

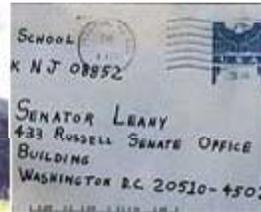
State of Hawaii
Energy Assurance Program
Hawaii State Energy Office
Strategic Industries Division

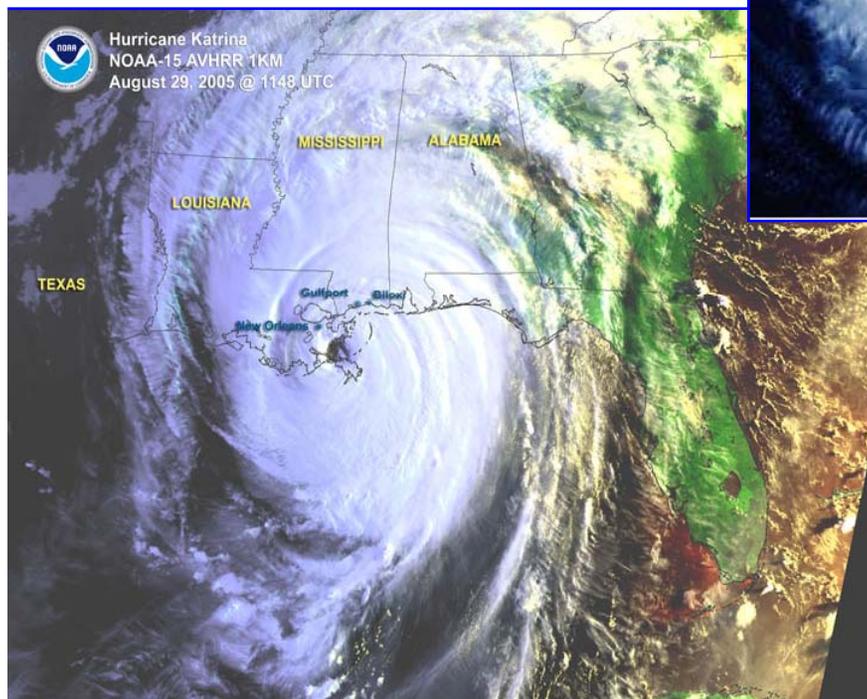
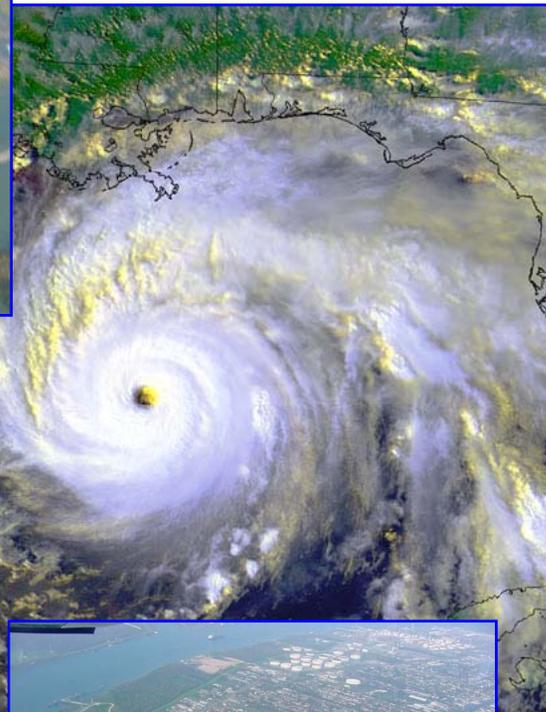
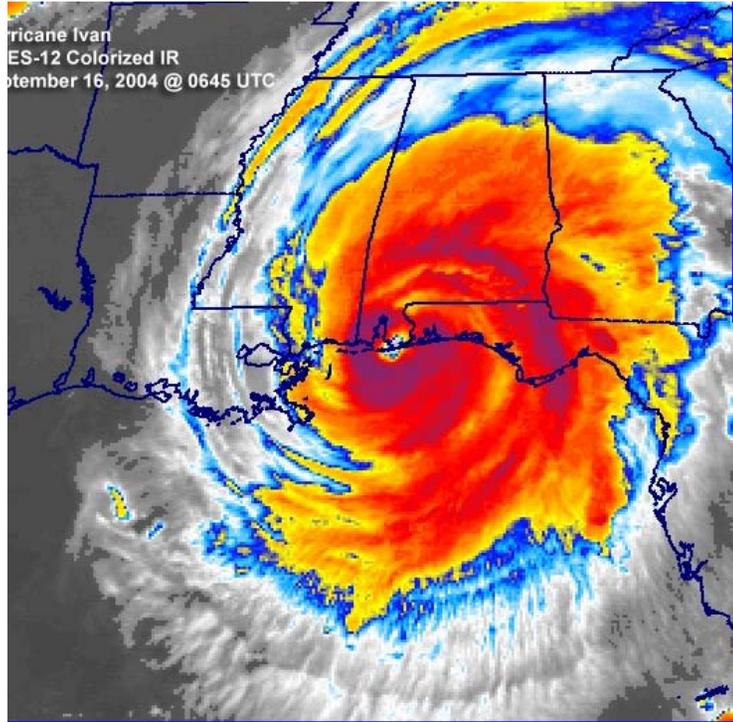
Department of Business, Economic Development &
Tourism (DBEDT)

August, 2011

What is Energy Assurance?

- All Hazards Approach
- Sabotage/Terrorism
- Civil Disturbances
- Hurricanes
- Natural Disasters
- Infrastructure Failures
- Declared Shortage Events
- Systemic Threats
- Cyber Attacks



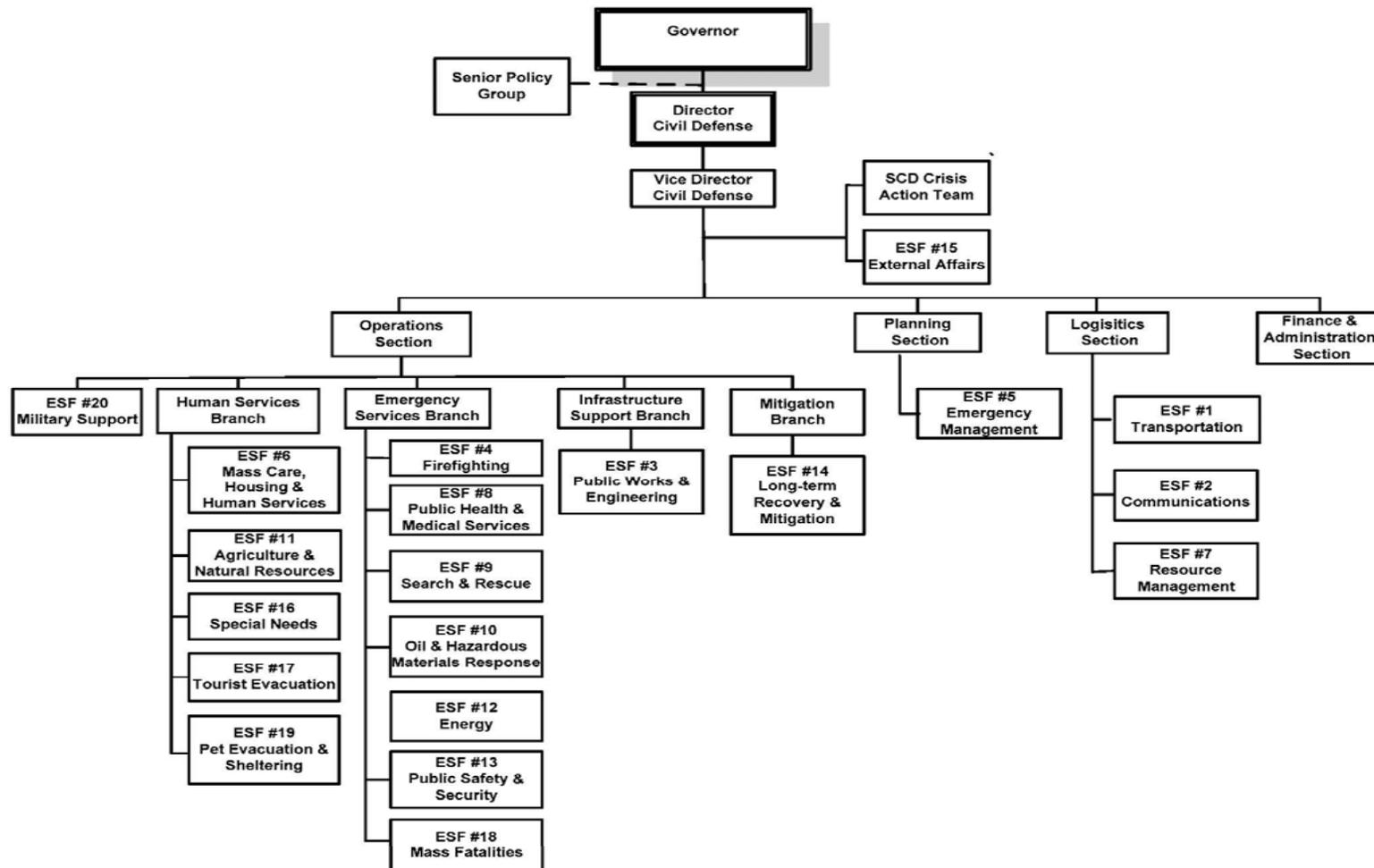




Hawaii Energy Assurance Program

- ❖ Goal: “To be as prepared as possible to effectively contend with energy emergencies and threats to our energy security.”
- Establish situational awareness through timely, reliable, and secure information exchange among trusted public and private sector partners.
- Use sound risk management principles to implement physical and cyber measures that enhance preparedness, security, and resilience of Hawaii’s energy systems.
- Conduct comprehensive emergency, disaster, and continuity of government planning, including training and exercises, to enhance reliability and emergency response.
- Clearly define critical energy infrastructure protection roles and responsibilities among all Federal, State, County, and private sector partners.
- Understand key energy sector interdependencies and collaborate with other partners to address them, and incorporate that knowledge in planning and operations.
- Strengthen partner and public confidence in energy sector’s ability to manage risk and implement effective security, reliability, and recovery efforts.
- Provide organizational support, staff, and resources for State level emergency management.
- Facilitate energy industry hardening and resiliency efforts in support of HCEI goals.

State Emergency Response Teams coordinate and facilitate their department's ESF



Hawaii Emergency Support Function Annex

Volume III – The State Plan for Emergency Preparedness Disaster Response and Assistance

Emergency Support Function (ESF) #12 – Energy

ESF Coordinator & Primary Agency:

Department of Business, Economic Development & Tourism (DBEDT)

State Support Agencies:

Department of Accounting and General Services,
Department of Commerce and Consumer Affairs,
Department of Defense (State Civil Defense),
Department of Defense (Hawaii National Guard), and
Department of Transportation

Purpose:

Emergency Support Function #12 - Energy provides a coordinated response in the restoration of energy services in a disaster in order to save lives and protect health, safety and property, and carry out other emergency response functions.

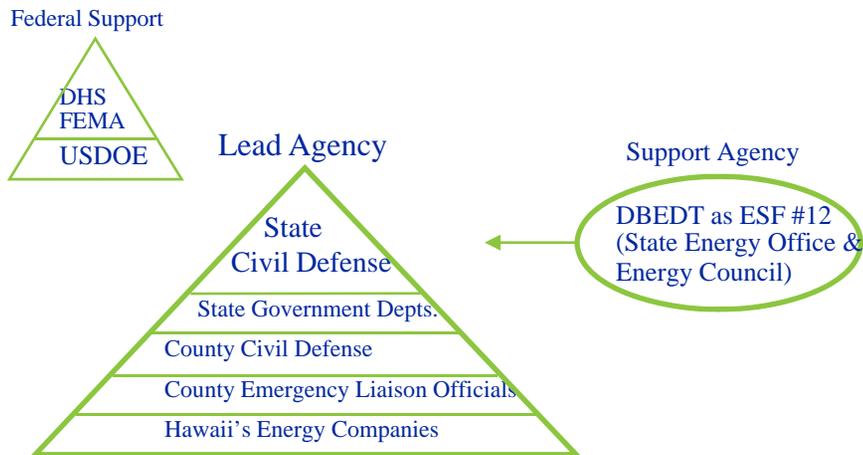
DBEDT- Strategic Industries Division's ESF #12

Role & Responsibilities – Overview

- Provide organization and general planning guidance for emergency management.
- Coordinate rapid restoration of Hawaii's energy (electricity & gas utilities, and fuel) systems:
 - Assess energy system damage, energy supply, demand, and requirements to restore systems.
 - Assist State agencies, local governments, and other ESFs to obtain emergency fuel for critical facilities, transportation, communications, and emergency operations.
 - Provide assistance, if needed, to energy suppliers to obtain emergency resources to repair and restore energy systems.
 - Administer, if necessary, statutory authorities for energy priorities and fuel allocation.
 - Administer public information, education, and conservation guidance to the general public via State Civil Defense.

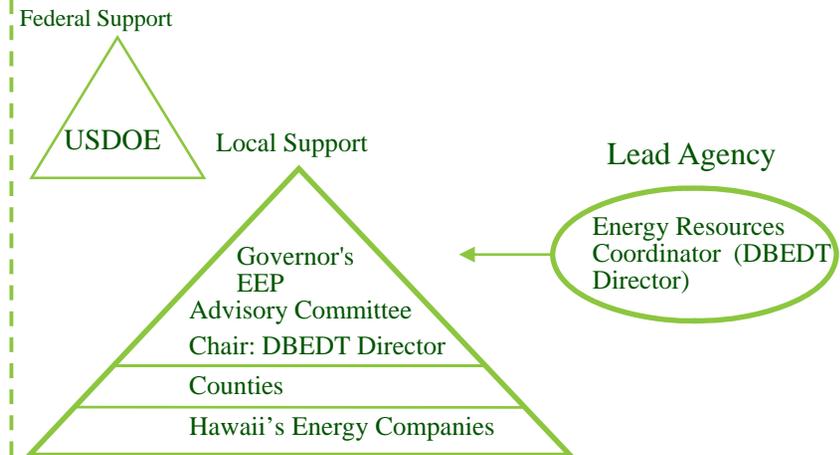
Hawaii's Organizational Concept for Energy Assurance & Critical Infrastructure Protection

Disaster-related Energy Emergency



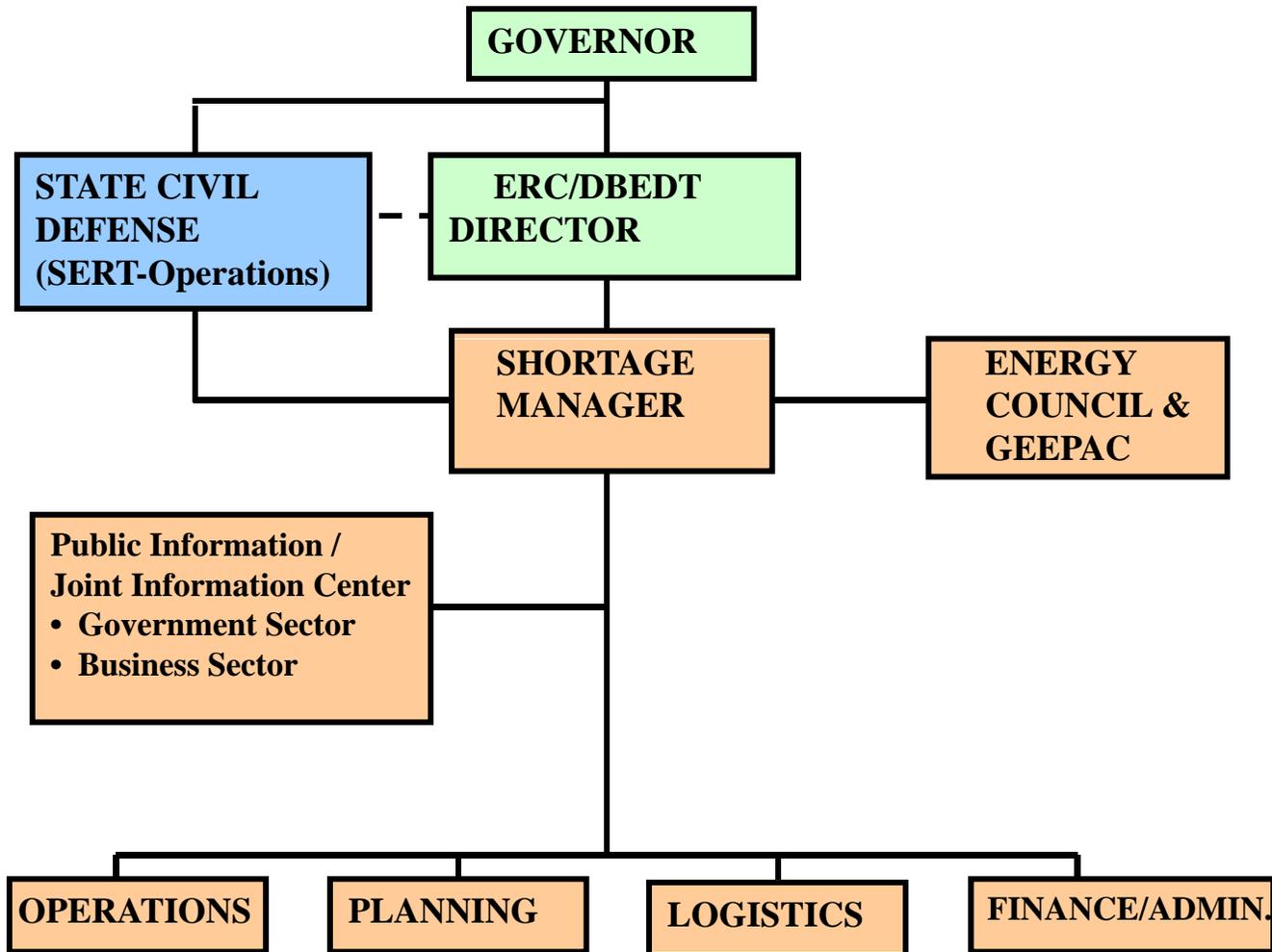
Chapter 128, HRS, Civil Defense and Emergency Act

Oil Market-related Energy Emergency



Chapter 125C, HRS, Procurement, Control, Distribution, and Sale of Petroleum Products

State ESF #12 Organizational Chart (DBEDT's Shortage Management Center)



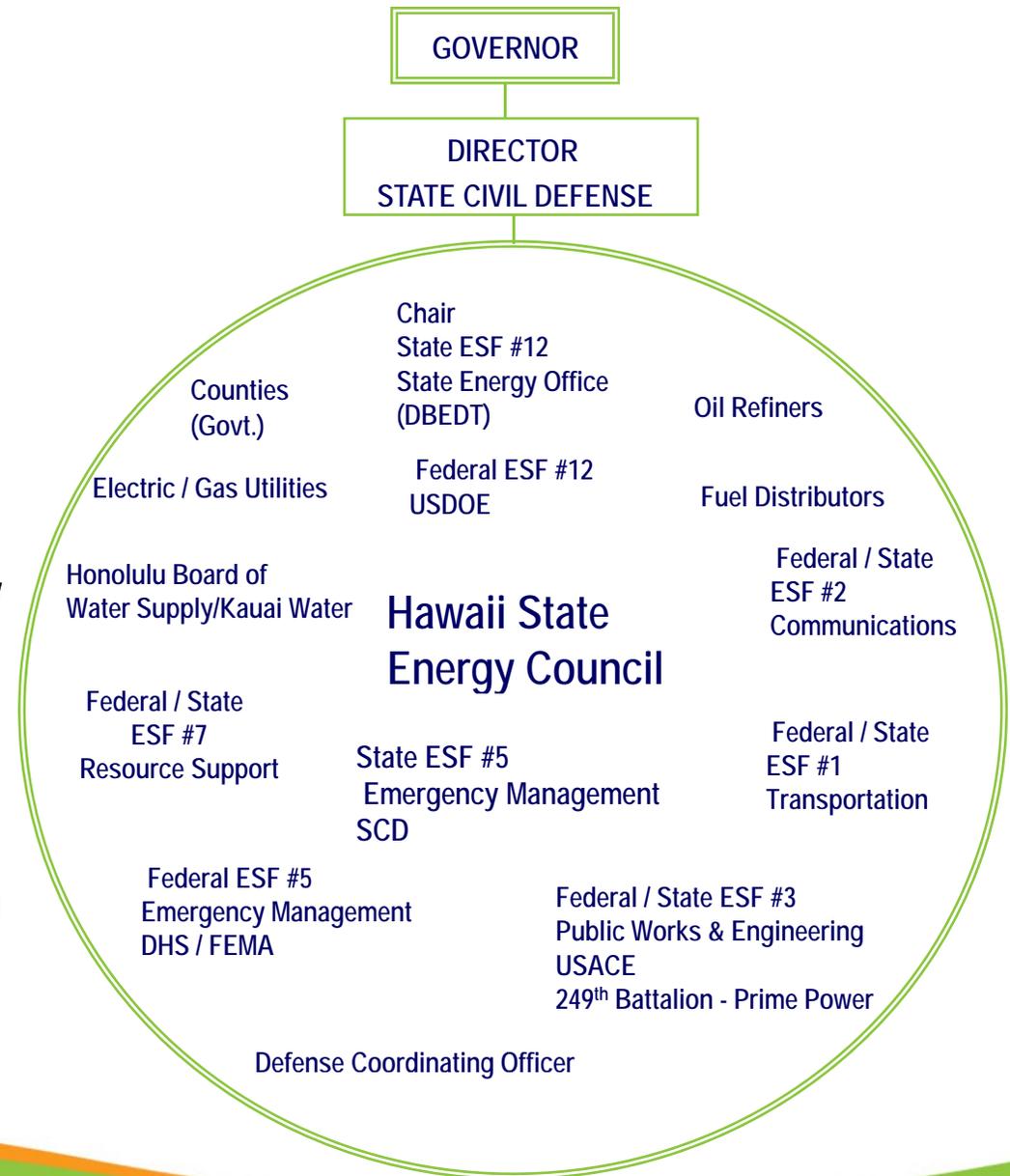


Energy Council Mission

Support the implementation of ESF #12 consistent with SCD programs and plans.

EC's responsibility is to coordinate activities and information necessary to facilitate the affected energy utilities' safe, rapid restoration of the commercial energy grid, and facilitate the availability and adequacy of fuel supplies, storage, and distribution.

Coordinate plans and facilitate activities and information for security and protection of critical energy infrastructure for Homeland Security.



Hawaii State Energy Council

- *What Is The Energy Council?*
 - An Industry/Government partnership with flexible structure and concept of operations to support energy emergency preparedness and critical energy infrastructure protection.
 - Principal mechanism for planning and implementing State-level, government ESF #12, a DBEDT-Strategic Industries Division responsibility.

What Does The Hawaii State Energy Council Do?

- Functions to advise at policy and operational levels relating to Energy Emergency Preparedness / Critical Infrastructure Protection.
- Facilitates industry and government coordination essential to EEP/CIP inter-sector, and all levels of government. Organized to support:
 - Communication to and from industry and emergency responses structures.
 - Priority setting, and recommending critical resource allocation.
 - All-hazards mitigation, planning and preparedness, response, and recovery.
 - Efficiency of critical organizational/human resource deployment via as-needed meetings.
- Integrates and disseminates information to EC members, all government levels, and public.
 - Through the SMC, provides coordinated, accurate, timely, reliable info on an incident to/from SCD.
 - Depends on the cooperation of EC members that may have no legal requirement to assist in dealing with disasters.
 - Supports management of expectations - speaking with one voice.

Hawaii State Energy Council

- *What It's Not:*
 - It's Not a legislatively mandated organization.
 - It's Not a forum for working market-driven petroleum fuel shortages.
 - It's Not a static government entity, or program.
 - It's Not appropriated any targeted funding.
 - It's Not the decision-making body for emergency resources.

Current Hawaii State Energy Council Membership:

- DBEDT-SID Administrator - Chair
- Energy Planning & Policy Mgr. – Vice Chair
- State Dept. of Civil Defense
- State Dept. Transportation
- State Dept. of Accounting & General Services
- State Public Utilities Commission
- Energy Coordinators – Counties of Hawaii, Maui & Kauai
- Dept. of Emergency Management – C&C of Honolulu
- Honolulu Board of Water Supply
- Dept. of Water Kauai
- Mid Pac Petroleum

- Tesoro Hawaii Corp.
- Hawaii Fueling Facilities Corp.
- Chevron Corp.
- Aloha Petroleum, Ltd.
- The Gas Company
- AmeriGas
- HECO, MECO & HELCO
- Kauai Island Utility Cooperative
- US Army Corp of Engineers
- 249th Engineer Battalion - Prime Power
- HQ, U.S. Army Pacific– JTF-HD
- Defense Coordinating Officer
- FEMA / DHS

Fuel Shortage Management Primary Objectives

- Maintain health, welfare, safety & public order
- Sustain essential and emergency services
- Minimize economic and personal hardships
- Keep public informed of situation

Fuel Shortage Declaration Criteria

Whenever Governor determines:

- Increase in demand, or decrease in available supply of a petroleum product, or both;
- May cause a major adverse impact on economy, public order, or health, welfare, or safety of the people of Hawaii; and,
- May not be responsibly managed within the free market distribution system.

Source: §125C-2, Hawaii Revised Statutes

Four Phases Of Fuel Shortage Energy Emergency Response & Management

Phase 4
**POST-SHORTAGE
EVALUATION**

Phase 3
**DECLARED
SHORTAGE**

Phase 2
PRE-SHORTAGE

Phase 1
**INFORMATION
VERIFICATION**

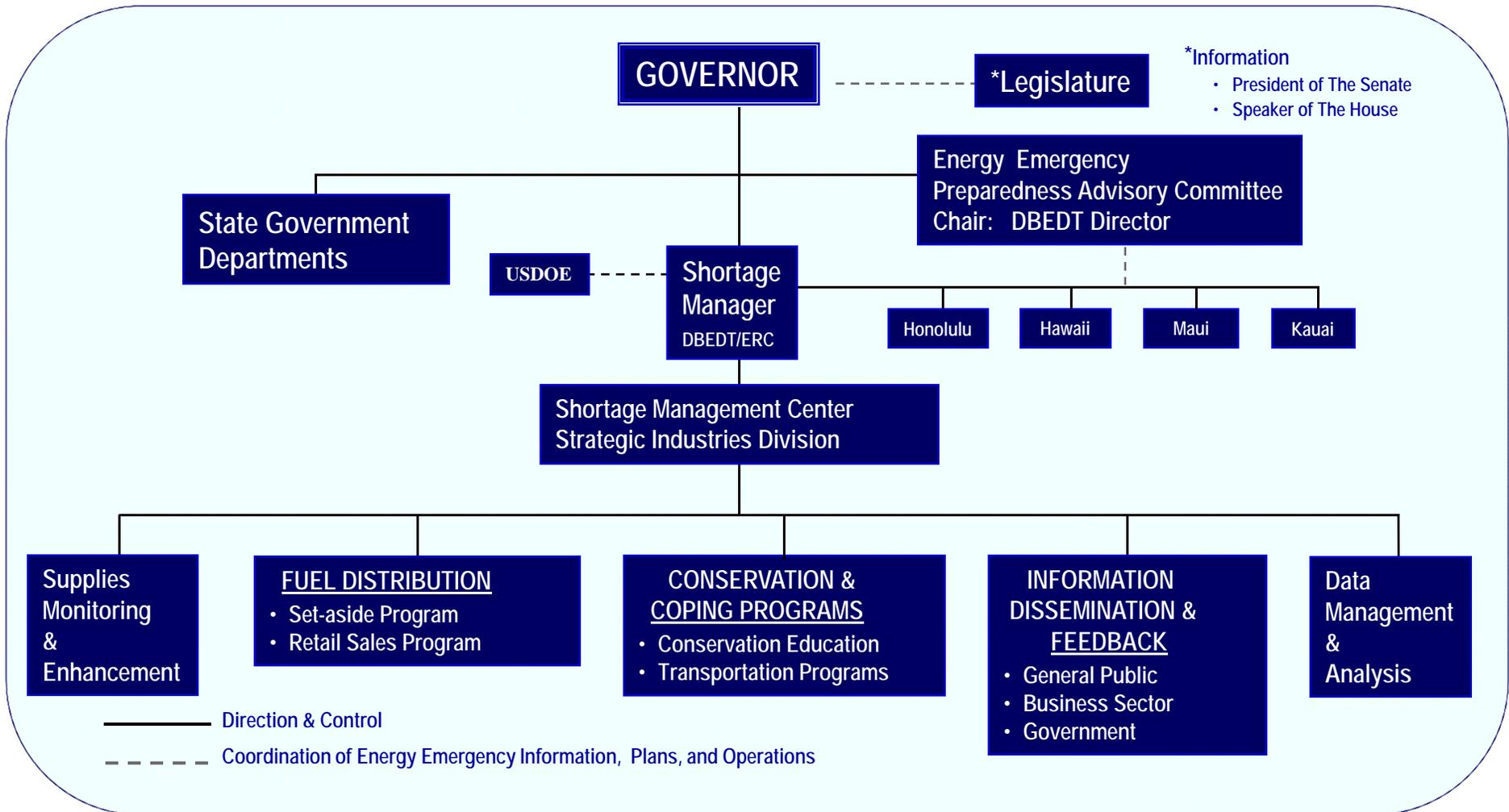
Shortage Classified by Severity:

- Mild
- Moderate to Severe
- Severe to Extreme

Shortage Response Plan Comprised of
Portfolio of Measures – Two Main Tracks:

- Supply & Demand Intervention Measures
- Public Info & Education Measures

Oil Market-Related Energy Emergency Management Structure & Response Measure Categories



*Information

- President of The Senate
- Speaker of The House

The State Energy Resources Coordinator (ERC) - DBEDT Director - is Governor's designated representative to plan & prepare for and manage oil market-related energy emergencies (Chapter 125C, HRS).



State Fuel Set-aside Program

- Governor empowered to set aside up to 5% of supplies (up to 10% of aviation gasoline).
- Provide fuel to meet emergency & hardship needs of wholesale bulk users (must have bulk storage tankage).
- Priority goes to emergency and essential services.
- May be made available to motor fuel retailers in designated shortage areas or communities.
- 12-month historical “base period” for calculation of supply.
- Administered by State Shortage Management Center (SMC).

Energy Assurance Program

- ❖ Energy Assurance Projects Overview – Federal Partnerships
 - ❖ NASEO Energy Assurance Guidelines Implementation
 - ❖ DOE Infrastructure Security & Energy Restoration – Energy Emergency Assurance Coordinator System Participation
 - ❖ FEMA Catastrophic Planning Initiative – Energy Sector
 - ❖ DHS Critical Infrastructure Protection Initiatives – Energy Liaison
 - ❖ DOE State Energy Program – Energy Emergency Preparedness Plan requirement for Funding
 - ❖ Strategic Petroleum Reserve – Hawaii Coordinating Agency

Energy Assurance Program

- ❖ Energy Assurance Projects Overview – State, County, & Private Sector Partnerships & Initiatives
 - ❖ Governor’s Energy Emergency Preparedness Advisory Committee – Sensors for fuel shortages
 - ❖ Hawaii State Energy Council – Coordinate “all hazards” preparedness, response, recovery, and mitigation activities
 - ❖ Hawaii Catastrophic Planning Initiative – Energy Task Force
 - ❖ Emergency Support Function #12 (Energy) – SID’s Shortage Management Center
 - ❖ Critical Energy Infrastructure Protection & Resiliency Planning (SCD & SID)