

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
(CEI SOUTH)**

**DIRECT TESTIMONY
OF
JASON CHRISTOPHER FREEMAN
CORPORATE SECURITY MANAGER**

ON

ADDITION OF SECURITY MONITORING CONTROLS TO CEI SOUTH SUBSTATIONS

SPONSORING PETITIONER'S EXHIBIT NO. 5 (PUBLIC)

DIRECT TESTIMONY OF JASON CHRISTOPHER FREEMAN

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jason Christopher Freeman. My business address is 211 NW Riverside
4 Drive, Evansville, Indiana, 47708.

5 **Q. BY WHOM ARE YOU EMPLOYED?**

6 A. I am employed by CenterPoint Energy Service Company, LLC (“Service Company”),
7 a wholly owned subsidiary of CenterPoint Energy, Inc. The Service Company provides
8 centralized support services to CenterPoint Energy, Inc.’s operating units, one of
9 which is Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy
10 Indiana South (“Petitioner”, “CEI South”, “CEIS” or “Company”).

11 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?**

12 A. I am submitting testimony on behalf of CEI South, which is an indirect subsidiary of
13 CenterPoint Energy, Inc.

14 **Q. WHAT IS YOUR ROLE WITH RESPECT TO PETITIONER CEI SOUTH?**

15 A. I am the Corporate Security Manager.

16 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

17 A. I received a Bachelor of Arts in Interdisciplinary Studies with a Communications
18 emphasis from The University of Alabama in 2010. I also received a Master of
19 Business Administration (“MBA”) degree from The University of Southern Indiana in
20 2019. I have been board certified by ASIS International as a Physical Security
21 Professional (“PSP”) since 2007 and as a Certified Protection Professional (“CPP”)
22 since 2011.

23 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

24 A. I have worked for the Service Company since September 2019. Before working for
25 CenterPoint Energy, Inc., I was the Director of Property Services (Security, Safety,
26 and Facilities Engineering) at Tropicana Evansville Casino from May 2018 –
27 September 2019 and the Director of Security from March 2014 – May 2018. Prior to
28 Tropicana Evansville, I worked for Old National Bancorp from December 2009 until
29 March 2014 as the Physical Security Manager. Before coming to Old National Bank, I

1 worked in security management positions for Busch Gardens Williamsburg Theme
2 Park and Holiday World Theme Park starting in February 2001. I also worked with the
3 Santa Claus, Indiana Police Department as a Reserve Police Officer from December
4 2001 until moving out of the area in July 2007.

5 **Q. WHAT ARE YOUR PRESENT DUTIES AND RESPONSIBILITIES AS CORPORATE**
6 **SECURITY MANAGER?**

7 A. I am responsible for managing physical security operations for all service areas within
8 CenterPoint Energy, Inc.’s footprint, including CEI South. The operations section of
9 Corporate Security comprises security policy and procedure development, security
10 incident response and investigations, security training, site risk and vulnerability
11 assessments, management of security officers and off duty police, as well as
12 management of the Corporate Security Operations Center.

13 **Q. HAVE YOU EVER TESTIFIED BEFORE THE INDIANA UTILITY REGULATORY**
14 **COMMISSION (“COMMISSION”) OR ANY OTHER STATE REGULATORY**
15 **COMMISSION?**

16 A. No, I have not formally testified before the Indiana Utility Regulatory Commission
17 (“Commission”) or another state regulatory commission.

18 **II. PURPOSE & SCOPE OF TESTIMONY**

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

20 A. My testimony provides support for certain aspects of CEI South’s 2024 – 2028 TDSIC
21 Plan, specifically the addition of various security monitoring control technologies and
22 fencing to substations.

23 **III. BACKGROUND**

24 **Q. WHAT SECURITY PROJECTS ARE BEING ADDED?**

25 A. CEI South seeks to add security controls that I will describe later to all owned
26 transmission and distribution substations. The specific controls being added at each
27 site have been determined based on the criticality rating of each substation. The
28 controls include tools to deter, delay, detect, and report substation intrusions.

1 **Q. WHY ARE THESE CONTROLS BEING SUGGESTED?**

2 A. While CEI South does not have substations requiring compliance with the NERC
3 (North American Electric Reliability Corporation) CIP-014 physical security standard,
4 this standard does provide practical guidance for protecting electric facilities. CIP-014
5 requirement 5.1 states, in part, for operators to implement “security measures
6 designed collectively to deter, detect, delay, assess, communicate, and respond to
7 potential physical threats and vulnerabilities.” A 2018 publication about Electric Grid
8 security, from the Joint Counterterrorism Assessment Team (a joint effort between
9 FBI, Department of Homeland Security, and National Counter Terrorism Center),
10 noted many companies employ additional physical security protocols, including remote
11 video surveillance, motion detection and alarm systems¹ to protect grid infrastructure.
12 CenterPoint Energy Houston Electric, LLC, an indirect subsidiary of CenterPoint
13 Energy, Inc. has installed these controls into multiple substations in the Houston, TX
14 area resulting in an increased ability to detect and respond to substations intrusions
15 and suspicious activity. Without these controls, CenterPoint Energy, Inc. will not know
16 there is an issue until something is damaged.

17 **Q. WHAT ARE THE RISKS OF AN UNAUTHORIZED ENTRY INTO A SUBSTATION?**

18 A. Unauthorized entry into a substation is commonly associated with criminal activity
19 related to theft of materials onsite, theft of copper components, gaining unauthorized
20 access to industrial control or cyber systems, or sabotage of equipment on site.
21 Unauthorized entry can result in damage to station components resulting in a service
22 outage and/or resulting in increased risk to authorized personnel on site. Unauthorized
23 entry presents a significant risk of severe injury or death to the intruder due to contact
24 with live electrical components. Any issues caused in the substation due to an intrusion
25 can ultimately result in electric service reliability issues for customers.

26 **Q. EXPLAIN THE FACTORS USED TO DETERMINE CRITICALITY RANKINGS OF**
27 **SUBSTATIONS.**

28 A. [REDACTED]
29 [REDACTED]

¹ Joint Counterterrorism Assessment Team (2018), *First Responder’s Toolbox: Complex Operating Environment-Electric Grid*, available at <https://www.dni.gov/files/NCTC/documents/jcat/firstresponderstoolbox/Complex-Operating-Environment---Electric-Grid.pdf>.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED].

6 **Q. WHY IS CEI SOUTH ASKING FOR THESE PROJECTS NOW WHEN THEY HAVE**
7 **NOT BEEN UNDERTAKEN IN THE PAST?**

8 A. Simply put, the threat of physical attack on the electric grid has increased in the past
9 few years. Utility security personnel were first made aware of these concerns by
10 federal officials, but they quickly found their way into open-source media. A February
11 2023 article in Forbes reports on a Department of Homeland Security memo warning
12 that domestic violent extremists "have developed credible, specific plans to attack
13 electricity infrastructure since at least 2020, identifying the electric grid as a particularly
14 attractive target."² This same article says Department of Energy (“DOE”) data shows
15 physical attacks on the power grid rose 77% in 2022. One of the more recent notable
16 attacks happened in December 2022 in Moore County, North Carolina when two
17 substations were shot at causing transformer damage. The damage to the
18 transformers left more than 40,000 people without electricity for multiple days. This
19 created multiple issues for the area requiring opening shelters, closing schools,
20 declaring a state of emergency, and issuing a nightly 9pm curfew.³ However, this
21 attack was immediately celebrated and amplified on far right and neo-Nazi message
22 boards. Users on these boards shared additional specific tactics for further attacks on
23 the electric grid and encouraged others to attack various locations.⁴ In February 2023,
24 authorities arrested and charged two suspects in connection with an alleged plot to
25 attack the power grid in Baltimore. The criminal complaint against one of the
26 suspected attackers discusses how he used encrypted communications applications

² Brooks, C., *3 Alarming Threats To The U.S. Energy Grid – Cyber, Physical, And Existential Events*, Forbes (Feb. 15, 2023), available at <https://www.forbes.com/sites/chuckbrooks/2023/02/15/3-alarming-threats-to-the-us-energy-grid--cyber-physical-and-existential-events/?sh=6e7e871c101a>.

³ Lavigne, L. “State of Emergency Declared in Moore County after power substations hit with gunfire,” WRAL.com (Dec. 4, 2022), available at <https://www.wral.com/state-of-emergency-declared-in-moore-county-after-power-substations-hit-with-gunfire/20613409/>.

⁴ Site Intelligence Group, “North Carolina Substation Attack Inspires Incitements by Neo-Nazis Providing Instructions for Similar Actions in New York, Washington, DC. Bethesda,” (Dec. 5, 2022). Accessed from Energy Sector Analyst channel of Homeland Security Information Network (HSIN).

1 to post links to open-source maps of electric substations and encouraged an attack be
2 carried out “when there is greatest strain on the grid,” like “when everyone is using
3 electricity to either heat or cool their homes.”⁵ If these attacks were successful, they
4 would have left many people in the dark and without heat.

5 These attacks are a serious threat to the lives of many due to their impact on the
6 reliability of the electric grid. Furthermore, even though intrusions into a substation to
7 steal copper or some other reason may seem minor compared to a coordinated
8 ballistic attack, these incidents still have the direct possibility to lead to malfunctions.
9 These malfunctions in turn create the same life, safety and reliability issues for the
10 utility’s customers.

11 **IV. FULL SECURITY MONITORING PACKAGE**

12 **Q. PLEASE DESCRIBE THE FULL SECURITY MONITORING CONTROLS THAT ARE**
13 **BEING ADDED.**

14 A. CEI South seeks to install [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED].

25 **Q. WHICH SPECIFIC LOCATIONS WILL HAVE SECURITY CONTROLS INSTALLED?**

26 A. These controls will be installed [REDACTED]
27 [REDACTED]

⁵“Maryland Woman and Florida Man Charged Federally for Conspiring to Destroy Energy Facilities,” Feb. 6, 2023, United States Department of Justice, Office of Public Affairs, *available at* <https://www.justice.gov/opa/pr/maryland-woman-and-florida-man-charged-federally-conspiring-destroy-energy-facilities>.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]

4 **V. UPGRADED FENCING**

5 **Q. PLEASE DESCRIBE THE UPGRADED FENCING CONTROLS THAT ARE BEING**
6 **ADDED.**

7 A. CEI South seeks to replace existing chain link fencing with high security fence panels
8 at the [REDACTED].

9 **Q. WHICH SPECIFIC LOCATIONS WILL HAVE SECURITY CONTROLS INSTALLED?**

10 A. These fence changes will happen at [REDACTED] owned
11 by CEI South. These sites are: [REDACTED]
12 [REDACTED].

13 **VI. BASIC INTRUSION MONITORING**

14 **Q. PLEASE DESCRIBE THE BASIC INTRUSION MONITORING CONTROLS THAT**
15 **ARE BEING ADDED.**

16 A. CEI South seeks to install [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]

1 VII. ELIGIBLE TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM
2 IMPROVEMENTS

3 Q. PLEASE EXPLAIN HOW THESE PROJECTS MEET THE DEFINITION OF
4 “ELIGIBLE TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM
5 IMPROVEMENTS” AS SET FORTH IN INDIANA CODE § 8-1-39-2.

6 A. “Eligible transmission, distribution, and storage system improvements” is defined
7 under Ind. Code § 8-1-39-2 to mean “new or replacement electric or gas transmission,
8 distribution, or storage utility projects that: (1) a public utility undertakes for purposes
9 of safety, reliability, system modernization, or economic development, including the
10 extension of gas service to rural areas” that were not included in the public utility’s rate
11 base in its most recent general rate case. The purpose of these projects is to add
12 additional security control measures at the Company’s substations to prevent a
13 physical attack on those assets. Due to the inherent risk of severe injury or death due
14 to a trespasser entering a substation, these added controls increase public safety.
15 Further, these added controls will help protect system reliability. Previous attacks on
16 electric substations have led to mass outages lasting for a number of days. These
17 outages put the health, safety, and welfare of our customers and the public at-large at
18 risk and can cause millions of dollars in property damage. Moreover, due to the
19 possibility of damage to system components, these added controls increase reliability
20 and increase safety of CEI South employees and contractors working on site.

21 VIII. CONCLUSION

22 Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

23 A. Yes, it does.

VERIFICATION

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY D/B/A CENTERPOINT ENERGY
INDIANA SOUTH



Jason Christopher Freeman
Corporate Security Manager

05/22/2023

Date