

STATE ENERGY RISK ASSESSMENT INITIATIVE

ENERGY INFRASTRUCTURE MODELING AND ANALYSIS

National Association of Regulatory Utility
Commissioners

Summer 2015 – Critical Infrastructure Committee
Meeting

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STATE ENERGY RISK ASSESSMENT CONSIDERATIONS

- A growing awareness of the ever-emerging threats and hazards to energy systems and infrastructure
- The interdependent nature of energy and other lifeline infrastructures
- The complex challenge of information and data sharing and coordination among federal, state and local agencies, asset owners and operators, and the private sector
- Limited resources (staff, budget, and time) for development of risk assessment processes and capabilities at State level
- Improving States' understanding of risk assessment and energy system requirements and capabilities enables States to prepare for, mitigate against, respond to and recover from energy system disruptions.

STATE ENERGY RISK ASSESSMENT STRATEGY

Key Goals and Objectives:

- Increase States' awareness of energy infrastructure risk considerations to better prepare them to make more informed decisions
- Provide a suite of scalable, easily-applied analytical tools, methods, and processes to enable States to better assess risks to energy systems and assets
- Objectives:
 - Determine State energy risk assessment needs
 - Assess current practices in State-level energy risk analysis
 - Engage with key stakeholders (across entire risk analysis development cycle) to enhance information sharing and collaboration

INITIATIVE ACCOMPLISHMENTS AND UPDATES

■ State Energy Risk Assessment Working Group

- Creation of a risk assessment and analysis taxonomy
- Energy risk projections for the 2015 hurricane season
 - DOE- NASEO Webinar
- NGA Threat Hazard Identification Risk Assessment (THIRA) Survey
 - Showed that many States have used THIRA but that more detailed risk assessment capabilities are also desired
- Continued input/feedback on State risk assessment needs

■ State Energy Risk Profiles

- Profiles present most common threats and outages impacting energy infrastructure
- Prepared for all 50 States and District of Columbia

■ State Energy Risk Assessment Workshop

- Denver, CO – April 28-29, 2015

■ Outreach to State Agencies and Association members

- Upcoming Summer and Fall Meetings

STATE ENERGY RISK ASSESSMENT WORKSHOP

Workshop Goals:

- Give attendees the opportunity to gain more awareness of risk considerations relating to energy systems and infrastructure
- Provide information on available risk assessment tools, theories, and methodologies
- Give attendees the chance to share ideas and examples of how they have used risk assessment in their States and organizations
- Provide a venue for attendees to communicate their risk assessment needs and barriers
- Determine the direction that the State Energy Risk Assessment Initiative will take moving forward

<http://www.naseo.org/risk-assessment-workshop>

STATE ENERGY RISK ASSESSMENT WORKSHOP

Topics Covered:

- How to make risk informed decisions using various frameworks and approaches
- Methods for predicting electrical outages and analyzing petroleum data
- Grid threat briefing and cyber-security considerations
- Overview of regional risk profiles
- Demonstrations of “best of breed” risk assessment tools and methods that are available and used by States and localities
- Federal risk assessment tools such as DHS’ Threat and Hazard Identification and Risk Assessment (THIRA) and the Regional Resiliency Assessment Program (RRAP)
- Facilitated open discussion among attendees regarding needs and barriers for State-level energy risk assessment

STATE ENERGY RISK ASSESSMENT WORKSHOP

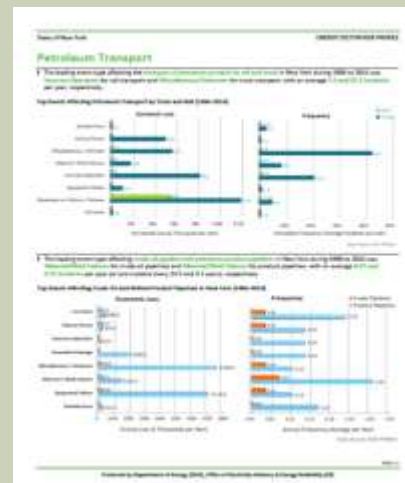
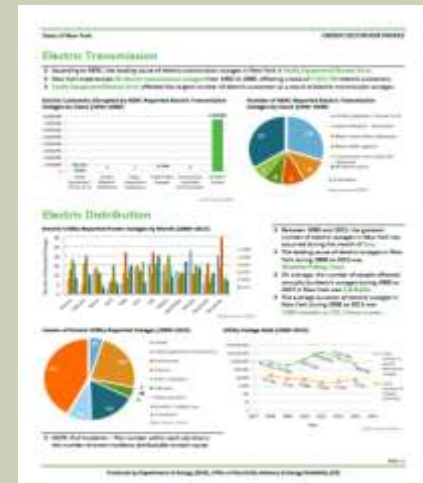
Key Takeaways:

- Consistent use of terms and definitions
- Better access to data and tools
- Improved collaboration and information sharing
- Resources to implement and improve risk assessments
- Use of case studies and real-world examples
- More risk assessment education and training opportunities
- Greater communication of risk between decision makers and the public

STATE ENERGY RISK PROFILES

Profiles include:

- Information on State energy facts
- Overview of hazards and economic property loss
- Causes of disruptions and outages by energy sector
- Infrastructure maps
- List of data sources and references used to create the profiles
- <http://www.energy.gov/oe/state-energy-risk-assessment-initiative-state-energy-risk-profiles>



BENEFITS OF INITIATIVE

- Identifying States' risk management process and conducting energy risk assessments within a consistently applied overarching risk management framework provides the following:
 - Improves risk assessment, awareness, and develops a risk management culture among State entities;
 - Promotes defensible investment and mitigation decisions; and
 - Integrates energy risk assessment into existing State energy assurance plans and processes.



NEXT STEPS

- Organize additional webinars and presentations for State Energy Risk Assessment Working Group and N-group members
- Provide additional risk assessment resources and information to stakeholders based on feedback provided at workshop
- Develop a Risk Tool Kit
- Engage energy infrastructure decision makers more directly and help facilitate risk communications among policy makers, State energy offices, utility commissions, and emergency management/homeland security agencies.
- Continued engagement with respective energy infrastructure stakeholders

THANK YOU!

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<http://www.energy.gov/oe/articles/improving-risk-assessment-support-state-energy-infrastructure-decision-making>

