

U.S. State Energy Program – Energy Security and Grid Actions Vital to National Energy Security and Economic Goals

The nation's 56 State and Territory Energy Offices were formed by the states in response to the 1973 Oil Embargo and were tasked with reducing our dependency of foreign energy resources, and mitigating energy supply disruptions caused by weather and physical (and more recently cyber) security threats across the energy sector – electricity, petroleum, and natural gas. State Energy Offices quickly evolved to support governors' and state legislatures' energy policy and program priorities, as well as electric grid planning and advancement of innovative energy technologies. Foundational to the states' work is cost-match, formula funding provided by Congress through the 45-year old, bipartisan-supported U.S. State Energy Program administered by the U.S. Department of Energy (DOE). Congress requires each state to have an energy emergency plan under the U.S. State Energy Program – a requirement that governors, federal officials, and energy providers have valued for decades.

Following 9/11, the shared federal-state-private sector responsibilities for energy emergency planning and response were substantially strengthened when DOE and State Energy Offices began working collaboratively on energy security. In 2017, in recognition of the significant cyber threat to the U.S. energy system, the U.S. House of Representatives passed by unanimous consent the *Enhancing State Energy Security Planning and Emergency Preparedness Act*. The act substantially strengthened State Energy Security Planning under U.S. State Energy Program. The Act went on to become a part of the *Infrastructure Investment and Jobs Act* which included U.S. State Energy Program funding to help modernize State Energy Security Plans and improve electric transmission and distribution planning aimed at meeting the nation's growing demand for electricity. In 2024, Congress recognized the substantial physical threats to the electric system and Congressman Latta (OH-R) and Congresswoman Matsui (CA-D) introduced the SECURE Grid Act which would continue and expand the State Energy Offices' shared role with the federal government in energy security and electric grid planning through the U.S. State Energy Program.

Each of the above instances of Congressional action in support of the U.S. State Energy Program and State Energy Offices' roles was supported by nearly every Member of Congress and all governors across the nation. The cost to states' economies and threats to the lives of their citizens are the top priorities for all state leaders. State Energy Offices' careful planning and analysis, deep relationships with private-sector energy providers and understanding of critical infrastructure interdependencies have helped to more rapidly resolve energy supply threats and disruptions during natural disasters, cyber events, and physical criminal acts. State Energy Offices security and grid planning actions have, for example, reduced the negative energy impacts resulting from hurricanes in Florida, Louisiana, and Georgia; wildfires in New Mexico, Colorado, and Oregon; severe flooding in North Carolina, Tennessee, and Kentucky; winter storms in Texas, Minnesota, Indiana, and New Hampshire; and in navigating the nation's first oil pipeline cyber-attack in 2020 that brought southeast gasoline deliveries to a halt. For these reasons, electric and natural gas utilities, petroleum providers, and industry players regularly engage with State Energy Offices directly as well as through DOE and the National Association of State Energy Officials (NASEO also counts Exxon Mobil, Colonial Pipeline, the American Gas Association, the Edison Electric Institute, and many other energy providers as Affiliate partners).

The vast majority of State Energy Offices are uniquely positioned as the only governor-designated entity at the state level with energy sector subject matter expertise and the ability to coordinate with private sector energy providers because of their generally non-regulatory role across all energy sources – petroleum products, natural gas, and electricity. Receiving directives from their governors, State Energy Offices use U.S. State Energy Program cost-match, formula funding provided by Congress and administered by DOE to work with their State Emergency Management and Homeland Security Agencies and Public Utility Commissions (just as DOE works with DHS and FERC at the federal level) to address energy security risks and system vulnerabilities.

State Energy Offices maintain, with formula funding from the U.S. State Energy Program, a governor-approved and DOE-recognized State Energy Security Plan to monitor and contextualize energy sector threats, vulnerabilities, and risks; highlight critical infrastructure interdependencies; and outline state energy emergency response, mitigation, and planning strategies to address those risks – reducing the impact of energy emergencies on the economy and the lives of citizens. State Energy Offices are involved in every major disaster and emergency disruption as either leads for or key advisors to their governors and are the primary point of engagement for DOE’s Office of Cybersecurity, Energy Security and Emergency Response (CESER) and the DOE’s State Energy Program staff which administer the U.S. State Energy Program (Note: the U.S. State Energy Program is used by states in coordination with nearly all DOE divisions – Electricity, Nuclear, EERE, CESER, Fossil). Following are several examples of State Energy Offices’ energy emergency activities:

- **Virginia State Energy Office Response to Hurricane Helene:** In the aftermath of Hurricane Helene, the Virginia Department of Energy (VDOE) led the acquisition and deployment of drones to conduct aerial damage assessments of electric utility infrastructure, to expedite recovery and power restoration. Using U.S. State Energy Program formula funds, VDOE established an energy task force in response to Helene, requiring proactive engagement of key energy sector partners in the state to help inform situational reports, address unmet needs, and coordinate with DOE and others.
- **Tennessee, Georgia, and other Southeast State Energy Offices Planning for and Response to the Colonial Pipeline Cybersecurity Incident:** On May 7, 2021, the Colonial Pipeline Company proactively shut down its pipeline system in response to a ransomware attack. This caused a major disruption in fuel deliveries to states in the Southeast and Mid-Atlantic regions. In response, State Energy Offices used U.S. State Energy Program formula funds to coordinate across the region in implementing petroleum shortage response plans (previously created), unified messaging and public communications, and mitigating the impacts of the unplanned fuel disruption. The region was days away from a serious gasoline and other petroleum product shortage. The State Energy Offices’ planning and response helped reduce panic buying, and ensured industry was able to fulfill priority fuel deliveries to mission critical services and facilities.
- **Massachusetts, New Hampshire, New York and Other Northeast State Energy Office Leadership in Regional Winter Fuels Disruption Response:** During the polar vortex of 2018, northeast State Energy Offices (e.g., New Hampshire, Maine) with the assistance from the Massachusetts Department of Energy Resources (State Energy Office) and NASEO worked together with industry leaders across the northeast to prioritize marine petroleum deliveries, coordinate on movement of fuels to power generators, and facilitated hours of service waivers for truck drivers’ delivery of petroleum products. In 2023, State Energy Offices in the northeast led coordination with the energy industry, NASEO, and DOE during the most severe winter fuels shortage in decades to issue coordinated regional fuel waivers and launch contingency plans. Ongoing regional coordination among the State Energy Offices, NASEO, DOE and key private-sector partners, led by the states using U.S. State Energy Program formula funds, enables state analysis and sharing of energy data, mitigation of evolving energy supply risks, and preparation for future energy emergency events.
- **Oklahoma State Energy Security Planning and Response:** The Oklahoma State Energy Office’s State Energy Security Plan is being actively used to enhance the position of Oklahoma as a leader in energy, with strategies that aim to help the state retain its place as a top-five oil producer, natural gas producer, and wind energy generator, while ensuring that Oklahoma’s energy prices remain affordable for its citizens. The plan outlines a menu of responses that each state agency may take depending on the disruption and highlights preventative strategies to reduce the impacts of future emergencies. The Oklahoma State Energy Office’s work, supported by the U.S. State Energy Program formula funds, is a leading example of robust energy security planning to supports the state’s economy and the lives of their citizens.
- **Idaho State Energy Security Planning and Response:** The Idaho Governor’s Office of Energy and Mineral Resources used U.S. State Energy Program formula funds to develop the 2024 Idaho State Energy Security Plan, which builds Idaho’s capacity to protect its energy system and provide Idahoans with reliable and affordable energy even when confronted with natural disasters. The State Energy Office gained input from

the Idaho Strategic Energy Alliance (ISEA) Reliability and Resiliency Task Force to gather critical industry input, buy-in, and partnership. The ISEA was established by then-Governor Little through Executive Order.

- **Utah Office of Energy Development Supports the Development of the Wildfire Fund:** The Utah Office of Energy Development used U.S. State Energy Program formula funds to conduct research and outreach to inform the development of Utah Senate Bill 224, which allows large-scale electric utilities to establish a fire fund to provide supplemental coverage for fire damage payments. The legislation caps claims and incentivizes utilities to purchase and maintain dispatchable generation capacity through cost recovery. The actions of Utah have set an exceptional example for other states and the federal government to consider.
- **Georgia Energy Office, Energy Assurance Exercise:** In 2023, the Georgia Environmental Finance Authority (State Energy Office), the lead on energy emergency (ESF12) issues for the state, used U.S. State Energy Program formula funds to conduct an energy assurance (or emergency) exercise, which convened key energy stakeholders to discuss statewide energy emergency preparedness and response and coordination efforts. The exercise informed the State Energy Office's Energy Security Plan update and strengthened public-private partnerships to prepare for and respond to energy emergencies in the region.
- **Wisconsin Refueling Readiness Grant Program:** The Wisconsin State Energy Office, using U.S. State Energy Program formula funds, administers a program to support fueling of emergency vehicles during major power outages by expanding the network of designated disaster fueling facilities throughout the state and ensuring emergency generator provided power is available for fueling operations. Grants are provided to fueling stations and bulk petroleum storage facilities to install wiring for generators (portable or permanent) to power fueling until electric service is fully restored.
- **New Mexico Energy Office Energy Security Tabletop Exercise:** The New Mexico Energy, Minerals, and Natural Resource Department (State Energy Office) used U.S. State Energy Program formula funds to conduct an energy emergency exercise with key stakeholders to enhance coordination and response to future cyber and physical attacks on New Mexico's natural gas and electrical systems. The exercise improved the understanding of interdependencies among key public and private-sector stakeholders and informed development of the New Mexico State Energy Security Plan.