

Powering Strong Communities

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November 1, 2017

The Honorable Fred Upton Chairman House Energy & Commerce Committee Subcommittee on Energy 2183 Rayburn House Office Bldg. Washington, D.C. 20515 The Honorable Bobby Rush Ranking Member House Energy & Commerce Committee Subcommittee on Energy 2188 Rayburn House Office Bldg. Washington, D.C. 20515

Dear Chairman Upton and Ranking Member Rush:

On behalf of the American Public Power Association (APPA or Association), I am writing to express our appreciation for the House Energy & Commerce Committee's Subcommittee on Energy holding a hearing to examine emergency response and energy infrastructure recovery efforts during the 2017 hurricane season. APPA is the national service organization representing the interests of over 2,000 community-owned, not-for-profit electric utilities. These utilities include state public power agencies, municipal electric utilities, and special utility districts that provide low-cost, reliable electricity and other services to over 49 million Americans.

APPA, along with the Edison Electric Institute (EEI) and National Rural Electric Cooperative Association, participates in the Electricity Subsector Coordinating Council (ESCC), a public/private partnership outlined in the National Infrastructure Protection Plan for critical infrastructure owners and operators. It serves as the electricity sector's principal liaison with the government on policy-level security issues and engages regularly with its federal government counterparts, including senior Administration officials from the White House, Department of Energy (DOE), Department of Homeland Security, Federal Energy Regulatory Commission, Federal Bureau of Investigation, and others. Tom Fanning, Chairman, President, and CEO of Southern Company, is a co-chair of the ESCC and is testifying before the subcommittee on behalf of the ESCC. APPA supports his testimony.

Hurricanes Harvey, Irma, and Maria caused widespread damage and impacted millions of Americans throughout the South and in the Caribbean. Public power utilities and their customers were impacted by all three storms, but particularly by Hurricanes Irma and Maria. Hurricane Irma caused widespread damage to the islands of St. Thomas and St. John in the U.S. Virgin Islands (USVI) and Key West, Florida. All 63 counties of Florida and large parts of Georgia, as well as Puerto Rico, were also impacted the storm. Irma was soon followed by Hurricane Maria, which caused significant damage to St. Croix in USVI and Puerto Rico. Mutual aid played an important role in helping restore power to many impacted communities and is ongoing in the efforts to restore power to USVI.

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In the aftermath of these devastating storms, APPA has received a lot of questions about mutual aid. Common questions include what is it? How does it work? How is it invoked? Who pays for it? Given the many questions we have received, we thought it would be helpful to provide an overview on the mutual aid process.

Mutual aid is when utilities help one another in times of need. The Association, together with state and regional public power utilities and organizations, coordinate the mutual aid network for the nation's public power utilities. More than 1,100 utilities across the country participate. Utilities that want to give and get help for power restoration after a disaster sign up for this network. The network also maintains a list of independent contractors that can be called upon when extra help is needed.

When (and even before) a major disaster hits a utility's service territory and the utility knows that its own crews and equipment will not be enough to restore power quickly, it calls for mutual aid. It provides its best estimates of how many people it needs and what type of skills they should have. The utility also specifies equipment and materials needs. Other utilities in the network respond with what they can offer.

The actual dispatch and movement of crews from different utilities is coordinated by utility and public power association personnel who volunteer as regional and national mutual aid coordinators. Such efforts require substantial logistics management. The utility that is requesting mutual aid generally arranges to house, feed, and care for the crews that come in from other utilities, and provides them the necessary work/safety briefings to do their jobs effectively. Requesting utilities generally send their own employees out to support visiting crews.

Typically, a public power utility requesting assistance pays other utilities that send help. Rates are determined through agreements entered into by the utilities. As units of state and local government, public power utilities are eligible for partial reimbursement of restoration expenses by the Federal Emergency Management Agency (FEMA), if all relevant conditions and requirements are met.

In addition to helping public power utilities in need, public power utilities also provide mutual aid to cooperatives and investor-owned utilities when requested and have also received assistance from cooperatives and IOUs when needed. In the aftermath of Superstorm Sandy, the entire industry has worked more closely on restoration efforts with the goal of bringing back power to all customers as soon as possible. Mr. Fanning's testimony discusses some of the industry's efforts to improve coordination not just within the industry, but with our federal government partners.

When Hurricane Harvey hit the Gulf Coast in September, most public power utilities were spared the worst, but did provide mutual aid to others directly impacted by the storm. Approximately 160,000 public power customers in Texas lost power and service was restored to nearly all of them within three days. Robstown, Texas, which is near Corpus Christi, suffered wind damage, but restored power to 95 percent of its customers within two days. Some public power utilities in East Texas lost power due to transmission outages in the area, but their distribution systems did not incur substantial damage. Walt Baum, the Executive Director of the Texas Public Power Association, an APPA member, testified before

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the House Science, Space, & Technology Committee on October 3, 2017, on recovery efforts in Texas after Hurricane Harvey and the industry's efforts to maintain a reliable and resilient grid, including the importance of mutual aid to resiliency. I encourage the Energy Subcommittee to review Mr. Baum's insightful testimony to the Science Committee, which is available here

Hurricane Irma impacted public power utilities in USVI, Puerto Rico, Florida, and Georgia. The hurricane inflicted significant damage to the islands of St. Thomas and St. John in USVI. Julio Rhymer, the Executive Director of Virgin Islands Water and Power Authority (USVI WAPA) is testifying at the hearing and his testimony describes the terrible impact Irma, and then Maria, has had on the residents of USVI, knocking out power everywhere. USVI WAPA requested mutual aid after Irma and public power utilities from New England have sent down crews to assist in the recovery efforts. Given the extensive damage done by the hurricane, USVI has requested additional mutual aid through APPA. We are working with other public power utilities, as well as Western Area Power Administration and contractor crews to assist USVI WAPA in its recovery efforts.

Puerto Rico was also hit by Irma, knocking out power to much of the island. The Puerto Rico Electric Power Authority (PREPA), an APPA member, had restored power to most of its customers before being devastated by Hurricane Maria just over a week later.

APPA member Keys Energy Services in Key West, Florida, was directly hit by Hurricane Irma, which took down most of its distribution and transmission facilities. As the storm moved up through Florida, it impacted every single public power utility in the state. More than 800,000 public power customers in Florida were without power at the height of the outages, but 98 percent of them had their power restored within seven days. In addition, there were significant outages among some of our Georgia members.

Mutual aid played a key role in restoring the power quickly in Florida and Georgia. Public power utilities aided one another in the restoration efforts. They also aided IOUs and were aided by IOUs to restore power. The Florida Municipal Electric Association, an APPA member, played a central role in coordinating mutual aid for the utilities impacted by the hurricane in the state. As Mr. Fanning notes in his testimony, "this was one of the largest restoration efforts in U.S. history" and the speed of the recovery was acknowledged by the U.S. Energy Information Administration.

Hurricane Maria knocked out power to St. Croix in USVI, the one island not substantially impacted by Hurricane Irma, and all of Puerto Rico. APPA member New York Power Authority (NYPA) sent technical subject matter experts and drones down to Puerto Rico as part of a state-led mission initiated by New York Governor Andrew Cuomo, at the request of Puerto Rico Governor Ricardo Rossello. NYPA's personnel worked with PREPA on damage assessments of specific PREPA generation, transmission, and substation facilities.

In addition, FEMA, the U.S. Army Corps of Engineers (USACE), and DOE have personnel on the ground. In early October, FEMA put USACE in charge of the mission to restore power. USACE has

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selected contractors to assist in the recovery efforts and is testifying at the hearing on its efforts. Four public power utilities from Florida are currently in Puerto Rico assisting in the recovery efforts as subcontractors. On October 31, 2017, PREPA requested mutual aid from APPA and EEI. The Association is pleased to have received this request and will work with PREPA, our government partners and their contractors, and the industry to support the ongoing power restoration process.

APPA appreciates the opportunity to submit this letter to the Energy Subcommittee and provide background on the mutual aid process for public power utilities. Thank you for holding this important hearing on emergency response and energy infrastructure recovery efforts during the 2017 hurricane season.

Sincerely,

Susan N. Kelly President & CEO

SNK/DW

cc: The Honorable Greg Walden

The Honorable Frank Pallone

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