NASEO Energy Security Committee Quarterly Newsletter

January 14, 2025

Upcoming Events:

- NASEO Energy Security Committee (State and Territory Energy Offices Only): January 14, 2025, 3:00 p.m. - 4:00 p.m. ET – Virtual (second Tuesday of each month)
- NASEO Energy Security Committee All-Hazards Call: January 15, 2025, 2:00 p.m. - 3:00 p.m. ET (third Wednesday of each month)
- DOE CESER and GDO Risk Assessment Approaches Cohort Session 9: January 21, 2025, 3:00 p.m. - 5:00 p.m. ET – Virtual
- DOE CESER and GDO Risk Mitigation Strategies Cohort Session 9: January 23, 2025, 3:00 p.m. - 5:00 p.m. ET – Virtual
- NASEO 2025 Energy Policy Outlook Conference: February 4-7, 2025 – Washington, D.C.

In the News

U.S. Virgin Islands Expands Eligibility for Battery Program

On November 8, 2024, the U.S. Virgin Islands Energy Office introduced new changes to their Virgin Islands Battery Energy Storage (VIBES) Program, which provides funding to full time residents to invest in battery storage solutions to supply power during a grid disruption. The VIBES Program, funded by the U.S. State Energy Program (SEP), supports activities such as the installation of residential scale battery storage, automatic transfer switch, or smart critical load panels. Since its launch in May 2024, the program has introduced three changes: residents are now eligible for a rebate up to $6,000, increased from $4,000; the battery system capacity allowed has been expanded to 20kWh; and equipment can be purchased by vendors outside of USVI. Changes to the VIBES Program provide residents with greater flexibility to invest in battery storage solutions and offer them an opportunity to increase the territory's overall resilience during a natural disaster which impacts the delivery of power.

Virginia Energy Supports Hurricane Helene Response and Recovery with Aerial Damage Assessments

In the aftermath of Hurricane Helene, the Virginia Department of Energy (VDOE) helped acquire and deploy drones to conduct aerial damage assessments of electric utility infrastructure, which helped expedite recovery and power restoration operations. Hurricane Helene caused severe damage to electric infrastructure in rural, mountainous areas in the Commonwealth, leaving nearly 300,000 customers without power, and destroying a significant amount of the distribution system.

The Virginia Emergency Operations Center requested the support of VDOE's Emergency Support Function 12 – Energy (ESF-12) team after being activated in response to Hurricane Helene. VDOE possesses a comprehensive understanding of the energy landscape and its interdependencies within the

Commonwealth, and maintains strong relationships with electric utilities and other energy sector partners. VDOE was responsible for standing up an Energy Task Force in response to Helene, which required proactive engagement of key energy sector partners in the state to help Inform Situational Reports (SitReps) and address unmet needs.

The Appalachian Power Company's (APCo) service territory was significantly impacted, and APCo could not perform damage assessments due to treacherous terrain (e.g., washed out roads, landslides, downed trees). Aerial drone footage was needed in order to properly conduct timely damage assessments and allocate response resources. With other assets already being used, there were no utility or other resources that were available to assist. When this issue was brought to the Energy Task Force, VDOE identified an additional drone team, normally used by the VDOE's Mined Land Repurposing Division to assess safety and compliance concerns in abandoned mine land. The drone team was able to deploy to APCo's affected service territory and support the utility in conducting damage assessments and identifying downed lines. VDOE's unique knowledge of the energy landscape, entities, and assets resulted in a novel emergency response capability that helped expedite recovery time.

VDOE leads the maintenance of the Commonwealth's State Energy Security Plan (SESP) with support from the State Corporation Commission, VDEM, and key energy sector partners in a highly collaborative process. The SESP, supported by the U.S. State Energy Program, encapsulates the Commonwealth's energy risk profile, energy emergency response practices, and risk mitigation strategies, among others. These contents are required by the Infrastructure Investment and Jobs Act (IIJA) Sec. 40108, which outlines specific elements that State Energy Offices must address as part of their energy security programs. Nationwide, this deliberative process has promoted enhanced coordination among state agencies and with energy infrastructure owners and operators, and has resulted in enhanced energy security capabilities.

Minnesota Law Requires Cybersecurity Incident Reporting for Public Agencies

As part of ongoing efforts to combat rising cyber threats targeting the public sector, a new state law took effect Dec. 1, 2024, in Minnesota, requiring state agencies, local governments, and public schools to report cybersecurity incidents that affect them to Minnesota IT Services (MNIT). Government contractors and vendors servicing these public agencies must report to that agency any cybersecurity incident that affects that agency. The law, passed in May 2024, amended Minnesota Statutes 16E.36 and required the state to establish a secure and accessible incident reporting tool. Unlike state laws in California and Maine that address data breaches, Minnesota's law requires entities to report cybersecurity incidents that impact services, systems, or people. Details of specific incidents will not be shared publicly but may be anonymized and shared with appropriate entities. MNIT and the Minnesota Bureau of Criminal Apprehension (BCA) will use reported information to mitigate risk, respond to incidents, track cybersecurity trends, and strengthen communication and collaboration with public agencies. Minnesota's law builds on the successes of the statewide cybersecurity plan released in 2023 and signals further investments in strengthening the cyber-resiliency of critical infrastructure.

Resources and Opportunities

NASEO Webinar Recording: Cybersecurity for Electric Vehicle Supply Equipment

On December 4, 2024, NASEO hosted a webinar with speakers from the Zero Emission Transportation Association (ZETA) and Idaho National Laboratory (INL) on contextualizing the cybersecurity risks of electric vehicle supply equipment (EVSE) and exploring opportunities for enhanced security. With EV adoption on the rise, there is an important and timely opportunity for State Energy Offices to elevate cybersecurity risks to EV infrastructure and better incorporate cybersecurity principles into EVSE deployment programs. The webinar highlighted the cybersecurity risks of EVSE and their connection to the electric grid. Speakers from ZETA and INL shared valuable insights on the industry and federal landscape of EVSE cybersecurity, risk mitigation opportunities, and avenues for collaboration with private industry to ensure that EVSE programs are secure and resilient. Please contact Sarah Trent (strent@naseo.org) for access to the webinar recording and slides.

NASEO Webinar Recording: Data as a Tool and Asset for State Energy Office Security Programs, Part Two of the NASEO Energy Security Foundational Data Education Webinar Series

On December 17, 2024, NASEO hosted a webinar featuring three State Energy Office perspectives on data collection, analysis, and program development for energy security applications. Members of the NASEO Energy Security Committee reviewed fundamentals of petroleum data monitoring and collection (e.g., production and marketing) and factors influencing supply and pricing. This webinar showcased State Energy Offices' data monitoring and data-informed emergency preparedness activities, and highlighted state approaches to alternative data acquisition for the Energy Information Administration's (EIA) Prime Supplier Report (782C).

DHS Releases Roles and Responsibilities Framework for AI in Critical Infrastructure

On November 14, 2024, DHS released the *Roles and Responsibilities Framework for Artificial Intelligence in Critical Infrastructure*. This report provides recommendations by and for entities at each layer of the AI supply chain, including cloud and computer providers, AI developers, and critical infrastructure owners and operators, as well as the civil society and public sector entities that represent citizens or advocate for consumers.

For the energy sector, this includes the federal government and states, electric utilities, software and hardware manufacturers of advanced grid technologies, and liquid fuels and natural gas infrastructure owners and operators

Some of the key recommendations for critical infrastructure owners and operators include: account for AI in indecent response plans, ensure redundancy, train the workforce, ensure customer data protections, implement safety mechanisms, and use responsible procurement guidelines.

Some of the key recommendations for public sector roles and responsibilities include: deliver essential services and emergency response, drive global AI norms, advance standards of practice through law and regulation, engage community leaders, enable foundational research into AI safety an security, and support critical infrastructure's safe and secure adoption of AI.

State Energy Offices will undoubtedly have new roles in AI security and safety for the energy sector. NASEO will continue to monitor federal guidance and work with State Energy Offices to determine the most appropriate and impactful points of entry in this dynamic environment.

Call for Abstracts: FEMA 2025 Hazard Mitigation Partners Workshop

The 2025 Hazard Mitigation Partners Workshop will be hosted in Rosemont, Illinois, on April 22-24, 2025, and this year's theme is: Stronger Tomorrow, Together. FEMA is seeking abstract submissions for the event agenda that aligns with the workshop theme. Topics of interest include community risk assessment, natural infrastructure, mitigation planning, building codes, capacity-building, and partnership development. The 2025 Hazard Mitigation Partners Workshop will focus on building mitigation champions; driving community resiliency; providing technical assistance for grant programs; and supporting overall mitigation.

Submissions must include a session title, a 200-500-word description, the topic type, target audience, session type, objectives, timing preferences, and more. Abstracts should be submitted via email to fema-hmpartners@fema.dhs.gov with the subject line "2025 HM Workshop Abstract Submission" by Wednesday, January 15, 2025. For more information on the 2025 Hazard Mitigation Partners Workshop and abstract submission process can be found here.

NERC Releases 2024 Long-Term Reliability Assessment

On December 17, 2024, the North American Electric Reliability Corporation (NERC) released their 2024 Long-Term Reliability Assessment (LTRA). The report evaluates the North American bulk electric power system's ability to meet growing demand and highlight's reliability trends, emerging issues, and potential risks to the bulk electric power system over the next ten years. Additionally, this assessment provides region-specific data and summaries of reliability and projected capacity through the Regional Assessments Dashboard, across 20 assessment areas. This year's LTRA found that the electricity sector faces escalating demand growth and continued generator retirements throughout the next decade. While more resources are being added to the grid or are in the queue, these resources are overwhelmingly non-dispatchable and have associated reliability concerns due to their weather dependence. MISO was again recognized as a high-risk area, as there is rising demand growth and accelerated generator retirements are expected before replacement resources are operational. The LTRA provided five recommendations for energy policymakers, regulators, and industry to meet growing energy demands:

- Integrated Resource Planners, market operators, and regulators: Carefully manage generator deactivations.
- NERC and Regional Entities: Improve the LTRA by incorporating new analysis and criteria to inform stakeholders of future reliability risks.
- Regulators and Policymakers: Streamline siting and permitting processes to remove barriers to resource and transmission development.
- Regulators, electric industry, and gas industry member organizations: Implement a framework for addressing the operating and planning needs of the interconnected natural gas-electric energy system.
- Regional transmission organizations, independent system operators, and FERC: Continue to ensure essential reliability services are maintained.

DOE Releases Liquefied Natural Gas Export Study

On December 17, 2024, the U.S. Department of Energy's (DOE) Office of Fossil Energy & Carbon Management (FECM) released the 2024 Liquefied Natural Gas (LNG) Export Study: Energy, Economic, and Environmental Assessment of U.S. LNG Exports. The report explores the impact LNG exports could have on public interest, specifically in relation to the economy, consumers, energy security, climate and environment, communities where natural gas is produced or exported, and U.S. trading partners.
In addition to the summary report, there are also four accompanying appendices:

- Appendix A: Global Energy and Greenhouse Gas Implications of U.S. LNG Exports
- Appendix B: Domestic Energy, Economic, and Greenhouse Gas Assessment of U.S. LNG Exports
- Appendix C: Consequential Greenhouse Gas Analysis of U.S. LNG Exports
- Appendix D: Addendum on Environmental and Community Effects of U.S. LNG Exports

Under Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, the DOE has the authority to approve or deny application of natural gas exports for free trade agreement (FTA) and non-FTA countries. Applications for exportation must be aligned with the public interest to be approved. As a result, the FECM has commissioned several studies since 2012, including this one, to continue examining how LNG exports impact U.S. interests. Notice of the study is published in the Federal Register, and public comments will be accepted through February 18, 2025.

NASEO Webinar Recording: State Energy Security Plan Update from the DOE – 2024 Submission and Debrief

On Wednesday, December 18, 2024, NASEO hosted a virtual meeting with the U.S. Department of Energy's (DOE) Office of Cybersecurity, Energy Security, and Emergency Response (CESER); DOE's Office of State and Community Energy Programs (SCEP), and the Pacific Northwest National Lab (PNNL). This states-only meeting highlighted the significant advancements State Energy Offices made in their State Energy Security Plans. During this meeting, NASEO, CESER, and PNNL provided an overview of the trends and best practices observed from the plan submissions, and guidance from DOE on next steps for State Energy Security Plans.