Industry-Leading Cyber Security

Black Hills Energy (BHE) has developed a comprehensive security program to address the evolving cyber and physical security risks facing companies managing critical infrastructure

➢ Maintaining "Defense in Depth" strategy using established security framework
  - ✓ Center for Internet Security (CIS) Controls; and
  - ✓ National Institutes of Standards and Technology (NIST) Framework

➢ Layers of administrative and technical security controls to prevent, detect and respond to security concerns

➢ Incorporates government and industry-related security intelligence sources along with active participation in industry peer groups:

  - ✓ Department of Homeland Security (DHS) classified briefings,
  - ✓ Edison Electric Institute (EEI) peer group,
  - ✓ American Gas Association (AGA) peer group,
  - ✓ Maintain applicable DHS Critical Infrastructure Private Sector Clearance Program
  - ✓ Cybersecurity Risk Information Sharing Program (CRISP) Participant

Industry-Leading Cyber Security (Continued)

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➤ Program validated by multiple sources
  ✓ Government-mandated audits and reviews:
    ✓ National Energy Regulatory Commission – Critical Infrastructure Protection (NERC-CIP) – Electric;
    ✓ Transportation Security Agency (TSA) – Natural Gas
  ✓ Internal and external Sarbanes-Oxley Act (SOX) audits, risk-based audits
  ✓ External penetration testing annually
  ✓ Ransomware Assessment & Tabletop Exercises

TSA Directives Impact

TSA Directive #2

➢ Impacted planned projects which needed to be re-prioritized
  ✓ Example: BHE planned risk-based deployment of additional CIS controls changed timeline to meet the compliance requirements of Directive #1 and #2

➢ Used field resources in order to achieve compliance to Directive #2

➢ Updated prioritization of planned capital to TSA field compliance requirements

➢ Some of the requirements in Directive #2 are prescriptive rather than risk-based assessment

➢ All action plans have been approved by TSA

Potential TSA Directive #2 Impact

➢ Potential supply chain impact for new prescriptive requirements

➢ Future extension of Directive #2 in lieu of rule making process