

Stakeholder Introduction: State Energy Security Plan Update

New Mexico Energy, Minerals, and Natural Resources Department (EMNRD)
Energy Conservation and Management Division (ECMD)

Introduction: Energy, Minerals, and Natural Resources Department Energy Conservation and Management Division



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Role of ECMD/New Mexico State Energy Office

- Responsibilities as condition of State Energy Program funding through the U.S. Department of Energy:
 - Monitor energy sectors across the state
 - Promote and implement energy security measures
 - **Maintain** and continually **update** the New Mexico **State Energy Security Plan**
 - Serve as the primary agency for coordinating communications during an energy emergency per ESF #12 (Energy Annex of the New Mexico All-Hazards Emergency Operations Plan)
- Efforts of ECMD to-date:
 - Completed current iteration of State Energy Security Plan in September 2022 (under DOE review)
 - Contracted with Hagerty Consulting, Inc. for 2023 Plan update
 - Worked with partners to develop two energy security table-top exercises (Fall 2022 and Spring 2023) to inform next Plan update
 - Applied for funding under IIJA section 40101 (d) to support implementation of electric grid resilience measures targeting areas with chronic outages and vulnerabilities

SESP Planning Team

- The update to New Mexico's SESP emphasizes **interagency coordination**
- Personnel from the following departments are part of a SESP Planning Team involved in project strategy and deliverables to ensure the final updated SESP reflects the perspective of the full state administration:
 - Department of Homeland Security and Emergency Management (DHSEM)
 - Public Regulation Commission (PRC)
 - Energy, Minerals, and Natural Resources Department (EMNRD) (Project Leads)

The background of the slide is a grayscale photograph of a desert landscape. It features rolling sand dunes in the foreground and middle ground, with a range of mountains visible in the distance. A small, lone figure of a person is standing on one of the dunes, providing a sense of scale. The sky is clear and light-colored. The overall tone is serene and expansive.

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Introduction: Hagerty Consulting, Inc.



Katie Toskey

Project Manager

Hagerty Consulting, Inc.

Emergency management and homeland security consulting firm with nearly 20 years experience supporting all levels of government and the private sector. Assists clients, like the State of New Mexico, prepare for, respond to, and recover from disasters and other emergencies.

State Energy Security

- The energy sector is uniquely critical as **all other critical infrastructure sectors depend on power or fuel to operate**. An impact on critical energy infrastructure can directly affect the security and resilience within and across other critical infrastructure sectors, threatening public safety, the economy, and national security.
- Energy Security Planning ensures a **reliable and resilient** supply of energy through efforts to **identify, assess, and mitigate risks** to energy infrastructure and **plan for, respond to, and recover from events that disrupt energy supply**.
- Our nation's energy infrastructure and delivery systems are vulnerable to a variety of threats and hazards, including severe weather (exacerbated by climate change), cyberattacks, system failures, pandemics, and deliberate physical attacks.
- **Most of the nation's critical infrastructure is owned and operated by private companies**. Both the government and private sector have a **mutual incentive** to reduce the risk of disruptions to critical infrastructure.
- It is the **responsibility of state and local officials to work with energy providers, across government agencies and with relevant stakeholders** to reduce the risk, vulnerabilities, and consequences of an energy disruption or emergency and provide for rapid recovery.

State Energy Security Plans

- State Energy Security Plans (SESPs) are an **essential part of energy security planning**.
- An SESP describes the state's energy landscape, people, processes, as well as the state's strategy to build energy resilience.
- Critical details included describe how a state, working with energy partners, can:
 - Secure energy infrastructure against all physical and cybersecurity threats;
 - Mitigate the risk of energy supply disruptions to the state;
 - Enhance the response to, and recovery from, energy disruptions; and
 - Ensure that the state has secure, reliable, and resilient energy infrastructure.
- The purpose of this initiative is to **update New Mexico's SESP** to reflect **new criteria outlined in the Infrastructure Investment and Jobs Act (IIJA)**.

Section 40108 of the IJA

FINANCIAL ASSISTANCE FOR STATE ENERGY SECURITY PLANS. — Federal financial assistance made available to a state under this part may be used for the development, implementation, review, and revision of a state energy security plan that —

- 1) Assesses the existing circumstances in the state; and
- 2) Proposes methods to strengthen the ability of the state, in consultation with owners and operators of energy infrastructure in the state, to:
 - a. Secure the energy infrastructure of the state against all physical and cybersecurity threats;
 - b. Mitigate the risk of energy supply disruptions to the State; and to enhance the response to, and recovery from, energy disruptions; and
 - c. Ensure that the State has reliable, secure, and resilient energy infrastructure.

New Criteria for State Energy Security Plans

- The updated SESP will **fulfill all requirements identified in Section 40108 of the IIJA**, including:
 - Addressment of all energy sources and regulated and unregulated energy providers;
 - Provision of a state energy profile, including an assessment of energy production, transmission, distribution, and end-use;
 - Addressment of potential hazards to each energy sector or system, including physical threats and vulnerabilities and cybersecurity threats and vulnerabilities;
 - Provision of a risk assessment of energy infrastructure and cross-sector interdependencies;
 - A risk mitigation approach to enhance reliability and end-use resilience; and
 - Addressment of multi-state and regional coordination, planning, and response and coordination with Tribal governments with respect to planning and response.

Stakeholder Engagement

- Stakeholder engagement and collaboration is a **priority of the project**.
- Successful execution and completion of this undertaking requires partnership with a range of stakeholders across New Mexico and the southwest region.
- EMNRD ECMD understands the sensitive nature of information that may be shared by stakeholders throughout this initiative and remains committed to serving as the utmost trusted and reliable partner.
- Public-private collaboration is valued and EMNRD ECMD will work thoughtfully and meaningfully to streamline communications throughout the entirety of this initiative to prioritize necessary participation, particularly for stakeholders who are involved in multiple state projects concurrently.

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Scope of Stakeholder Activities

- **Email outreach to stakeholder groups** including utilities, critical infrastructure, government, and associations was delivered on November 9 to introduce the project and invite participation in the Stakeholder Kickoff Meeting.
- EMNRD ECMD requests feedback regarding additional entities that should be included in the process and/or the correct points of contact to engage within your organizations.
- Please review the read-ahead **Project Roadmap** that was circulated to stakeholders during introductory email outreach that outlines key stakeholder activities.
- **Stakeholder engagement will take place during three phases between November 2022 and June 2023:**
 - Phase I: State Energy Security Assessment (November 2022 – February 2023)
 - Phase II: SESP Development (February – June 2023)
 - Phase III: SESP Stakeholder Presentations (June 2023)

Phase I: State Energy Security Assessment

- The State Energy Security Assessment will begin with the following activities:
 - Document review of emergency operations plans, hazard mitigation plans, integrated resources plans, and after-action reports from previous incidents
 - Conversations with energy system operators and other stakeholders
 - Analysis of data sets pursuant to natural disasters, human caused disasters, and criminal acts that have occurred, their impact on operations, outcomes, and necessary mitigation to increase security and prevent future disruptions
 - Interaction with cybersecurity, physical security, and climate change experts
- Information from document review and data analysis will be utilized to develop:
 - New Mexico State Energy Profile
 - Hazards, Threats, and Vulnerabilities Inventory
 - Energy Infrastructure and Cross-Sector Interdependencies Risk Assessment
 - Energy Security Validation Workshops

1. Document Review

- Timeframe: November – December 2022
- To augment information included in state documents, EMNRD ECMD values emergency plans and after-action reports provided by stakeholders to inform the scope of work.
- **Following the Stakeholder Kickoff Meeting, on November 16, 2022, stakeholders will receive a request to provide relevant documents to EMNRD ECMD by December 2, 2022.**
- Understanding the potential sensitive nature of this information, EMNRD ECMD will host discussions with stakeholders to ascertain critical information.

2. State Energy Profile

- Timeframe: December 2022
- The State Energy Profile will provide **baseline data, maps, and other information on state markets and infrastructure for all energy sources** (electricity, liquid fuels, and natural gas) including:
 - Production: in-state energy production, including electricity generation by fuel and oil and gas upstream production and refining and processing
 - Transmission: interstate energy transfers and imports, including information on major pipelines, transmission lines, and rail infrastructure
 - Distribution: overview of energy providers in the state, including electric utilities, natural gas local distribution companies, and liquid fuels terminal operators and fuel distributors
 - End-Use: energy demands, including information on seasonal and intraday variability, demands by sector, and any state-specific fuel specifications
- The State Energy Profile will also include discussion of wider interstate and regional energy markets.

3. Hazards, Threats, and Vulnerabilities Inventory

- Timeframe: January 2023
- The Hazards, Threats, and Vulnerabilities Inventory **will plot threats and vulnerabilities in each energy sector against their impact and likelihood in the state and region.**
- **Threat** information includes anything that can expose a vulnerability and damage, destroy, or disrupt energy systems, including natural, technological, manmade, physical, and cybersecurity hazards.
- **Vulnerabilities** are weaknesses within infrastructure, processes, and systems, or the degree of susceptibility to various threats. Vulnerabilities may be specific to the threat, energy type, and infrastructure component.

4. Energy Infrastructure and Cross-Sector Interdependencies Risk Assessment

- Timeframe: February 2023
- The Energy Infrastructure and Cross-Sector Interdependencies Risk Assessment will:
 - Address the risk of potential for loss, damage, or destruction of key resources or energy system assets resulting from exposure to a threat
 - Consider the consequence of an asset's loss, the vulnerability of an asset to specific threats, and the likelihood that an asset will be exposed to a specific threat
 - Describe interdependencies between the energy sector and other sectors and between different energy sub-sectors (electricity, liquid fuels, and natural gas) to understand the interconnected nature of energy infrastructure and the possible cascading impacts of a disruption
- Knowing how susceptible an energy asset is to a disruption (natural or manmade) allows EMNRD ECMD to **focus mitigation resources and strategies on better protecting the most vulnerable assets.**

5. Energy Security Validation Workshops

- Timeframe: February 20, 21, and 22, 2023
- EMNRD ECMD will host three virtual Energy Security Validation Workshops with **separate audiences of electricity, oil and natural gas, and government stakeholders.**
- The intention of the Energy Security Validation Workshops is to validate key findings during document review as well as the information included in the State Energy Profile, Hazards, Threats, and Mitigation Inventory, and Energy Infrastructure and Cross-Sector Interdependencies Risk Assessment.

Phase II: SESP Development

- SESP development will include the following activities:
 - Creation of a SESP template reflecting components of New Mexico's current SESP and new criteria for SESP in the IIJA
 - Template review with the SESP Planning Team
 - **Two 90-minute virtual sessions with an Emergency Response Working Group (ERWG) comprised of state, regional and tribal stakeholders**
 - **Two 90-minute virtual sessions with a Resilience and Mitigation Working Group (RMWG) comprised of energy infrastructure owners and operators**
 - Writing of the updated and final SESP

1. Emergency Response Working Group

- Timeframe: April 4 and 18, 2023
- Comprised of **state, regional and tribal stakeholders**
- Address:
 - energy security priorities
 - mutual assistance in cyber and physical response plans
 - planning and response responsibilities
 - coordination between state, local, and tribal entities, and wider public-private coordination
- Yield: Integrated Preparedness Plan (IPP) reflecting energy priorities for ERWG stakeholders, existing processes and capabilities, identified next steps for continued capability growth. IPP will be included in the final updated SESP.

2. Resilience and Mitigation Working Group

- Timeframe: April 6 and 20, 2023
- Comprised of **energy infrastructure owners and operators**
- Address:
 - Existing, anticipated, and required mitigation initiatives
 - Potential opportunities for additional or collaborative mitigation priorities
 - Public-private partnership to maintain energy reliability, secure infrastructure, and further invest in infrastructure
- The Energy Infrastructure and Cross-Sector Interdependencies Risk Assessment will be utilized to elicit conversation during these discussions
- Yield: Risk Mitigation Approach for inclusion into the updated and final SESP

Phase III: SESP Stakeholder Presentations

- Timeframe: June 26 and 27, 2023
- Deliver a two-hour SESP Stakeholder Presentation describing the updated and final SESP to two separate audiences:
 - **SESP Planning Team and government stakeholders**
 - **External stakeholders identified by EMNRD ECMD**
- The presentation will be interactive and may be delivered virtually or in-person
- The presentations will be divided into three portions:
 - State Energy Profile
 - Hazards, Risks, and Mitigation
 - Emergency Response

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Stakeholder Next Steps / Key Dates

November 16 –
December 2, 2022:

Request for Stakeholder Documents

February 20, 21, 22, 2023:

Energy Security Validation Workshops (electricity, oil and natural gas, and government)

April 4, 18, 2023:

Emergency Response Working Group Meetings (state, regional and tribal stakeholders)

April 6, 20, 2023:

Resilience and Mitigation Working Group Meetings (energy infrastructure owners and operators)

June 26, 27, 2023:

SESP Stakeholder Presentations (government and other stakeholders identified by EMNRD ECMD)

Questions?



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