

NASEO Energy Security Committee Meeting Summary 2015 NASEO Energy Policy Outlook Conference Wednesday, February 4, 2015, 4:00 p.m. – 5:30 p.m.

State Attendees:

- 1. Kristofor Anderson, Georgia Environmental Finance Authority
- 2. Kerry Campbell, Pennsylvania Department of Environmental Protection
- 3. Reid Conway, Tennessee Department of Environment and Conservation
- 4. Russell Duncan, North Carolina Department of Environment and Natural Resources
- Karl Frost, Alabama Department of Economic and Community Affairs
- 6. Mark Glick, Hawaii State Energy Office
- 7. Greg Guess, Kentucky Department of Energy Development and Independence
- 8. Doris Jansky, Nebraska Energy Office (Committee Vice-Chair)
- 9. Kristy Manning, Missouri Department of Economic Development
- 10. Garrett Martin, Montana Department of Environmental Quality
- 11. Louise Martinez, New Mexico Energy, Minerals, and Natural Resources Department
- 12. Paul Miller, Louisiana Department of Natural Resources
- 13. Greg Payne, Ohio Development Services Agency
- 14. Scott Pugrud, Idaho Office of Energy Resources
- 15. Maria Redmond, Wisconsin State Energy Office
- 16. Mitchell Simpson, Arkansas Economic Development Commission
- 17. Janet Streff, Minnesota Department of Commerce

18. Peter Tassoni, Washington Department of Commerce

Other Attendees:

- 19. Scott Aaronson, Edison Electric Institute
- 20. Cherrie Black, Idaho National Laboratory
- 21. Scott Brechmacher, BCS, Inc.
- 22. Denise Foster, PJM Interconnection
- 23. Paula Gant, U.S. Department of Energy
- 24. Gary Garrett, Southern States Energy Board
- 25. Jeff Genzer, NASEO
- 26. Brenda Girod, ICF International
- 27. Stephen Goss, NASEO
- 28. Cliff Haefke, Energy Resource Center University of Illinois at Chicago
- 29. Patricia Keane, BCS, Inc.
- 30. Bill Kent, Association of Energy Engineers
- 31. Alice Lippert, U.S. Department of Energy
- 32. Peggy Montana, Shell Midstream Partners
- 33. Lou Moore, NASEO
- 34. Bruce Murray, Constellation
- 35. Neeharika Naik-Dhungel, U.S. Environmental Protection Agency
- 36. Jeffrey Pillon, NASEO
- 37. Evelyn Robinson, PJM Interconnection
- 38. Keith Robson, Marathon Petroleum
- 39. Ashley Rose, BCS, Inc.
- 40. Edward Saltzberg, Willdan Group
- 41. David Selawski, Constellation
- 42. Jim Slutz, National Petroleum Council
- 43. Shemika Spencer, NASEO
- 44. Yvonne Taylor, U.S. Energy Information Administration
- 45. Richard Ward, Edison Electric Institute

Welcome and Introduction

Doris Jansky, Statistical Analyst for the Nebraska Energy Office and Co-Chair of NASEO's Energy Security Committee, welcomed the group and provided general introductions. Following Ms. Jansky's opening remarks Jeff Pillon, NASEO's Director of Energy Assurance, provided attendance with several brief committee updates and discussed ongoing committee activities. Specifically, Mr. Pillon discussed NASEO's current efforts, in conjunction with the U.S. Department of Energy (DOE) to host two multi state/regional planning exercises in late summer/early fall 2015. Mr. Pillon also mentioned NASEO's efforts to assist DOE in expanding and revitalizing the energy emergency assurance coordinator program. Due to the recent turnovers in various State Energy Offices, NASEO will be conducting training for states and is currently working to update training materials to include several key concerns such as the opportunity and role that states can play in preventing cybersecurity threats and the potential risks to energy systems.

State Energy Risk Assessment Initiative Update

DOE's Alice Lippert provided an update on the State Energy Risk Assessment Initiative which was launched last fall by the Division of Energy Infrastructure Modeling and Analysis (EIMA) within the Office of Electricity Delivery and Energy Reliability (OE). This initiative was designed to build off of DOE OE's previous work by working with states and various agencies to determine risk assessment needs through the analysis of current practices, tools, methods, and processes and sharing these results to create a comprehensive culture of risk assessment. Ms. Lippert discussed EIMA activities currently underway, such as partnering with that National Association of Regulatory Utility Commissioners to conduct utility investment and resilience simulations with Public Utility Commissions and co-hosting a State Energy Assessment Workshop with NASEO and the National Conference of State Legislatures on April 28 – 29, 2015, in Denver, Colorado.

National Petroleum Council Emergency Preparedness Study

Dr. Paula Gant from DOE's Office of Fossil Energy and Peggy Montana of Shell Midstream Partners presented on behalf of the National Petroleum Council (NPC) to discuss the NPC's recently released report entitled, "Enhancing Emergency Preparedness for Natural Disasters: Government and Oil and Natural Gas Industry Actions to Prepare, Respond, and Recover" which was prepared following a request issued by DOE Secretary Ernest Moniz in order to determine:

- What vulnerabilities have recent storm activities exposed in U.S. energy infrastructure?
- What legal procedural and physical gaps need to be addressed by industry and government to improve response to disruptions?
- What strategies should be pursued to increase energy system resilience to storms and other potential disruptions?
- What actions can be taken to address the interdependencies between oil and natural gas systems and other critical infrastructure?

The study was broken down to look at oil and natural gas supply chains and legal regulatory aspects and was approached in two ways. First, the Council examined after-action reports from previous natural disasters and identified key findings and lessons learned from these reports. The Council then engaged with the federal government, states, and utilities to hold several sessions around the nation to solicit thoughts, concerns, and advice on ways to improve preparation, response, and recovery in the event of a natural disaster. The study found that effective communication is a major challenge during emergencies and that improved situational awareness enables a significantly more effective response. Key recommendations from the report include aligning the DOE emergency response team structure with the National Incident Management System Incident Command System, leveraging U.S. Energy Information Administration expertise with DOE emergency response practices, and promoting state engagement with oil and gas industries when developing or refining state energy assurance plans.

Private and Public Sector Collaboration

Scott Aaronson from Edison Electric Institute discussed the structure of the modern electric sector and what is being done to ensure the reliability and protection of the electric grid. Mr. Aaronson stated that the current structure of the electric sector has evolved out of a baseline level of technical and operational standards, close partnerships between public and private sector participants, and the ability to learn from a history of natural disasters to better plan, adapt, and recover. While each of these has contributed to the maturation of this sector, no single aspect is capable of guaranteeing preparation for a natural disaster or the protection of critical infrastructure. Following September 11, the National Infrastructure Advisory Council was formed by public and private stakeholders to provide the high-level input needed to catalyze emergency response efforts. The group focused on deploying tools and technology to improve situational awareness, improving the flow of information, coordinating incident response and unity of message, and identifying interdependencies throughout all sectors of the critical infrastructure. Mr. Aaronson stressed the crucial role that innovative technological and programmatic developments will play in preparing for natural threats to critical infrastructure, citing initiatives such as the Spare Transport Equipment Program to pre-position critical components in the event of a disaster and the Spare Connect program, which serves as a database that brings together contact info for all utility asset owners.

Presentations from the committee meeting are available on the NASEO website.

The meeting was adjourned at 5:30 p.m. ET.
