



NASEO Energy Security Committee
Thursday, October 16, 2014, 2:30 p.m. – 3:30 p.m.
Conference Call Summary

Attendees:

Mark Sylvania, Committee Co-Chair	Massachusetts Department of Energy Resources
Doris Jansky, Committee Co-Chair	Nebraska Energy Office
Rajiv Narielwala	Illinois Energy Office
Brian Green	Montana Energy and Pollution Prevention Bureau
Abigail May	California Energy Commission
Scott Fletcher	Tennessee Office of Energy Programs
John Buchanan	Missouri Division of Energy
Alexander Mack	Florida Office of Energy
Kris Anderson	Georgia Energy Resources Division
Joanne McBrien	Massachusetts Department of Energy Resources
John Davies	Kentucky Department for Energy Development and Independence
Matt Milford	New York State Energy Research and Development Authority
Suzanne Staple	New York State Energy Research and Development Authority
Michele Farris	South Dakota Energy Management Office
Amber Grey	Wisconsin State Energy Office
Dave Jenkins	Wisconsin State Energy Office
Megan Levy	Wisconsin State Energy Office
Doug Renier	Minnesota Division of Energy Resources
Kylah McNabb	Oklahoma Office of Community Development
Karl Frost	Alabama Energy Division
Eileen Carson	Virginia Division of Energy
Al Christopher	Virginia Division of Energy
Russell Duncan	North Carolina Division of Energy, Mineral and Land Resources
Diane Broad	Oregon Department of Energy
Karen Frampton	New Hampshire Office of Energy and Planning
Michael Forrester	Ohio Office of Energy and Redevelopment
Mark Anderson	Washington State Energy Office
Representatives	Pennsylvania Office of Pollution Prevention and Energy Assistance
Alice Lippert	U.S. Department of Energy
April Salas	U.S. Department of Energy
Jeff Pillon	National Association of State Energy Officials
Shemika Spencer	National Association of State Energy Officials

Welcome and Introductions

Jeff Pillon, NASEO's Director of Energy Assurance, opened the call on behalf of Mark Sylvia, Committee Chair, who was detained at another meeting but planned to join the call shortly. He introduced Doris Jansky as the new committee co-chair. This quarterly committee call is part of NASEO's work to engage states, facilitate discussion, provide information, and receive feedback from the members on energy data and security issues, energy assurance, and risk analysis.

Review of Energy Assurance Work Plan for FY 2015

Mr. Pillon briefly discussed NASEO's FY 2015 energy assurance activities. NASEO will be working with April Salas from the U.S. Department of Energy's (DOE) Infrastructure Security and Energy Restoration (ISER) Division within the Office of Electricity Delivery and Energy Reliability on initiatives designed to sustain states' energy assurance capabilities. Key aspects of NASEO's work plan include: improving communication and information sharing capabilities, providing better situational awareness throughout events, engaging with states to update the energy emergency assurance coordinators (EEAC) list, co-hosting two (2) regional energy assurance exercises in FY 2015 and two (2) in FY 2016, formulating an approach to sustaining ongoing exercise and training capabilities, and direct technical assistance to states.

Energy Emergency Assurance Coordinators Update

NASEO will be working with DOE to update the original EEAC memorandum of understanding (MOU) to expand participation from Public Utility Commissions, Governors' Offices, and Emergency Management Agencies. Following the signing of the new MOU NASEO will work with states to update the EEAC list, updating and streamlining the ISERnet, and revised training. Ms. Salas provided a brief update on the status of the ISERnet update activities and a tentative schedule for completion.

Report on Energy Systems Risk Analysis Meeting and Next Steps

On October 6th, NASEO co-hosted a meeting with DOE and the National Association of Regulatory Utility Commissioners (NARUC) which served as a kick-off to NASEO's risk analysis work with Alice Lippert within DOE's Energy Infrastructure Modeling and Analysis Division. As discussed in the last committee call, this project will assist states in developing risk analysis and decision making capabilities (specifically looking at consequences and vulnerabilities as opposed to threats) to assist them in quantifying risks. In addition, the project will identify existing tools and develop guidance on available resources for states and how they can be used to support state activities. The meeting focused on NARUC's gaming approach to understanding the consequences of risk decisions. Next steps will include: forming a state expert working group; identifying and cataloguing methodologies, procedures, and data; and hosting a risk workshop in April 2015. NASEO will be sending out email invitations in the coming weeks. Anyone interested in participating in the working group should email Jeff Pillon (jpillon@naseo.org) and Shemika Spencer (sspencer@naseo.org).

Winter Fuels Outlook Conference Highlights

On October 7th, NASEO, in partnership with the DOE's Office of Electricity Delivery and Energy Reliability and the U.S. Energy Information Administration (EIA), convened the 2014 - 2015 Winter Energy Outlook Conference in Washington, D.C. This year's conference included a presentation on EIA's 2014 Winter Fuels Outlook, as well as panel discussions with well-known industry representatives and energy experts about factors likely to affect energy markets this winter in the United States and globally. EIA Administrator Adam Sieminski, discussed key highlights from the 2014 Winter Fuels Outlook, including:

- EIA expects the average household heating bill in all regions of the country will be lower this winter.

- Homes that heat with propane and heating oil will see the biggest savings, with propane expenditures down 27% and heating oil bills down 15% from last winter.
- Average natural gas bills will be 5% lower, while households that rely on electricity for space heating will see their costs decline by 2%.
- The expenditure forecasts are based on EIA projections of residential prices and the National Oceanic and Atmospheric Administration forecast of winter heating degree days, which average 12% lower for the U.S. compared with last winter.
- Natural gas production this winter is projected to average 71 billion cubic feet (Bcf) a day, an increase of 3 Bcf/day (4.5%) over last winter.
- Natural gas stocks are 11% lower than this time last year, but are sufficient to meet winter demand.
- Propane stocks and production are up from last year and supply should be sufficient to meet demand if there is not a repeat of last winter's very cold weather. The uncertainties for this winter include demand for grain drying give another expected record corn crop and changes to the transportation capacity to move propane to markets and increased reliance on shipments by rail.
- Stocks of distillate oil include home heating oil remain at the low end of the previous 5 year range.
- The significant increase in U.S. oil production from shale production fields has resulted in a sharp drop in U.S. oil imports which is contributing to reshaping global energy trade.

Throughout the conference, experts discussed lessons learned during and after last winter's heating season and summarized the work that has been done during the spring and summer months to help prepare for the upcoming winter heating season. Attendees also heard presentations on a range of issues including near-term energy outlooks, modeling and forecasting, winter weather, infrastructure, resiliency, distribution, climate adaptation, and related vulnerabilities. Presentations from the conference are available on the NASEO [website](#).

In addition, EIA hosted a State Heating Oil and Propane Price (SHOPP) Program workshop following the conference to provide training and information to states new to the SHOPP program. As previously reported, several new states have joined the SHOPP Program to have full participation in PADDs 1 and 2 which will assist EIA in collecting more reliable and complete data.

Report on Midwest Governors Association Propane Meeting

The Midwest Governors Association (MGA) held a propane meeting on October 14th – 15th which was co-hosted by NASEO and DOE's Office of Electricity Delivery and Energy Reliability. The purpose of the meeting was to ensure that states, as well as industry, are better prepared for the upcoming winter. Discussions included state activities related to encouraging consumer investments in energy efficiency and participation in summer fill programs as well as ongoing industry media outreach campaigns. MGA will be preparing a summary of the meeting which will be sent out to participants in the coming weeks.

Northeast Region's Preparation for Winter Messaging Outreach Efforts

Preparations for the Northeast region's winter messaging campaign are set to wrap up in the coming weeks. NASEO, in coordination with the Northeast Energy Efficiency Partnership, has provided assistance to the states in developing a consistent outreach messaging to consumers throughout the region. This is an important activity due to the natural gas constraints, high prices, and propane supply deficiencies that were experienced in the region during last year's winter months. This is a situation that is unique to the Northeast region and will continue to be an issue in the coming years. The Northeast states will adapt the messaging, as needed, to address consumers and provide information on state specific programs and activities.

Identification of State Resiliency Initiatives, Programs, and Plans

Mr. Pillon asked participants to send NASEO information on any state specific resiliency initiatives, programs, and/or plans that have been developed (or are currently being developed). Examples that he gave included New Jersey's resiliency bank and Massachusetts' resiliency initiative. Please send information on state resiliency activities to Jeff Pillon (jpillon@naseo.org) and Shemika Spencer (sspencer@naseo.org).

Other Business and Action Items

1. Anyone interested in the state expert risk analysis working group should email Jeff Pillon (jpillon@naseo.org) and Shemika Spencer (sspencer@naseo.org).
2. Presentations from the 2014 - 2015 Winter Energy Outlook Conference are available on the NASEO [website](#).
3. NASEO is seeking examples of states' resiliency initiatives, programs, and plans. Please email any information, websites, or documents, to Jeff Pillon (jpillon@naseo.org) and Shemika Spencer (sspencer@naseo.org).