

DRAFT MINUTES**JOINT INTERIM COMMITTEE ON ENERGY
Austin Hotel Ballroom
305 Malvern Avenue, Hot Springs, Arkansas****Wednesday, September 24, 2014**

The Joint Interim Committee on Energy met at 9:00 a.m. Wednesday, September 24, 2014, at the Austin Hotel Ballroom, Hot Springs, Arkansas.

Committee members present: Senators Linda Chesterfield, Co-Chair; and John Cooper. Representatives David Branscum, Co-Chair; and Denny Altes, Vice Chair.

Alternate members present: Representatives Sue Scott and Eddie Armstrong.

Also attending: Senator Joyce Elliott, Representatives Charles Armstrong, Monte Hodges, Reginald Murdock, Stephen Meeks, Kelley Linck, Fredrick Love, Stephanie Malone, Frederick Smith, and Henry "Hank" Wilkins, IV.

Senator Chesterfield called to meeting to order.

ENERGY SECURITY – GRID SECURITY

Mr. John Bethel, Director, Arkansas Public Service Commission (PSC), was recognized. [PwrPoint Presentation] He stated the PSC's main mission is to ensure safe and reliable service at a reasonable price.

Mr. Bethel stated it is a difficult and challenging task balancing reliable and safe service at a reasonable cost. The United States has an excellent utility system that works well and services are available when desired. He stated the major causes of United States power outages are weather/tree related (62%), equipment failure (15%), unknown/other (10%), public or animal contact (7%), power grid failure (5%), and maintenance (1%).

He noted the North American Electric Reliability Corporation (NERC) is the primary regulatory agency, and it sets standards for the large transmission networks and coordinates transmission and dispatch of generating facilities to make sure systems are stable and reliable. The Regional Reliability Organizations are a branch of NERC, and Southwest Power Pool (SPP) and Mid Continent Independent System Operator (MISO) are regional reliability organizations with the responsibility of ensuring facilities are reliable and operating in compliance with NERC standards.

Special Rules for Electric are designed to set standards for how utilities construct and maintain their facilities and the frequency of inspections and response times in the event of an outage. Special Rules also incorporate the provisions of the National Electric Safety Code and the National Electric Code.

Ensuring reliability involves:

- Utility agencies - regular inspections, regular discussions, periodic exercises, and response to actual events.
- Generating facilities - staffing, video monitoring, daily monitoring, periodic testing, inspection, and maintenance.
- Transmission facilities - supervisory control and data acquisition (SCADA) systems, substation fencing and lights, regular patrols, ability to isolate faults and serve with alternate facilities.

- Distribution facilities - substation fencing and lights, regular patrols, monitoring technology, regular patrols, ability to isolate faults and serve with alternate facilities.

Senator Cooper asked if utilities are prepared for an earthquake in Northeast Arkansas. Mr. Bethel stated for major events, utilities have good restoration procedures in place which include:

- Assessing damage
- Prioritizing human needs and public safety
- Prioritizing large circuits
- Mutual assistance agreements to bring in resources to help restore service
- Web Pages – each utility, with the exception of a few of the distribution cooperatives, have web pages that have outage maps that give real time information.
- Text messages – receive a text message concerning the status of their circuit in the event of an outage.

Mr. Bethel noted the Arkansas Department of Emergency Management is required by law to have an Arkansas Emergency Operations Plan to ensure that the state is prepared for emergencies and define each state agency's role and responsibilities. This is the Emergency Support Function 12 (ESF 12).

The primary role of ESF 12 is to report the status of damaged energy systems to state emergency officials. The PSC is the coordinating and lead agency and the supporting agencies are the Arkansas Energy Office, Arkansas Department of Emergency Management, Arkansas Department of Environmental Quality, Arkansas Highway and Transportation Department, County Emergency Management Coordinators, U.S. Department of Energy, U.S. Department of Transportation, and the U.S. Department of Homeland Security. Mr. Bethel noted that restoration of service is the responsibility of each utility, and the PSC is the contact point.

Cyber security is one element of “all-hazards preparedness” and consists of:

- Confidentiality – preventing unauthorized access to information
- Integrity - preventing the unauthorized modification or theft of information
- Availability - preventing the denial of service and ensuring authorized access to information

There being no further business, the meeting adjourned at 10:15 a.m.