

SEC. 40123. INCENTIVES FOR ADVANCED CYBERSECURITY TECHNOLOGY INVESTMENT.

Part II of the Federal Power Act is amended by inserting after section 219 (16 U.S.C. 824s) the following:

``SEC. 219A. <<NOTE: 16 USC 824s-1.>> INCENTIVES FOR CYBERSECURITY INVESTMENTS.

``(a) Definitions.--In this section:

``(1) Advanced cybersecurity technology.--The term `advanced cybersecurity technology' means any technology, operational capability, or service, including computer hardware, software, or a related asset, that enhances the security posture of public utilities through improvements in the ability to protect against, detect, respond to, or recover from a cybersecurity

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threat (as defined in section 102 of the Cybersecurity Act of 2015 (6 U.S.C. 1501)).

``(2) Advanced cybersecurity technology information.--The term `advanced cybersecurity technology information' means information relating to advanced cybersecurity technology or proposed advanced cybersecurity technology that is generated by or provided to the Commission or another Federal agency.

``(b) <<NOTE: Deadline. Consultation.>> Study.--Not later than 180 days after the date of enactment of this section, the Commission, in consultation with the Secretary of Energy, the North American Electric Reliability Corporation, the Electricity Subsector Coordinating Council, and the National Association of Regulatory Utility Commissioners, shall conduct a study to identify incentive-based, including performance-based, rate treatments for the transmission and sale of electric energy subject to the jurisdiction of the Commission that could be used to encourage--

``(1) investment by public utilities in advanced cybersecurity technology; and

``(2) participation by public utilities in cybersecurity threat information sharing programs.

``(c) <<NOTE: Deadline.>> Incentive-Based Rate Treatment.--Not

later than 1 year after the completion of the study under subsection (b), the Commission shall establish, by rule, incentive-based, including performance-based, rate treatments for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by public utilities for the purpose of benefitting consumers by encouraging--

``(1) investments by public utilities in advanced cybersecurity technology; and

``(2) participation by public utilities in cybersecurity threat information sharing programs.

``(d) Factors for Consideration.--In issuing a rule pursuant to this section, the Commission may provide additional incentives beyond those identified in subsection (c) in any case in which the Commission determines that an investment in advanced cybersecurity technology or information sharing program costs will reduce cybersecurity risks to--

``(1) defense critical electric infrastructure (as defined in section 215A(a)) and other facilities subject to the jurisdiction of the Commission that are critical to public safety, national defense, or homeland security, as determined by the Commission in consultation with--

``(A) the Secretary of Energy;

``(B) the Secretary of Homeland Security; and

``(C) other appropriate Federal agencies; and

``(2) facilities of small or medium-sized public utilities with limited cybersecurity resources, as determined by the Commission.

``(e) Ratepayer Protection.--

``(1) In general.--Any rate approved under a rule issued pursuant to this section, including any revisions to that rule, shall be subject to the requirements of sections 205 and 206 that all rates, charges, terms, and conditions--

``(A) shall be just and reasonable; and

``(B) shall not be unduly discriminatory or preferential.

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``(2) Prohibition of duplicate recovery.--Any rule issued pursuant to this section shall preclude rate treatments that allow unjust and unreasonable double recovery for advanced cybersecurity technology.

“(f) Single-Issue Rate Filings.--The Commission shall permit public utilities to apply for incentive-based rate treatment under a rule issued under this section on a single-issue basis by submitting to the Commission a tariff schedule under section 205 that permits recovery of costs and incentives over the depreciable life of the applicable assets, without regard to changes in receipts or other costs of the public utility.

“(g) Protection of Information.--Advanced cybersecurity technology information that is provided to, generated by, or collected by the Federal Government under subsection (b), (c), or (f) shall be considered to be critical electric infrastructure information under section 215A.”.