

The Structure of Emergency Management

Discussion document

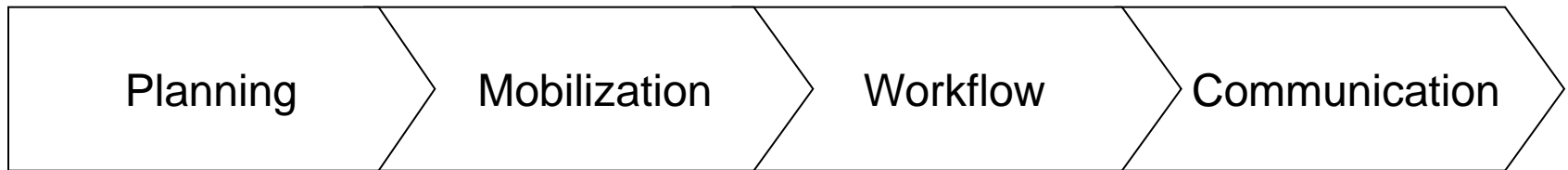
Presented at the 4rd Annual Infocast Conference on
Emergency Preparedness and Service Restoration for Utilities

Houston, TX
March 20, 2009

Agenda

- The issue in a nutshell
- Examples
- Observations and Key Questions

Electric utilities have refined their processes for storm response...



- Organization
 - Emergency plans
 - Training, exercises
 - Relations continuity with MAGs, vendors
 - Relations continuity with governments and regulators
 - Systems capabilities
 - Logistics capabilities
- ICS Activation
 - Predict/assess storm damage
 - Predicting/tracking resources needed
 - Mutual assistance
 - Logistical support
 - De-mobilization
- Trouble analysis
 - Trouble dispatch
 - Wire watch
 - Damage assessment
 - Partial restoration
 - Tree work for access
 - Repair dispatch
 - Permanent repair
- Customers via call center, IVR, media, website, pre-mailings, outreach vans
 - Government/regulators via key contacts, calls, briefings, drills
 - Media commentators via pre-meetings, photo ops, copy, ads, website
 - Employees, vendors – “One Voice”

Each electric utility has years of experience with multiple emergencies per year of various types/sizes, and have refined their processes for them

...But there are many types of risks that utilities face...

Facility-specific risks:

- Electric faults (including partial faults: blinking, smoking)
- Electric system supply shortfalls, blackouts, brownouts
- Gas main breaks, leaks, explosions, high/low/no pressure
- Steam main breaks, leaks, outages
- Water main breaks, leaks, outages, contamination
- Communications outages (land line, MW, cell/mobile, satellite)

General risks:

- Business continuity
- Financial loss (theft, malfeasance, unhedged risk)
- Resource shortfall (employees, fuel, purchased power)

External causes of risk:

- Weather: wind, lightning, snow/ice, heat/cold waves
- Fires, floods, landslides, earthquakes
- Terrorist attacks, vandalism
- Accidents: vehicles, train wrecks, structure collapses
- Hazards: chemical, biological (incl. flu), radiological
- Computer/telecom system failures, viruses, spam attacks



...So how should a utility organize to manage all emergencies?

Issues in Organization Structure of EM:

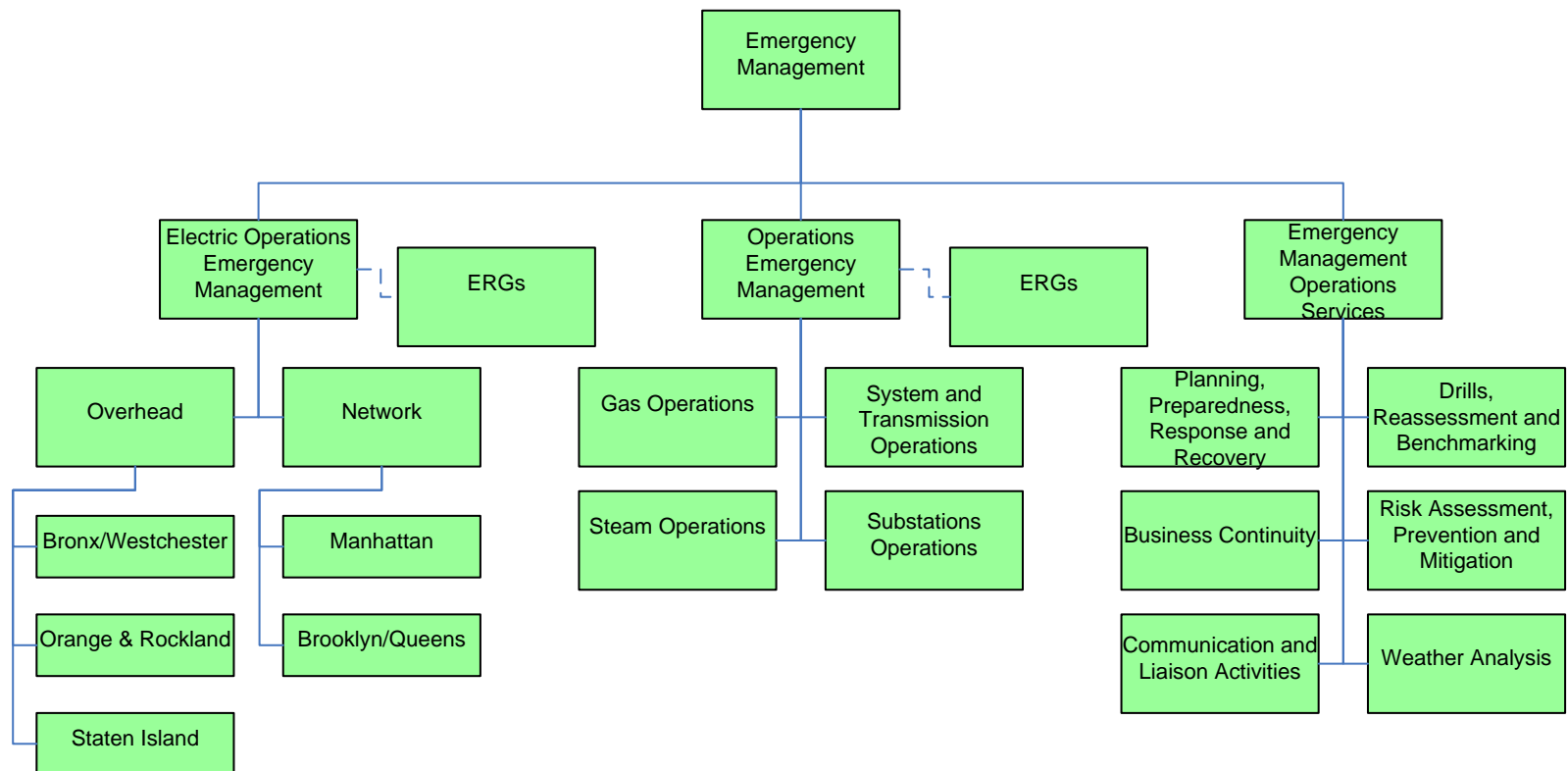
- Centralize or decentralize? (across regions, states, operating companies, commodities, risks)
 - Or centralize in some ways and decentralize in others, or for different events?
- Separate Emergency Preparedness and Service Restoration?
 - Annual planning, event mobilization, event service restoration
- Separate Operations and Communications?
 - How do you speak with “One Voice” (consistent communications)?
- Centralize Business Continuity, decentralize Event Response?
 - Business continuity tends to be “Corporate”, Event Response tends to “Field”
- Separate Nuclear?
 - NRC and FEMA not always on the same page? But nukes have best planning?
- Other issues???

The panel will lead a discussion of these issues, noting pros and cons, eliciting company-specific examples and lessons learned from attendees

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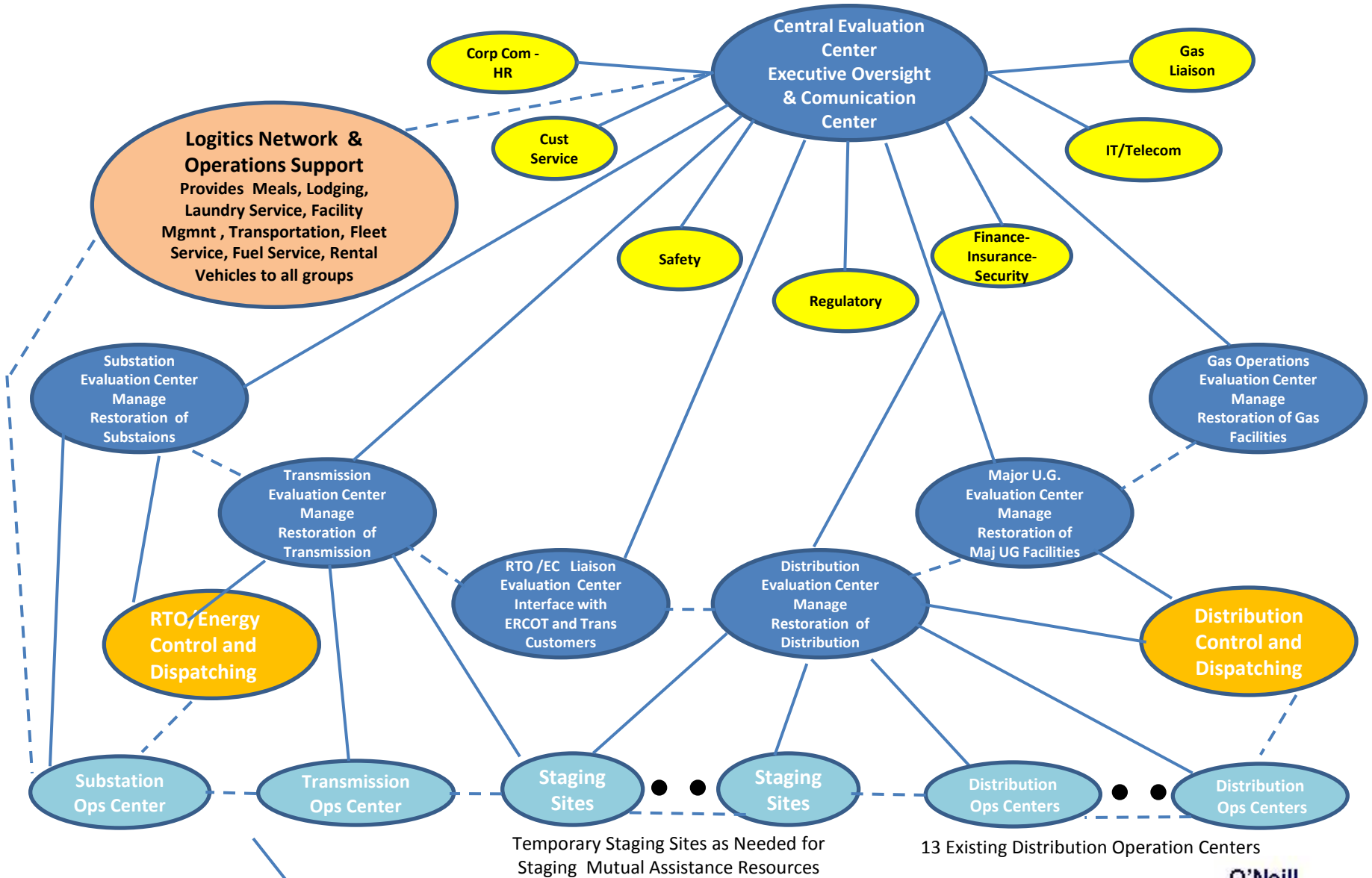
ConEd has recently re-organized its Emergency Management



Notes:

- All departments/sections to support both CECONY and ORU.
- Electric Operations and Operations Emergency Management dedicated personnel are dotted-line report to area General Manager or designee.

CenterPoint Energy – Emergency Operating Plan - Organization



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Observations and Key Questions

Observations

- Third-party post-storm audits often have recommendations relating to organizational structure and processes, and many are publicly available through utility commissions
- A decision-analytic approach could be useful in focusing on what are the actual decisions that have to be made and when
- As with typical re-structuring, there may be no single 'optimal' structure, and changing it every few years may allow you to get advantages of different structures, e.g., a corporate staffer with field experience, and vice versa

Key Questions

- When was the last time your organization seriously reviewed its Emergency Management organizational structure?
- Would your current structure survive a third-party audit?
- How well have you communicated your current structure to your employees, mutual aid/vendors, customers, regulators, and government emergency management personnel?



Questions?

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Fine-tuning the structure of Emergency Management is a continuous process, based on lessons learned in an ever-evolving risk environment