Governors’ Advisors
Energy Policy Institute

June 24 & July 13-15, 2021
NGA Center for Best Practices
Welcome & Opening Remarks

Dan Lauf, Program Director, NGA Center for Best Practices
What is NGA?

Founded in 1908, the National Governors Association is the nonpartisan organization of the nation's 55 governors. Through NGA, governors share best practices, address issues of national and state interest and share innovative solutions that improve state government and support the principles of federalism.
Program Directors

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Policy Analysts

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Program Support

Additional support from NGA’s Infrastructure, Environment, Workforce, Economic Development, Homeland Security, and Cybersecurity Teams
Memorandum on State Utility Disconnection Moratoriums and Utility Affordability

Background

Financial Impacts on Utility Customers

As a result of the COVID-19 pandemic and its economic effect, unemployment across the United States reached unprecedented levels, peaking at 14.8% in April 2020 before decreasing to a still-elevated 6.0% nationally as of March 2021. As a result of this increase in unemployment and resulting wage loss, many households found themselves unable to pay energy, water, and telecommunication utility bills, resulting in potentially high utility debt and financial impacts to utilities. Estimates of financial impacts to utilities include:

- $32 billion in electric and gas utility bill arrearages at the end of 2020, with as many as 20 percent of households behind on utility payments.1
- $11.9 billion in aggregate financial impact to drinking water utilities.2
- $12.5 billion in revenue losses to wastewater utilities.3

Governors, state legislatures and utility regulators in 34 states responded by issuing moratoriums on utility disconnections and fees on late bill collection, providing temporary relief for households. Further, many utilities voluntarily adopted temporary restrictions on customer disconnection and collection of arrears resulting from the pandemic. As these protections expire, mounting arrears continue, saddling many utility customers with debt and threatening the financial stability of utilities, particularly small electric and water utilities.4 As we near the end of the pandemic, many of these protections have ended as states move to ramp up recovery efforts.

While disconnection moratoriums offered temporary relief from utility bills for customers, Governors and utility regulators will ultimately need to determine how to address accrued bill arrears, whether by authorizing utility cost recovery of accrued debt through rate adjustment mechanisms, allowing utilities to collect unpaid bills from customers, implementing payment plans, offering

1 The financial impact estimate includes the impacts of eliminating disconnects for non-payment, increased delinquencies because of high unemployment rates, valuations in non-residential water demand and lower customer growth offset by a small increase in revenue from increased residential use.
2 In the U.S., 27 percent of electric customers are served by municipal power companies and rural electric cooperatives and 88 percent of households are served by public drinking water systems. Many of these utilities are smaller, with few staff and little ability to weather a significant decrease in revenue when compared to large investor-owned utilities. Further, many of these are not rate-regulated by state utility commissions, potentially limiting state authority to intervene.

Report available at: https://www.nga.org/center/publications/memorandum-on-state-utility-disconnection-moratoriums-and-utility-affordability/
State Resilience Assessment & Planning Tool (SRAP Tool)

Self-assessment led by Governor’s Offices, completed with input from other agencies and state officials.

Energy and infrastructure focus, with five sections:
1. Establishing Effective Governance
2. Evaluating and Mitigating Risk
3. Assessing Vulnerabilities to Critical Infrastructure
4. Mitigating Economic Consequences and Financing Resilience
5. Strengthening Community Ties

Download the tool at: https://www.nga.org/center/publications/state-resilience-assessment-planning-tool/
Addressing Cybersecurity for Critical Energy Infrastructure through State Governing Bodies

Executive Summary
This paper reviews eight states that have made a concerted effort to address vulnerabilities facing the cybersecurity of the critical energy sector through a statewide governance body. These statewide governance bodies are tasked with developing recommendations for policymakers on a host of issues, identifying best practices, providing strategic direction on cybersecurity plans for state agencies, recommending training for state employees, and addressing cybersecurity workforce or professional development issues in the state. This paper addresses practices Governors can follow to establish effective cybersecurity governance bodies that support critical infrastructure cybersecurity, with a focus on the energy sector.

Overview
Governors often use governance bodies – also commonly referred to as councils, task forces, boards, working groups or commissions – to address important and complex subjects such as cybersecurity. These bodies can serve a variety of purposes – from making recommendations, advising the Governor on an issue, and crafting the state’s strategic plan. As the cybersecurity threat landscape continues to evolve and our dependency on technology grows, Governors are sharpening their focus on addressing cybersecurity vulnerabilities in their states. With malicious actors continually attempting to access parts of our nation’s critical infrastructure, some states have expanded the breadth of their statewide homeland security advisory council or cyber governance body to include critical infrastructure protection, specifically focusing on the energy sector. Others have created a statewide task force to engage specifically on energy sector cybersecurity.

- Approaches to improve energy cybersecurity through state governance structures
- Profile of eight state governance bodies

Report available at: https://www.nga.org/center/publications/addressing-cybersecurity-for-critical-energy-infrastructure-through-state-governing-bodies/
State Insights on the Water-Energy Nexus and Policy Ideas to Achieve Greater Savings

Executive Summary
Governors, state policymakers, utilities and other stakeholders across the country are increasingly aware of the connection between energy and water production and use, and the need to conserve both resources to meet economic and environmental goals. It requires substantial amounts of water to produce energy and considerable amounts of energy to treat and deliver water.

The critical interdependence between energy and water was clearly illustrated during the recent winter storm in Texas and other parts of the South in February 2021. Initial power outages contributed to a longer-term water crisis. Power outages led to water pump failures while water demand increased from frozen water pipes that burst. This caused low water pressure that can lead to harmful bacteria growth in the water. The power outages also prevented water treatment plants from properly treating the water for several days, thereby leaving many residents without clean drinking water and worsening the storm’s impacts.

The National Governors Association has been working with states on this connection between water and energy and strategies for conserving those resources for several years. NGA held a Water-Energy Nexus Learning Lab in September 2020. This event invited two leading states in the water-energy nexus space, Arizona and Wisconsin, to showcase some of their model policies and programs to other states, Maryland, Nevada, North Carolina, North Dakota, and Washington, looking for greater savings opportunities.

• Funding and Financing
• Education and Technical Assistance
• Communications, Data, and Structural Improvements

Governors Leading on Energy Transitions: An Overview of State Energy Goals

- Enhancing clean energy and storage targets
- Modernizing energy infrastructure
- Rethinking traditional regulatory structures

Report available at: https://www.nga.org/center/publications/governors-leading-energy-transitions/
The Road Ahead: Planning for Electric Vehicles by Managing Grid Interactions

- Deploying Charging Infrastructure
- Managed Charging
- Vehicle-to-Grid Technologies

Select Upcoming Opportunities

• **Energy Policy Institute (days 2-4):**
  • July 13 – Climate & Clean Energy
  • July 14 – Energy Resilience & Security
  • July 15 – Energy Workforce & Economic Development

• **Energy Resilience** Planning and Funding Workshop (July 28-29; Aug 3-4)

• Learning collaborative on new **nuclear generation** (summer & fall 2021)

• **Electricity markets** training and resource guide – educational series (August/September 2021)

• **Legislative Energy Horizons Institute** (Oct. 20-23)

• State support for participation in **GridEx VI** (Nov. 16-17)
Ongoing Projects

- **Energy Efficiency** in a Modernized Energy System (Primer for Governors)
- **Executive Authorities for Energy Emergencies**: Public Health Update
- Whitepapers on **cybersecurity information sharing** (with NARUC and NASEO)
- Distribution Grid and Distributed Energy Resource **Supply Chain Security**
- **Foreign Influence** in Critical Energy Infrastructure

**On-demand technical assistance**
Preview of Today’s Agenda

• 1:00 to 1:15 PM ET – Welcome and Opening Remarks
• 1:15 to 2:15 PM – State Introductions and Updates
• 2:15 to 2:45 PM – Energy Developments Overview
• 2:45 to 3:00 PM – Break
• 3:00 to 3:15 PM – Federal Stimulus, Funding, and News from the Hill
• 3:15 to 4:00 PM – Updates from U.S. Department of Energy Leadership
• 4:00 PM – End of Day One
State Introductions and Updates

Please introduce yourselves and provide brief (~2 minute) updates highlighting recent energy policy developments and ongoing gubernatorial priorities.

- What are your Governor’s top energy priorities this year?
- Are there any new energy policy challenges you are responding to?
- What questions do you have for NGA or your state peers?
Energy Developments Overview

*Stanley Porter*, Vice Chairman, U.S. Energy, Resources and Industrials, Deloitte
Federal Stimulus, Infrastructure Funding, and Other News from the Hill

Alex Whitaker, Legislative Director, NGA Office of Government Relations
Updates from U.S. Department of Energy Leadership

**Puesh Kumar**, Principal Deputy Assistant Secretary, Office of Cybersecurity, Energy Security, and Emergency Response (CESER)

**Patricia Hoffman**, Acting Assistant Secretary and Principal Deputy Assistant Secretary, Office of Electricity (OE)

**Dr. Kathryn Huff**, Acting Assistant Secretary and Principal Deputy Assistant Secretary, Office of Nuclear Energy (NE)

**Moderator:**

**Dan Lauf**, Program Director, NGA Center for Best Practices
Mission: To enhance the security of U.S. critical energy infrastructure to all hazards, mitigate the impacts of disruptive events and risk to the sector overall through preparedness and innovation, and respond to and facilitate recovery from energy disruptions in collaboration with other Federal agencies, the private sector, and State, local, tribal, and territory governments.

Evolving Threats to Critical Infrastructure

- Extreme Weather
- Accidents and Technical Failures
- Cyber Threats
- Act of Terrorism
- Pandemics
Energy Infrastructure: Risks and Hazards

NERC 2021
Summer Reliability Assessment

NOAA 2021
Atlantic Hurricane Season Outlook

Named storms
13-20

Hurricanes
6-10

Major hurricanes
3-5

Figure 1: Energy Emergency Risk Areas
## CESER Collaboration Across the Energy Sector

### State, Local, Tribal, and Territorial (SLTT) Government Coordination

<table>
<thead>
<tr>
<th>Who</th>
<th>Utility and trade CEOs and CISOs/CIOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Coordinate efforts to prepare for and respond to national-level disasters or threats to critical infrastructure.</td>
</tr>
</tbody>
</table>
| Working Groups | • Vision and Planning  
• Threat Information Sharing  
• Industry-Government Coordination  
• Research & Development  
• Cross-Sector Liaisons |

### Oil & Natural Gas Trade Associations and Their Members

<table>
<thead>
<tr>
<th>Who</th>
<th>Oil &amp; natural gas trade associations and their members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Coordinate security strategies, policy, and communications across the sector to support the nation's security mission.</td>
</tr>
</tbody>
</table>
| Working Groups | • Cyber  
• Information Sharing  
• Emergency Management  
• Law Enforcement Engagement  
• Pipelines |
SLTT Resources

NGA Cybersecurity Governing Bodies Report

Addressing Cybersecurity for Critical Energy Infrastructure through State Governing Bodies

Executive Summary
This paper reviews eight states that have made a concerted effort to address vulnerabilities facing the cybersecurity of the critical energy sector through a combination of state policies, strategic planning, and training. It provides executive summaries, developing recommendations for policymakers on a host of issues, identifying best practices, providing strategic direction on cybersecurity plans for state agencies, recommending training for state employees, and addressing cybersecurity workforce and professional development issues in the states. This paper addresses practical Governors can follow to establish effective cybersecurity governance bodies that support critical-infrastructure cybersecurity, with a focus on the energy sector.

Enhancing Energy Sector Cybersecurity: Pathways for State and Territory Energy Offices

NASEO Cybersecurity Report

Experts Roundtable on Addressing Foreign Influence Threats in U.S. Critical Energy Infrastructure Sectors
April 6-8, 2021

ESF #12 – Energy State-Federal Integration Training

Cybersecurity Tabletop Exercise Guide

U.S. DEPARTMENT OF ENERGY
Office of Cybersecurity, Energy Security, and Emergency Response
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www.energy.gov/ceser
Updates from U.S. Department of Energy Leadership

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Moderator:

Dan Lauf, Program Director, NGA Center for Best Practices
Join us for Days 2-4!

- July 13 – Clean Energy and Climate
- July 14 – Energy Resilience and Security
- July 15 – Energy Workforce, Economic Development and Recovery
End of Day One