

Infrastructure Protection and Reliability of New Jersey's Electric and Natural Gas Sectors

James P. Giuliano, Director
Division of Reliability & Security

State of New Jersey
Board of Public Utilities



NJBPU

January 26, 2003 -
February 2, 2003

Newark, New Jersey

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The Reliability Formula

- N.J.S.A. 48:2-23. Safe and adequate service.
- Recognition that utilities are critical.
- Making reliability an imperative – *industry and government*.
- All hazards Disaster Response & Business Continuity planning.
- Other: PJM, One-Call, Pipeline Safety.
- “Lessons Learned” mentality.
- Since 9/11/01
 - Commitment to infrastructure protection.
 - Uniform infrastructure assessment & protection measures.

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Lessons Learned – Pre-9/11

- 1994 - Edison natural gas explosion.
- 1996 - Water main mishap impacts 750,000 water users.
- 1997 - Extended electric outages - *severe weather*.
- 1998 - Labor Day storm - *250,000 electric outages*.
- 1999 - Heat-wave equipment failures - *utility reliability issues broadly examined*.
- 1999 - Hurricane Floyd - *500,000 electric outages*.
Central Office & Water Treatment plant down – *good recovery*.
- 2000 - Successful Y2K transition - *interdependencies addressed*.
- 2000 - Electric Reliability Standards - *driven by past experience*.

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BPU General Role in Reliability & Emergency Management

- State Emergency Operations Plan - Primary agency coordinating energy emergencies to normalize community functions. BPU President advises Governor.
- NJ OEM - Obligations during disasters affecting provision of utility services, e.g. gas explosions, floods, severe weather events and major system failures.
- PJM - Monitoring conditions of PJM during summer usage peak.
- Other - State emergency obligations.

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State & Federal Security Groups

- **State**

- **Office of Counter Terrorism (OCT)**
- **NJ State Police Office of Emergency Management (OEM)**
- **Domestic Security Preparedness Task Force**
 - **Domestic Security Preparedness Planning Group**
 - **Weapons of Mass Destruction (WMD) Advisory Committee**
 - **Infrastructure Advisory Committee (IAC)**
 - ✓ All Utilities Represented

- **Federal**

- **Office of Homeland Security**
- **FBI**
- **US DOE**
- **US DOT**
- **EPA**

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Best Practices – Infrastructure Protection

Energy

- **Criticality** – All assets examined to determine the consequence that the loss of each facility would have on company personnel, public welfare, companies assets, revenue stream and disruption to operations. (PSE&G Model)
- **Vulnerability** – Determination made as to how vulnerable each asset is to terrorism and other elements.
- **Risk Mitigation** – Best Practices were then developed by the Energy Group.
- **Other Industries** – Petroleum, Chemical, etc. also included under OCT.

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Confidentiality

- At the direction of the NJ Domestic Security Preparedness Task Force, pursuant to its authority under the Act, information developed within the Task Force is **CONFIDENTIAL**, and shall not be deemed a public record under the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.) or the common law concerning access to public records.
- **OPRA** – The Governor’s Office is currently drafting regulations. Steps are being taken to add language to any final rule adoption that would protect sensitive information.

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Threat Assessments & Alerts

- Interim communications protocols established between industry and government.
- State government alert proposals under development. Coordinate with Federal threat levels – USDOT, USDOE.
- “Homeland Security Threat Advisory System” released – NJ input.
- Utilities will match up key practices and actions to threat levels.
- New “steady state.”

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Next Steps

- Infrastructure protection and reliability remains high priority.
- Coordinate with OCT, State Police, Task Force and industry.
- Understandable threat alerts.
- BPU and other jurisdictions will be involved in on-going compliance / auditing / drill process and training with utilities.
- Examination of utility interdependencies and interdependencies with business.
- Working to achieve proper balance between prevention and recovery.

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Utility Reliability - Post-9/11

Prevention

- Prevention and On-Going Reliability Measures:
 - * Inspection / Maintenance
 - * Testing
 - * System Design / Redundancy
 - * One Call Law
 - * Contingency Planning

Security
Element –
Reassess

**New Paradigm
on Reliability,
integrating
Infrastructure
Protection**

Recovery

- Consequence Management
 - * Prompt Restoration
 - * Recovery Coordination
 - * Effective Communications
 - * Contingency Response

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Additional Information

- www.bpu.state.nj.us
- james.giuliano@bpu.state.nj.us

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