



NASEO Energy Security Committee
Thursday, May 20, 2015, 3:30 p.m. – 4:30 p.m.
Conference Call Summary

Attendees:

Doris Jansky, Committee Chair	Nebraska Energy Office
David Bracht	Nebraska Energy Office
Ed Holbrook	Nebraska Energy Office
Lisa Smith	Maine Governor's Energy Office
Jennifer Pope	Idaho Office of Energy Resources
Gloria Castro	Arizona Governor's Office of Energy Policy
Representative	California Energy Commission
Alexander Mack	Florida Office of Energy
Kris Anderson	Georgia Energy Resources Division
Ben Cowart	Georgia Environmental Finance Authority
Mark Want	Hawaii State Energy Office
Rajiv Narielwala	Illinois Energy Office
Shelly Peterson	Iowa Energy Division
Joanne McBrien	Massachusetts Department of Energy Resources
Farhad Aminpour	Massachusetts Department of Energy Resources
Alex Morese	Michigan Agency for Energy
Doug Renier	Minnesota Division of Energy Resources
Sue Stephens	Nevada Governor's Office of Energy
John Fairman	Nevada Governor's Office of Energy
Bill Lunsford	Kentucky Department for Energy Development and Independence
Paul Miller	Louisiana State Energy Office
Patricia Nussbaum	Louisiana State Energy Office
Jan Lohraff	Missouri Division of Energy
Jeff Blend	Montana Energy and Pollution Prevention Bureau
Charlie Wesley	New York State Energy Research and Development Authority
Terry Steuber	Kansas Energy Office
Mark Anderson	Washington Energy Office
Karen Lasure	West Virginia Division of Energy
Scott Fletcher	Tennessee Office of Energy Programs
Christine Keck	Energy Systems Group
Casey Mills	Propane Education and Research Council
Alice Lippert	U.S. Department of Energy
Jeff Pillon	National Association of State Energy Officials
Shemika Spencer	National Association of State Energy Officials

Welcome and Introductions

Doris Jansky, Committee Chair, thanked everyone for being on the call. This quarterly committee call is part of NASEO's work to engage states, facilitate discussion, provide information, and receive feedback from the members on energy data and security issues, energy assurance, and risk analysis.

Brief Summary of U.S. DOE State Energy Risk Assessment Workshop

Ms. Jansky and Jeff Pillon, NASEO's Director of Energy Assurance, provided a brief report on the U.S. Department of Energy (DOE) Risk Assessment Workshop which was held on April 28 – 29, in Denver, Colorado. The workshop is part of a DOE initiative to help states and their partners gain awareness of risk to energy systems and infrastructure, as well as to become knowledgeable of necessary capabilities, available tools, methods, and processes for assessing risks to energy systems and assets. The workshop was attended by over 120 individuals from state and local agencies responsible for energy assurance planning, investments in resilience and energy infrastructure risk assessment and management (including State Energy Offices, Public Utility Commissions, Emergency Management Agencies, Homeland Security Agencies, and State Legislatures) as well as industry and federal agency representatives. The day-and-half workshop featured experts from national laboratories, state agencies, the U.S. Department of Homeland Security, and the private sector who specialize in energy data, risk analysis, and assessments. Throughout the workshop, attendees participated in facilitated discussions on how states approach and conduct risk assessments. Presentations from the workshop are available on the NASEO [website](#).

In addition, Alice Lippert, Senior Technical Advisor for the DOE's Office of Electricity Delivery and Energy Reliability's Energy Infrastructure Modeling and Analysis Division discussed the series of State Energy Risk Profiles that were developed by DOE. The profiles examine the relative magnitude of the risks that each state's energy infrastructure routinely encounters in comparison with the probable impacts. The profiles discuss both natural and man-made hazards with the potential to cause disruption of the electric, petroleum, and natural gas infrastructures. The state profiles are available on the DOE [website](#).

Call for Information on Upcoming State Exercises, Energy Assurance Plan Updates, After-Action Reports, and Other State News and/or Initiatives

Ms. Jansky briefly discussed the need for participants to provide NASEO with any information their states energy assurance, risk assessment, and resiliency efforts to help inform NASEO's program activities and outreach. She requested that participants email the information, documents, and reports to her (Doris.Jansky@nebraska.gov), Jeff Pillon (jpillon@naseo.org), and Shemika Spencer (sspencer@naseo.org) along with short paragraph descriptions or details.

Federal Initiatives Update

Mr. Pillon provided a brief update on DOE's Quadrennial Energy Review (QER), the U.S. Department of Transportation's (DOT) Final Rule on Oil Shipments by Rail, the Energy Sector Specific Plan (Energy SSP), U.S. Department of Homeland Security's (DHS) Voluntary Cybersecurity Framework, and National Petroleum Council's (NPC) Emergency Preparedness Report.

DOE Quadrennial Energy Review

Mr. Pillon discussed some of the recommendations from DOE's recently released QER which directly affect the states. According to Mr. Pillon, the recommendation to "Support the Updating and Expansion of State Energy Assurance Plans" is of particular importance as it would provide \$35 million to DOE to establish a State Energy Assurance grant program to finance state, local, and tribal governments and calls for DOE to continue a multi-year program of support for state energy assurance plans, focusing on improving the capacity of states and localities to identify potential energy disruptions, quantify their impacts, and develop comprehensive plans that respond to those disruptions and reduce the threat of future disruptions. The QER recommends this program be supported on either a 2-year or 3-year cycle. The funding for this program has been proposed in the President's Fiscal Year 2016 Budget but will need to have the funds

appropriated by Congress before it can move forward (*Page 2-39*). Other relevant recommendations include:

- Establish a competitive grant program to promote innovative solutions to enhance energy infrastructure resilience, reliability, and security: DOE should establish a program to provide competitively awarded grants to states to demonstrate innovative approaches to transmission, storage, and distribution infrastructure hardening and enhancing resilience and reliability
- Analyze the policies, technical specifications, and logistical and program structures needed to mitigate the risks associated with loss of transformers.
- Analyze the need for additional or expanded regional product reserves

To download the QER, please visit the DOE [website](#).

In addition, Mr. Pillon briefly discussed DOE's April 24th briefing on the QER. The briefing is available for viewing on DOE's [YouTube page](#).

Finally, NASEO will host a conference call with DOE for states on Tuesday, May 26th, from 4:00 p.m. – 5:00 p.m. ET. To participate please use the following call-in information: 631.992.3444 (Conference Room Number: 4962036).

DOT Final Rule on Oil Shipments by Rail

Mr. Pillon provided brief remarks on DOT's May 1st final rule to strengthen oil shipments by rail. The final rule was developed by the Pipeline and Hazardous Materials Safety Administration and Federal Railroad Administration, in coordination with Canada, focuses on safety improvements that are designed to prevent accidents, mitigate consequences in the event of an accident, and support emergency response to an accident. Specifically the rule:

- Unveils a new, enhanced tank car standard and an aggressive, risk-based retrofitting schedule for older tank cars carrying crude oil and ethanol;
- Requires a new braking standard for certain trains that will offer a superior level of safety by potentially reducing the severity of an accident, and the "pile-up effect";
- Designates new operational protocols for trains transporting large volumes of flammable liquids, such as routing requirements, speed restrictions, and information for local government agencies; and
- Provides new sampling and testing requirements to improve classification of energy products placed into transport.

The final rule is available on the DOT [website](#).

Energy Sector Specific Plan

According to Mr. Pillon DOE is currently developing the draft Energy SSP to conform to the 2013 update of the National Infrastructure Protection Plan (NIPP 2013). He expects the Energy SSP will be released later this year and NASEO's activities in support of the plan will be included along with relevant authorities. The NIPP 2013 is available on the DHS [website](#).

DHS Voluntary Cybersecurity Framework

Mr. Pillon discussed how DHS, through the Critical Infrastructure Cyber Community C³ (pronounced "C Cubed") Voluntary Program, has partnered with the critical infrastructure community to establish a voluntary program to encourage use of the Framework to strengthen critical infrastructure cybersecurity. The C³ Voluntary Program is the coordination point within

the federal government for critical infrastructure owners and operators interested in improving their cyber risk management processes. The program aims to: 1) support industry in increasing its cyber resilience; 2) increase awareness and use of the Framework; and 3) encourage organizations to manage cybersecurity as part of an all hazards approach to enterprise risk management. More information on the program is available on the DHS [website](#).

In addition, on Tuesday, May 28th, from 2:00 p.m. – 3:00 p.m. ET DHS’s Office of Cyber and Infrastructure Analysis will present the key findings from the recently released “*Executive Summary and Infographic for the National Risk Estimate on Aging and Failing Critical Infrastructure Systems*”. To register, click [here](#).

NPC Emergency Preparedness Report

Finally, Mr. Pillon provided a brief update on the NPC Emergency Preparedness Report. Specifically, he discussed the key recommendations which directly related to the states which are listed below:

- i. NPC Recommendation 5: “States should increase engagement with oil and natural gas industry in their energy assurance plans, and industry members should assist the states in such efforts.”
- ii. “DOE should continue to work with the states and the National Association of State Energy Officials to refine and enhance their State Energy Assurance Plans to include:
 1. Clearly defined accountability of stakeholders
 2. Assessment of vulnerabilities and risk assessments of supply chains
 3. Local, cross-regional, and cross-industry dependencies and interdependencies
 4. Fuel supply and distribution points for first responders
 5. Consideration for impacts to resiliency in state and local policy decisions.”
- iii. NPC Recommendation 6: “Both DOE and states should establish routine education and training programs for key government emergency response positions.”
- iv. NPC Recommendation 7: “Both DOE and states should improve their comprehensive drill and exercise programs and include industry participation. Reciprocal invitations extended by companies to DOE and states are recommended.”

The report is available on the NPC [website](#). In January, NASEO submitted a letter to Secretary Moniz applauding his actions in initiating the report and expressing support for the implementation of the recommendations. In March NASEO received a letter from Secretary Moniz in response. Both letters are included as attachments.

Finally, Mr. Pillon briefly discussed NASEO’s ongoing efforts with DOE to update the existing memorandum of understanding for the Energy Emergency Assurance Coordinators program as well as to expand the agreement by including the National Association of Regulatory Utility Commissioners, National Governors Association (NGA), and National Emergency Management Association as signatories. NASEO will provide more information in the coming weeks.

Update on NASEO Activities

Shemika Spencer, NASEO Program Director, provided a brief update on NASEO activities related to energy assurance, resilience, and risk assessment. NASEO continues to work with DOE to refine and expand the training and technical resources available to states. Ms. Spencer asked participants to provide any suggestions for upcoming training webinars. Please email suggestions to Doris Jansky (Doris.Jansky@nebraska.gov), Jeff Pillon (jpillon@naseo.org), and Shemika Spencer (sspencer@naseo.org).

Also, the energy assurance exercises that were to be held later this summer have been postponed until the next fiscal year (Fiscal Year 2016). NASEO will provide more information to states as they become available. Finally, NASEO will once again co-host the annual Winter Fuels Outlook Conference with DOE and the U.S. Energy Information Administration. This year’s conference will be held on Tuesday, October 6, 2015, in Washington, D.C. A save-the-date announcement will be sent out in the coming weeks.

Mr. Pillon provided a brief report on NGA's Learning Lab on Energy Assurance which was held last week. Participating states included: Hawaii, North Carolina, New Jersey, Maryland, Michigan, Oklahoma, and Rhode Island.

Action Items

1. NASEO is seeking information on states' energy assurance, risk assessment, and resiliency efforts to help inform NASEO's program activities and outreach. Please email any information, documents, and reports to Doris Jansky (Doris.Jansky@nebraska.gov), Jeff Pillon (jpillon@naseo.org), and Shemika Spencer (sspencer@naseo.org) along with short paragraph descriptions or details.
2. NASEO is seeking suggestions for upcoming training webinars. Please email suggestions to Doris Jansky (Doris.Jansky@nebraska.gov), Jeff Pillon (jpillon@naseo.org), and Shemika Spencer (sspencer@naseo.org).
3. Anyone interested in being added to the Energy Security Committee list should email Shemika Spencer (sspencer@naseo.org).
4. The next committee conference call will be held on Wednesday, August 12th, from 3:30 p.m. – 4:30 p.m. ET.