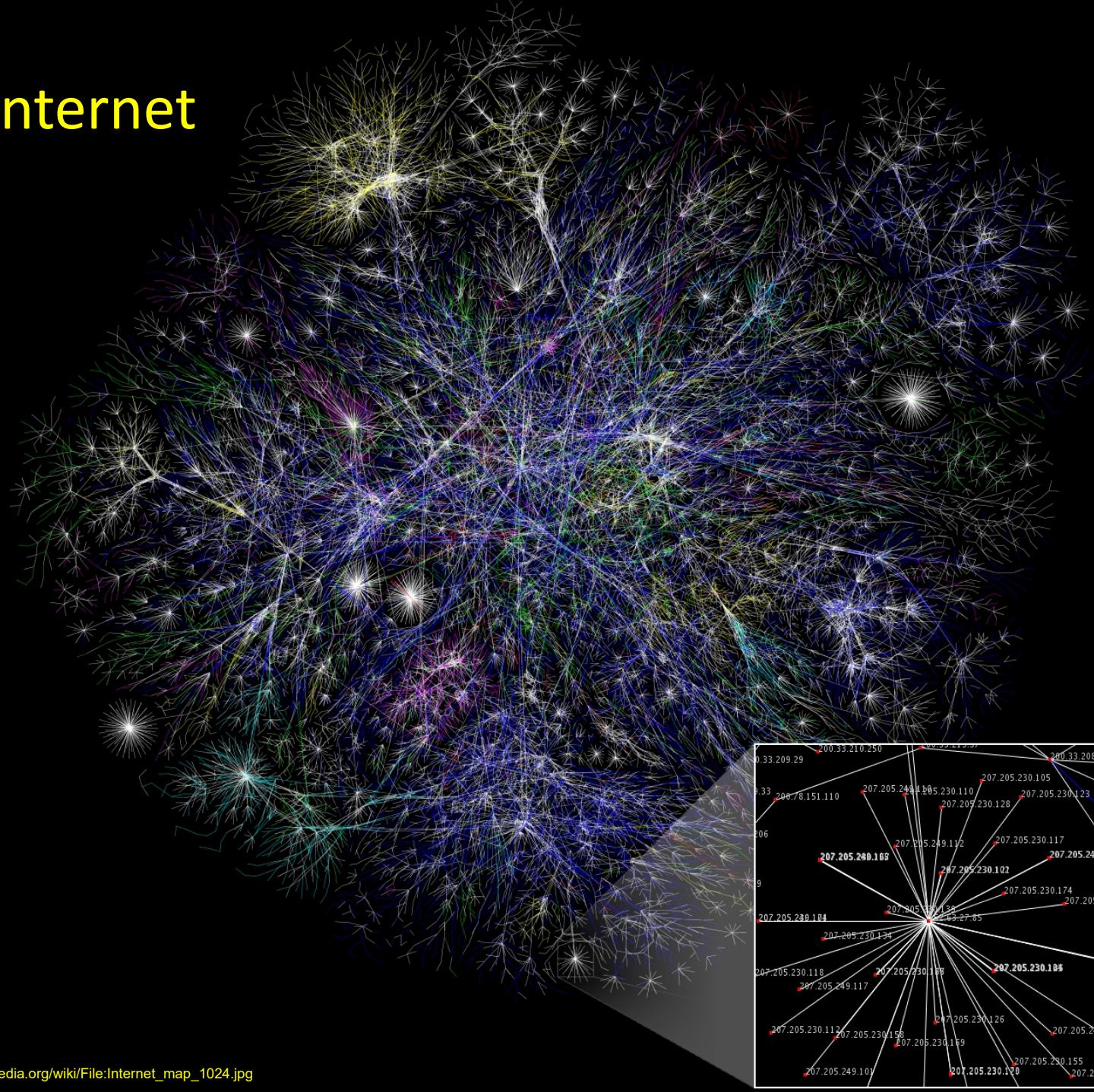
# Different network architecture



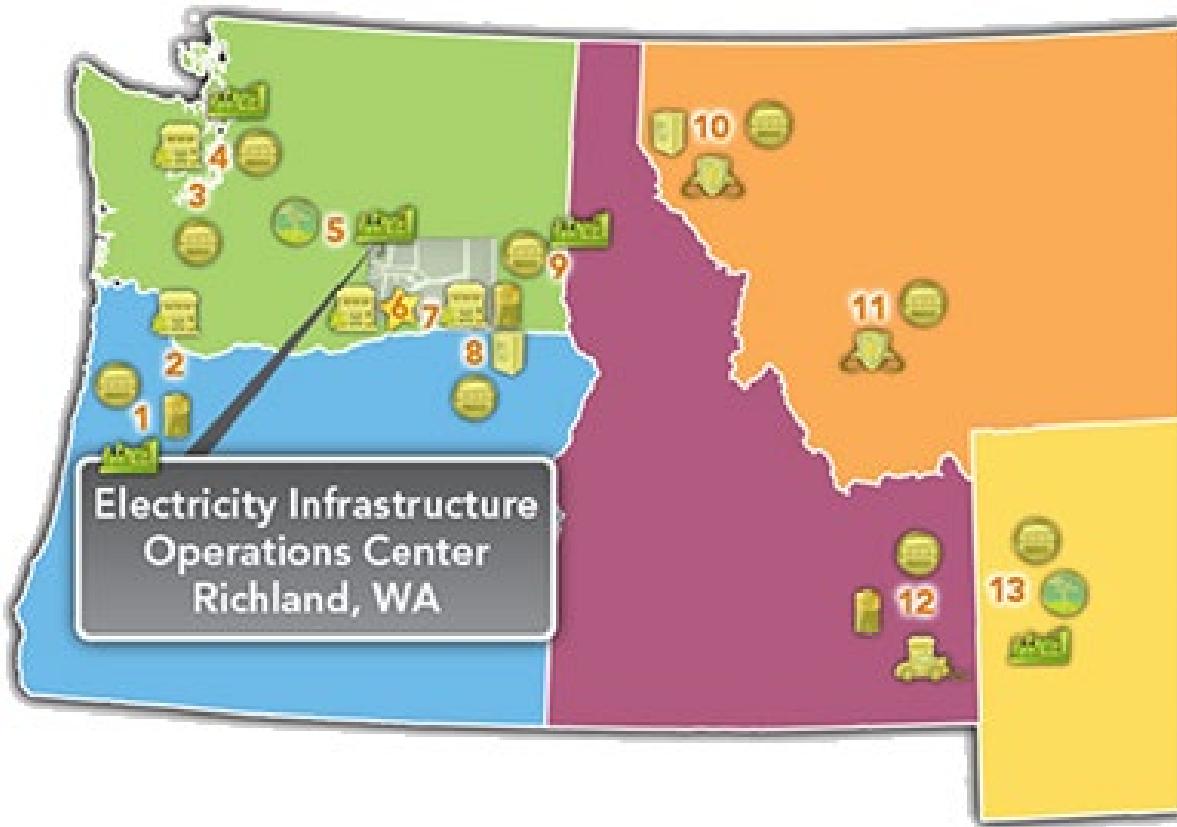
# The Internet



# The Internet



# \$130 million project by PNNL



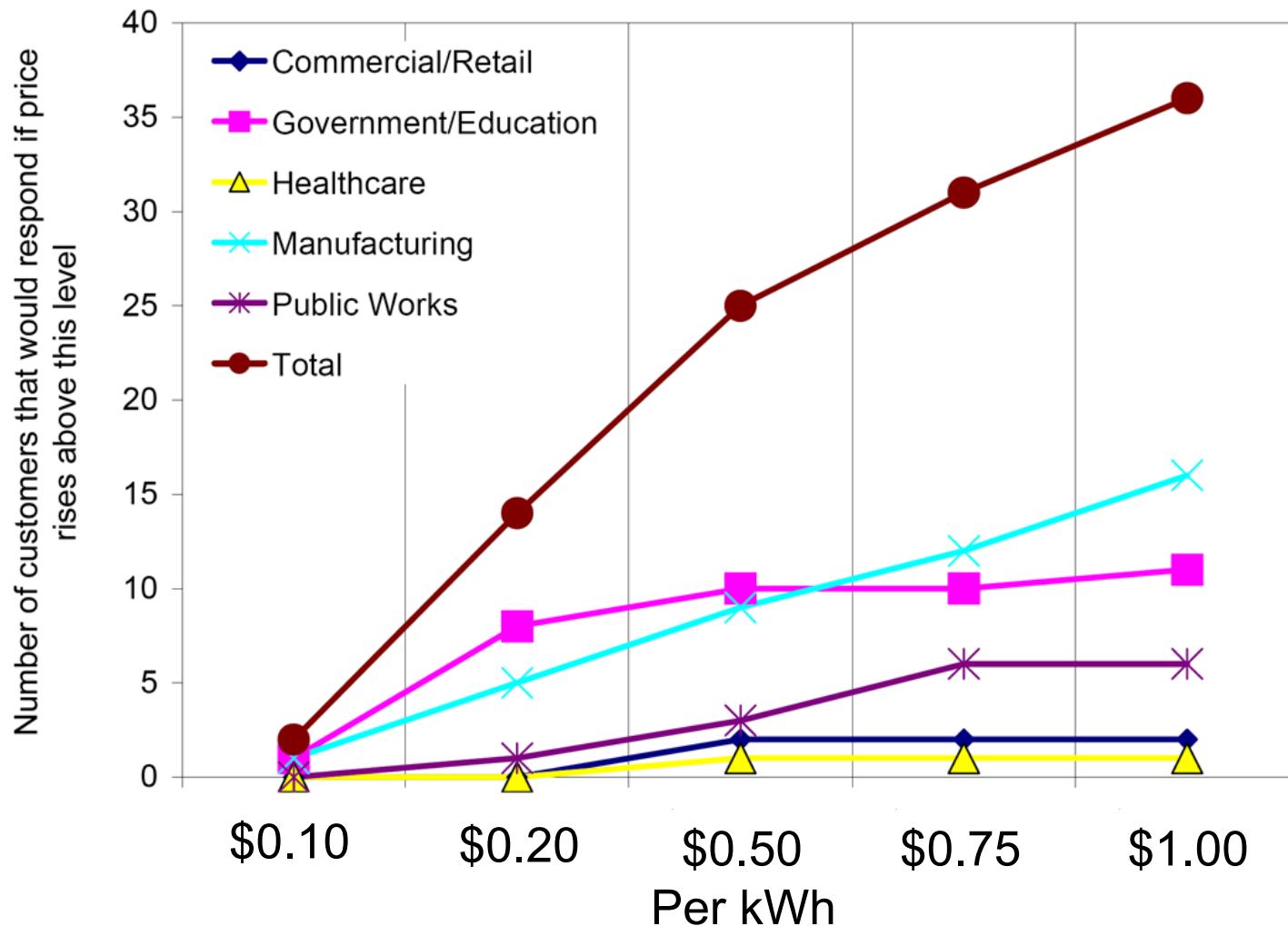
- 60,000 metered customers
- Engaging responsive electricity system assets of approximately 80 megawatts

## “Transactive” Grid

- A technique for managing the generation, consumption or flow of electric power within an electric power system through the use of economic or market based constructs while considering grid reliability constraints.
- Or a merging of
  - *Energy Management*
  - *Finance Signals*
  - Enabled with abundant *Information*

# Underlying assumption:

Is energy consumption *elastic* to price?



# Creating a Demand Curve

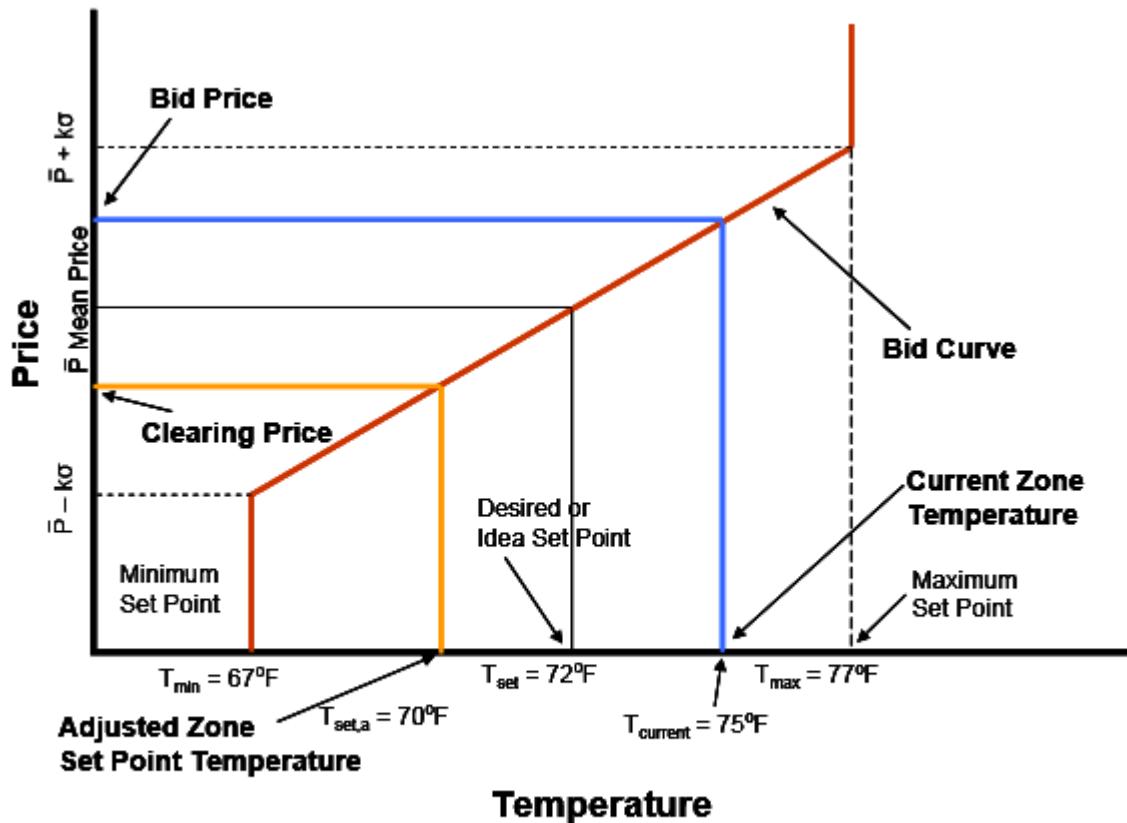
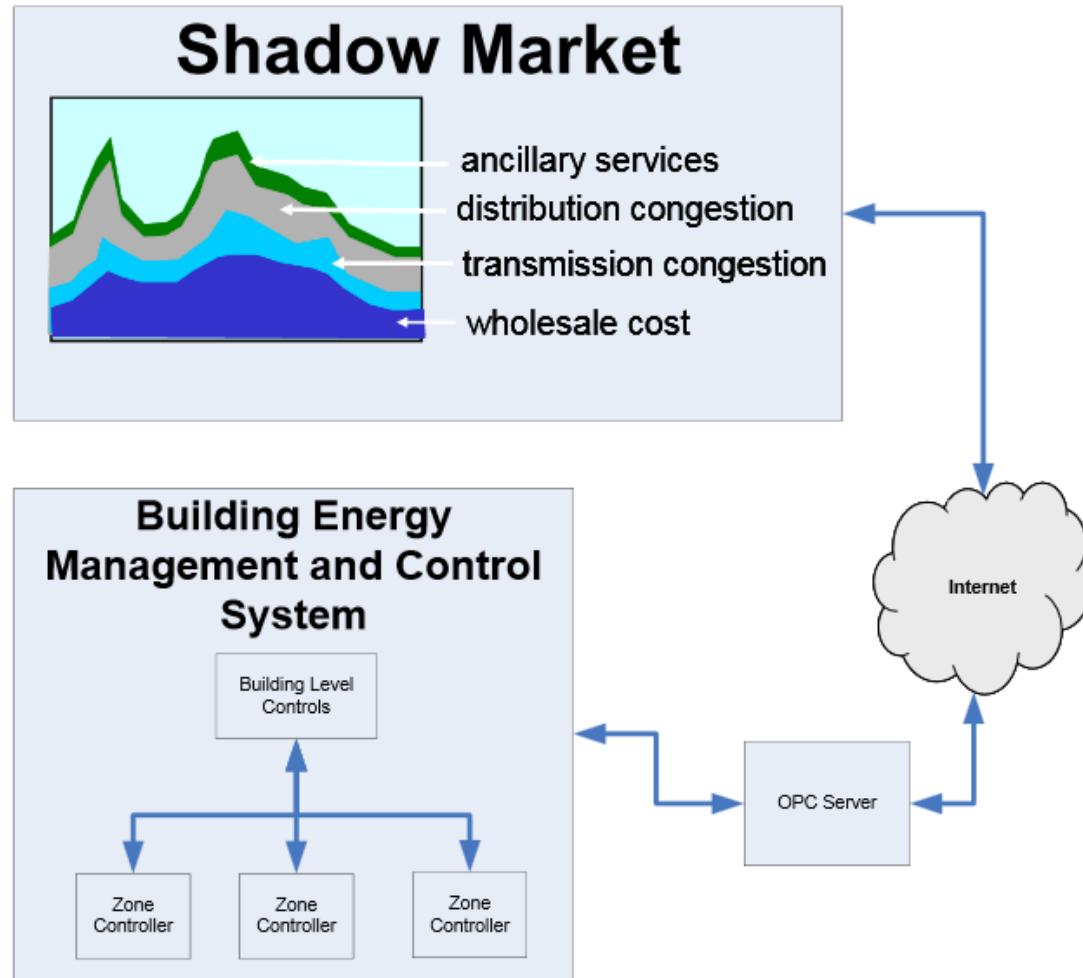


Figure 2 – Illustration of the Bid and the Response Strategy for Thermostatically Controlled HVAC Systems: Cooling Mode

# Prices to devices – creating a demand curve



# Problem is control

Utility control  
via a price  
signal?



End-User  
control via  
preferences?

# It is happening around you



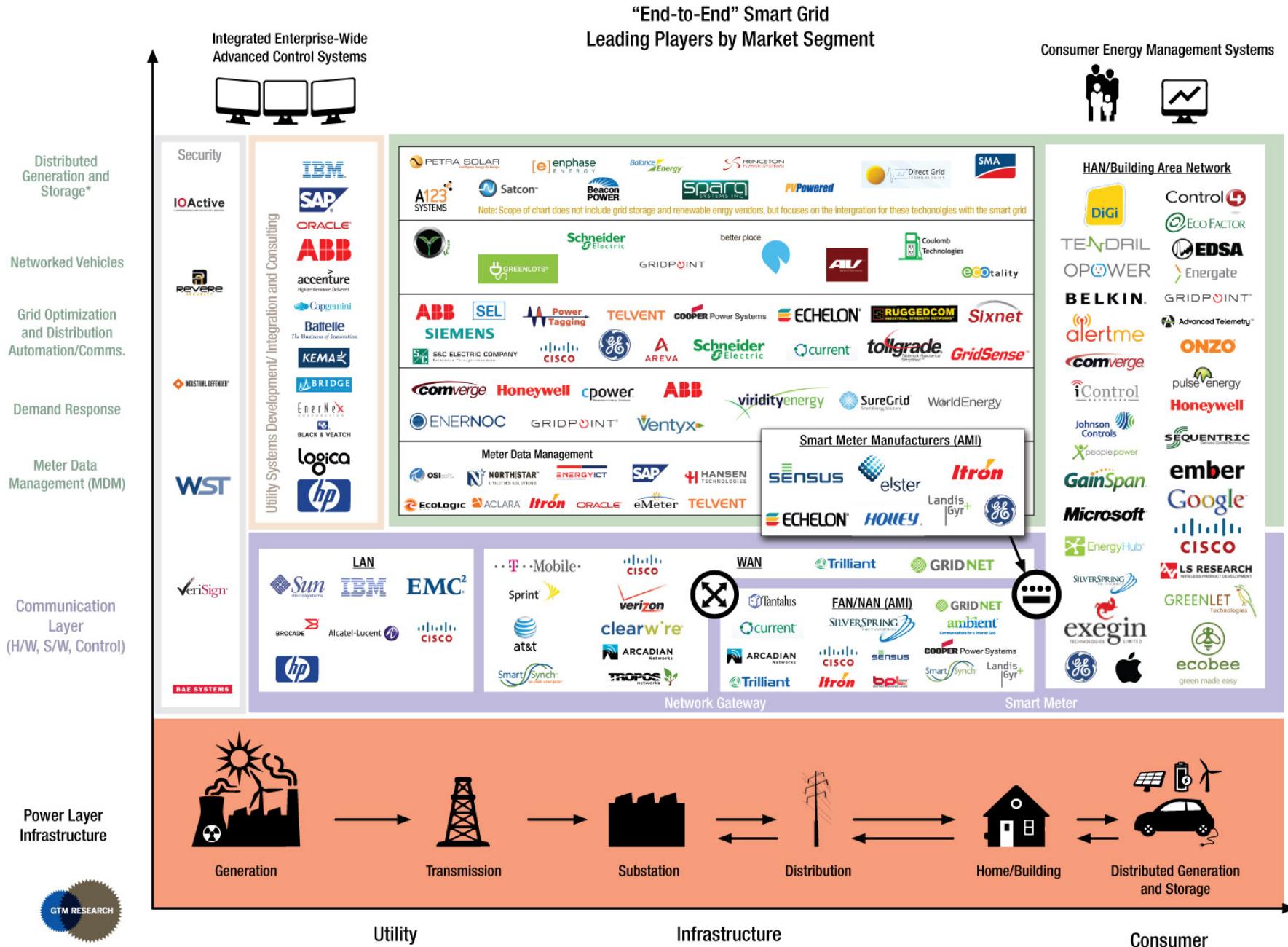
Once the door closes



it becomes a touch interface



# \$9.6 billion market size by 2015



# Should the internet be a regulated monopoly?

- **UTILITY** - A tiny subset of companies that “operate with government approval as monopolies and supply a service which is *indispensable to modern life.*” [Public Utility Economics, 1964]

## NO:

- Twenty four states specifically prohibits its Public Utilities Commission from imposing new regulations on VoIP and other Internet services without explicit authority from the state legislature [Forbes 9/10/2012].

## YES:

- The FCC ... “have authority to oversee Internet service in ways that encourages competition” Tom Wheeler [FCC Chair] ... Looking closely at overruling state laws that restrict the ability for cities and towns to offer broadband service to residents.

# How does net neutrality affect smart grid?

## FCC Rule 15-24A1

- *A person engaged in the provision of broadband Internet access service, insofar as such person is so engaged, shall not engage in paid prioritization.*
- AKA, no tolls allowed. What happens when tolls on a congested resource are banned?

**LUNCH**

# Cyber-physical Security

# Cyber-Physical Attacks



<http://www.youtube.com/watch?v=fJyWngDco3g>

A highly staged demonstration project in a national laboratory.

Opening and closing a circuit breaker – at resonance frequency with the AC cycle.

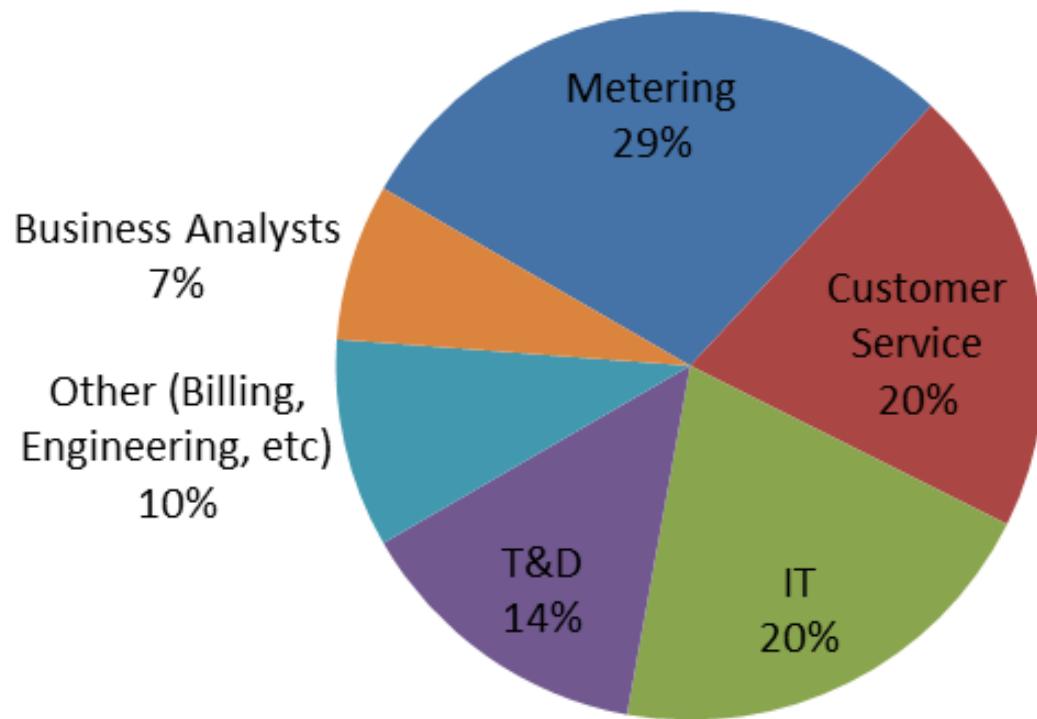
# Physical AND cyber attacks

*2003 NY Blackout:*

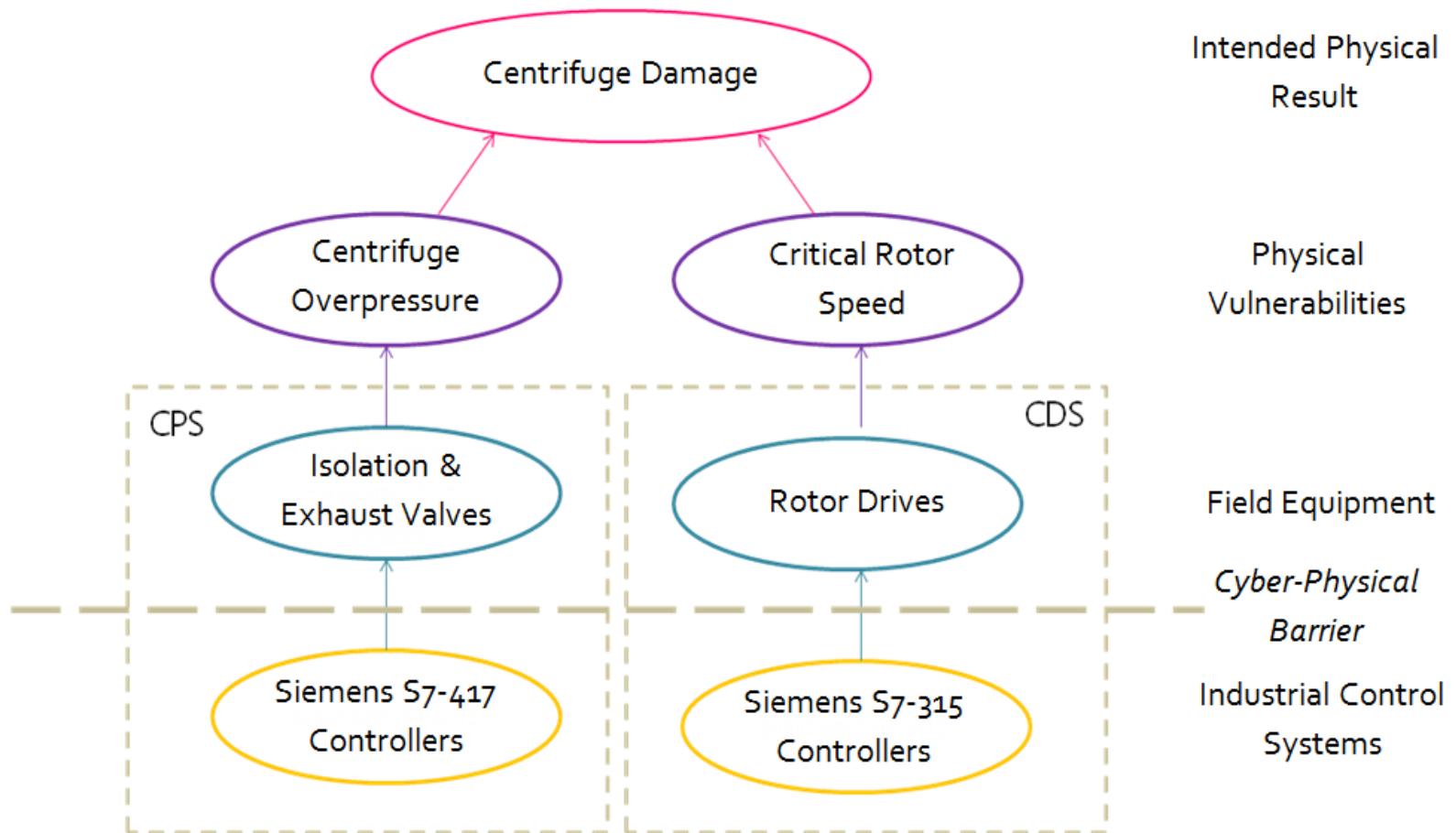
- 2:02 Tree falls onto wire
- 3:32 First failure of a line
- 4:46 Fifth line failure
- 5:13 256 power plants offline; blackout.

*Aug 16, 2012 – Shamoon – 30,000 Saudi Aramco workstations*

## **Survey results of presumed data ownership in a utility**



# Stuxnet



Langner, Ralph. *To Kill a Centrifuge: A technical analysis of what Stuxnet's creators tried to achieve.* Nov 2013

# Ways to classify the threat

## Threat Agents

Access  
Misuse  
Disclosure  
Modify  
Deny Access

## Threat Communities

Employees  
Contractors  
Bored Teenagers  
Cyber-criminals  
Spies  
Activists  
Nation-States

## Threat Consequence

Disclosure  
Deception  
Disruption  
Ursurpation

# Model-Based Approach

## Attacker-centric

- Designed around the threat

## Software-centric

- Based on the subsystem of code

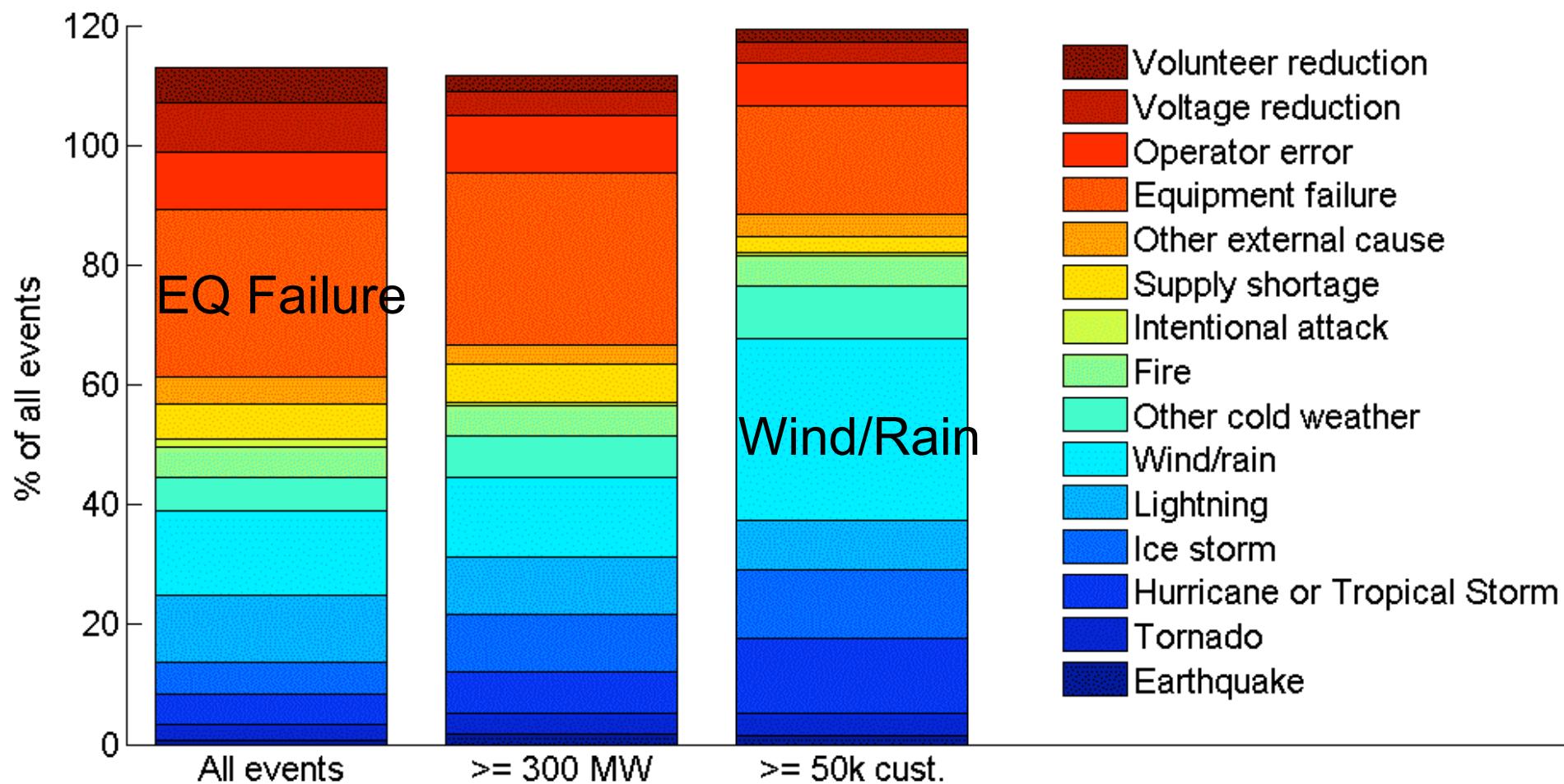
## Asset-centric

- Designed around the assets being protected

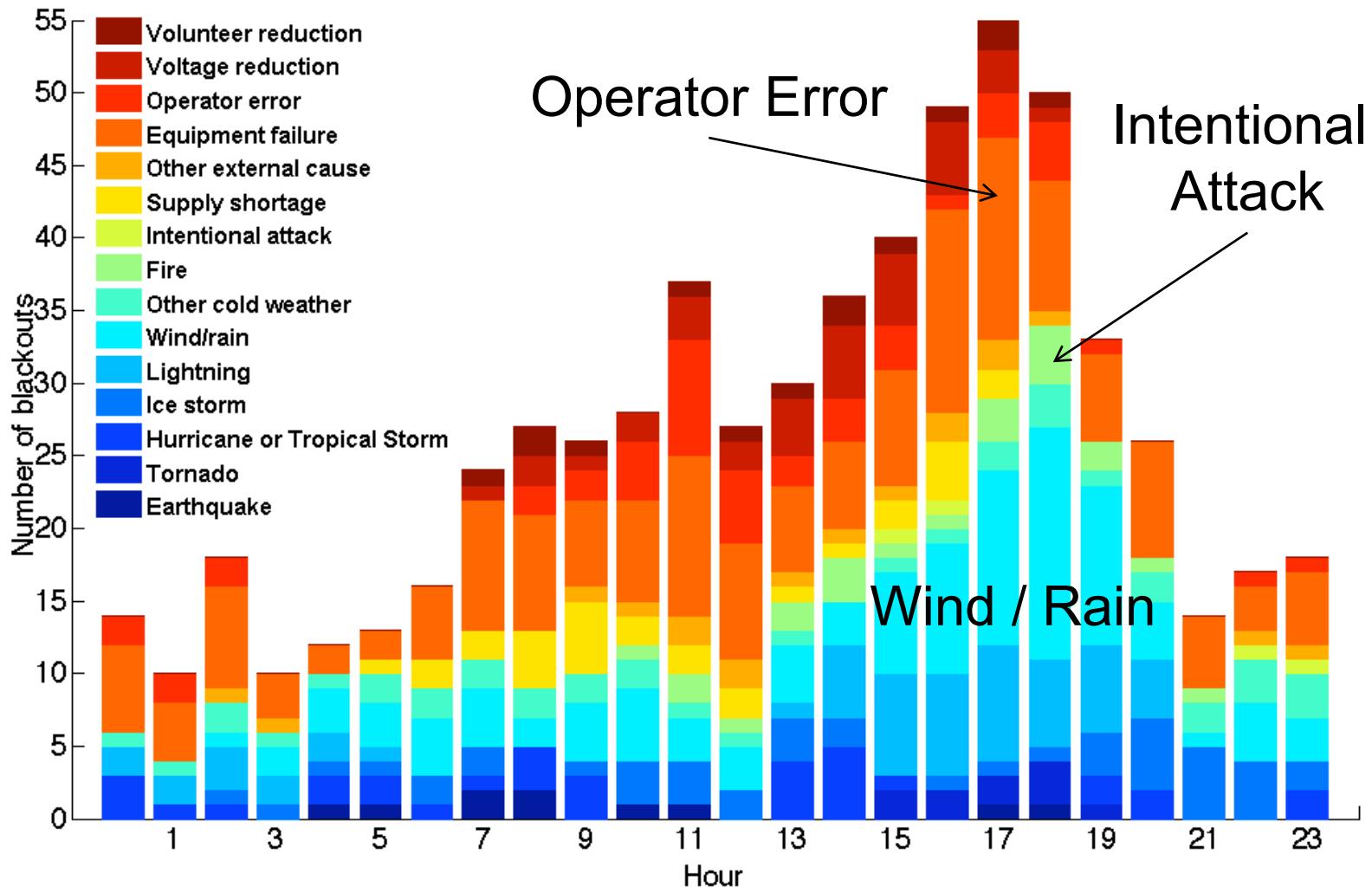
# Threat Vectors

- Phishing Attack
- Unsecure Wireless Network
- Removable Media
- Mobile Devices
- Malicious Web Components
- Viruses and Malware
- Ransomware

# NERC-DAWG (Disturbance Analysis Working Group)

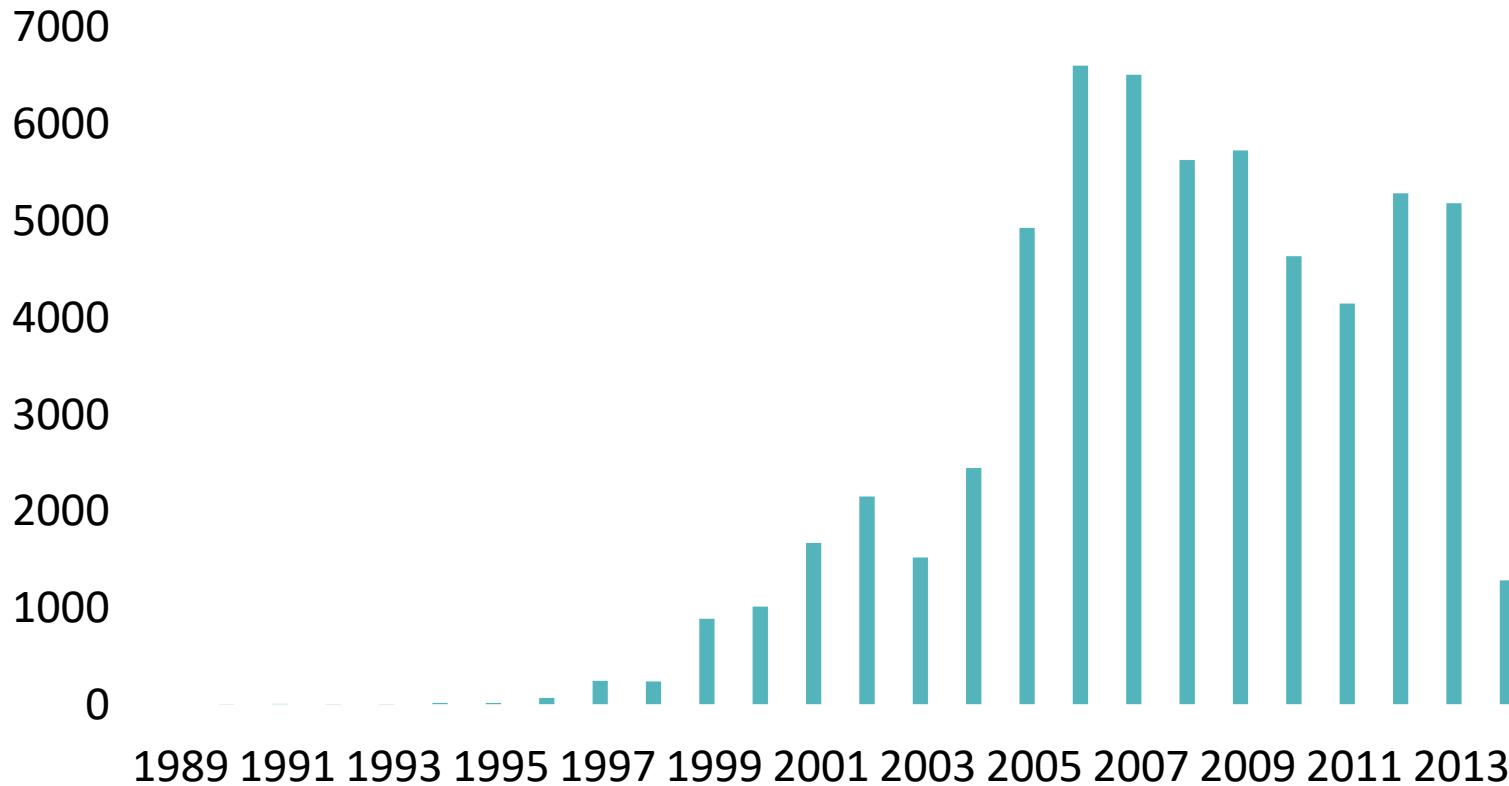


# Outage by Hour of the Day



***What threats should a utility prepare against?***

# Number of Vulnerabilities Reported in Software



***How should utilities embrace software?***

***Rapid adoption or slow and steady?***

# Generic Threat Matrix

Threat Level	THREAT PROFILE									
	Commitment			Technical personnel	Resources					
	Intensity	Stealth	Time		Knowledge		Access			
					Cyber	Kinetic				
1	H	H	Years to decades	Hundreds	H	H	H			
2	H	H	Years to decades	Tens of tens	M	H	M			
3	H	H	Months to years	Tens of tens	H	M	M			
4	M	H	Weeks to months	Tens	H	M	M			
5	H	M	Weeks to months	Tens	M	M	M			
6	M	M	Weeks to months	Ones	M	M	L			
7	M	M	Months to years	Tens	L	L	L			
8	L	L	Days to weeks	Ones	L	L	L			

# Cyber-best practices

- Keep software up-to-date
- Use common software from large companies
- Use 2-factor authentication & strong passwords
- Scan all attachments
- Follow links after checking the sender

# Who should defend our cyberphysical infrastructure?

***Who should be responsible for the cyberphysical security of the electric grid?***

- Government? (1 Fed, 50 States, 1000's cities)
- Private Industry? (180 IOUs)
- Public Industry? (1000's Coops and Munis)

# What is the boundary of a *Critical Infrastructure?*

# How much should we spend to defend it?

What's the best management practice to keep it running?