STATE ENERGY RISK ASSESSMENT INITIATIVE

PROGRAM PRIORITIES AND NEXT STEPS

ENERGY INFRASTRUCTURE MODELING AND ANALYSIS

National Association of State Energy Officials
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ENERGY INFRASTRUCTURE RISK ASSESSMENT

Requires:

- Knowing the specific threats and hazards that can affect energy infrastructure
- Knowing how susceptible (vulnerable) energy infrastructure is to a disruption
- Assessing the loss when energy infrastructure is disrupted
- Identifying the most critical energy infrastructure to ensure continuity and reliability of supply
- Understanding interdependencies

Risk assessment can help officials make more informed decisions on how to respond, protect and manage energy assets and systems as well as make sound investments

ENERGY RISK ASSESSMENT CONSIDERATIONS FOR STATES

- 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

Working Group members: DOE, NCSL, NASEO, NARUC, and NGA

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

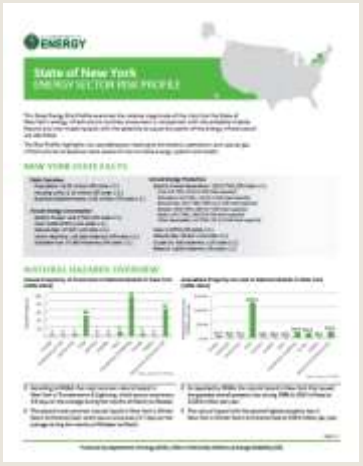
INITIATIVE ACCOMPLISHMENTS AND UPDATES

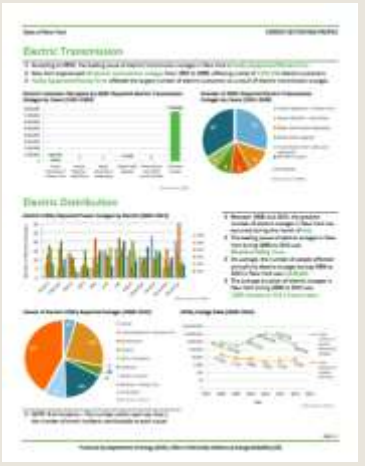
- **State Energy Risk Assessment Working Group**
  - Creation of a risk assessment and analysis taxonomy
  - Energy risk projections for the 2015 hurricane season
    - DOE- NASEO Webinar
  - NGA Threat Hazard Identification Risk Assessment (THIRA) Survey
    - Showed that many States have used THIRA but that more detailed risk assessment capabilities are also desired
  - Continued input/feedback on State risk assessment needs
- **State and Regional Energy Risk Profiles**
  - Profiles present most common threats and outages impacting energy infrastructure
  - Prepared for all 50 States, District of Columbia and 5 regions
- **State Energy Risk Assessment Workshop**
  - Denver, CO – April 28-29, 2015
- **Outreach to State Agencies and Association members**
  - Upcoming Summer and Fall Meetings

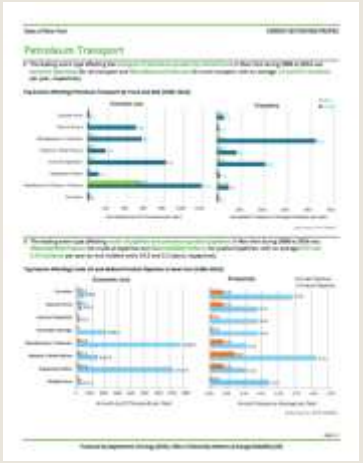
STATE AND REGIONAL ENERGY RISK PROFILES

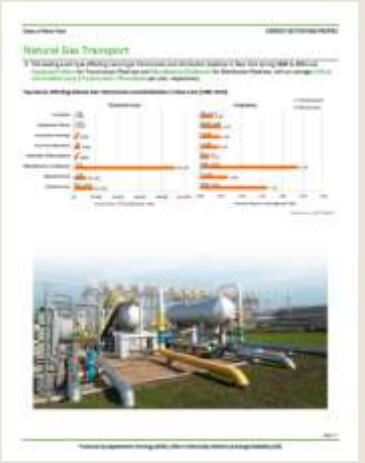
Profiles include:

- 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









STATE ENERGY RISK ASSESSMENT WORKSHOP

Held April 2015 in Denver, CO

Topics Covered:

- Risk frameworks and approaches
- Methods for predicting electrical outages and analyzing petroleum data
- Grid threats and cyber-security considerations
- Demonstrations of “best of breed” risk assessment tools and methods available for 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 challenges for State-level energy risk assessment

STATE ENERGY RISK ASSESSMENT WORKSHOP

Key Takeaways:

- Better detail, resolution, and access to data, definitions, and tools
- Better collaboration and information sharing
- Resources are scarce with which to implement risk assessment
- More case studies and real-world examples
- More risk assessment education and training opportunities
- Greater communication of risk between stakeholders and decision makers and the public
- http://www.naseo.org/risk-assessment-workshop

NEXT STEPS

- Organize additional webinars and presentations for State Energy Risk Assessment Working Group and N-group members
- Continue to provide additional risk assessment resources and information to stakeholders based on feedback provided at workshop
- Develop a virtual Risk Tool Kit
- Engage energy infrastructure decision makers more directly and help facilitate relationships between decision makers and energy officials
- Continued engagement with respective energy infrastructure stakeholders through national associations

RISK CONSIDERATIONS FOR STATES

- What are the biggest challenges to conducting energy risk assessment for your State?
- What infrastructure issues are of highest priority in your State?
  - How was it determined to make them high priority?
- Is risk considered when making decisions on energy infrastructure issues and resilience in your State?
- What would be most helpful to energy officials to increase awareness of risk assessment considerations related to energy infrastructure?

THANK YOU!

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