
OLR Bill Analysis

sSB 23

AN ACT ENHANCING EMERGENCY PREPAREDNESS AND RESPONSE.

SUMMARY:

This bill requires the Public Utilities Regulatory Authority (PURA) to (1) initiate a docket to review utility company emergency preparation and service restoration practices and identify optimum tree trimming and infrastructure hardening levels and (2) establish electric, gas, and telephone company performance standards for emergency preparation and service restoration. The companies must also submit annual reports on their emergency response plans and performance. The bill requires PURA to review the companies' performance after an emergency and issue orders to enforce the standards. It also allows PURA to issue civil penalties for violations.

The bill also (1) requires telecommunications companies to report on their backup power generation capabilities of their cell towers; (2) increases communication between the Department of Transportation (DOT), PURA, municipalities, and utilities to coordinate roadwork and utility line undergrounding; and (3) establishes a pilot program to fund local clean energy generation for critical facilities (micro-grids).

It expands the scope of the state's civil preparedness and training requirements by requiring all private utility companies, including electric, gas, telephone, water, and cable TV companies, to comply with the state's comprehensive civil preparedness plan. It also requires all state departments, offices, and agencies to participate in civil preparedness planning, training, and exercises when directed to do so by the Department of Emergency Services and Public Protection (DESPP) commissioner.

By law, the Office of Consumer Counsel (OCC) advocates for

consumer interests in matters regarding the regulated utility companies. The bill expands OCC's charge to include matters related to the utilities' infrastructure maintenance and operation.

EFFECTIVE DATE: Upon passage, except for the provisions regarding the civil preparedness plan and training, which are effective July 1, 2012.

STORM PREPARATION AND RESPONSE

PURA Review Docket

The bill requires PURA to initiate a proceeding to establish acceptable performance standards for electric, gas, and telephone companies that (1) ensure service reliability in an emergency (any hurricane, tornado, storm, flood, high water, wind-driven water, snowstorm, drought, fire explosion, or enemy attack); (2) prevent and minimize service outages from lasting more than 24 hours; (3) facilitate restoration after long outages; and (4) identify the optimum levels of tree trimming and system hardening, including putting equipment underground, to maximize system reliability and minimize service outages.

In the docket, the bill requires PURA to review and analyze:

1. each electric, gas, and telephone company's current restoration practices following an emergency, including (a) damage and outage estimates made prior to an emergency, (b) damage and outage estimates made after an emergency, (c) restoration management after an emergency, including any access to external resources provided by regional and reciprocal aid contracts, (d) planning for at-risk and vulnerable customers, (e) communication policies, including individual restoration estimates, with state and local officials and customers, and (f) the need for mutual assistance during an emergency;
2. each company's infrastructure, facilities, and equipment, including if (a) they are well maintained and able to meet operational standards, (b) the company follows standard

industry practices for operations and maintenance, and (c) the company can access adequate replacement equipment during an emergency;

3. coordination efforts between electric, telephone, and certain cable TV companies (excluding providers with certificates of video franchise authority), including pre- and post-emergency planning, restoration efforts, and plans for emergency generators or back-up battery power where necessary to restore service;
4. each electric company's tree trimming policies, including (a) amounts spent on tree trimming in (presumably since) its last rate case, (b) the average length of outages caused by falling trees and limbs, (c) how expanding the trimming zone around the company's distribution lines would affect ratepayers, infrastructure damage, and equipment used to decrease the frequency and length of outages, and (d) the percentage of outages during Hurricane Irene and the October 2011 snowstorm that were caused by falling trees and limbs outside current trim areas, based on an analysis of prior tree trimming quantities; and
5. any other policies, practices, or information relevant to the review.

PURA must submit a report identifying its standards and recommendations for legislative action to the Energy and Technology Committee by November 1, 2012.

Emergency Preparation & Service Restoration Standards

The bill requires PURA to establish minimum performance standards for an electric, gas, or telephone company's preparation and service restoration during an emergency. The standards must aim to minimize the frequency and length of outages during emergencies and at least include requirements for:

1. minimum staffing and equipment levels for each utility, based on the size of its customer base;

2. recovery and restoration targets based on the level of a particular emergency;
3. a communication plan between a utility and its customers that includes communications during non-business hours;
4. safety standards for utility employees, mutual aid crews, and private contractors;
5. the filing of mutual aid agreements (which the bill exempts from disclosure under the Freedom of Information Act);
6. communication and coordination between utilities and state or local emergency operations centers regarding road clearing and restoration priorities;
7. electric company tree trimming, cutting, and removal to reduce outages;
8. communication and coordination, in consultation with DESPP, between each utility company and the public, including standards for using the emergency notification system of service restorations and possible dangerous conditions;
9. timely communications between utilities and relevant state and local officials regarding emergency coordination and communication;
10. communication and coordination between electric, gas, and telephone companies;
11. operations of a call center by each electric, gas, telephone, telecommunications, or cable TV company, and voice over internet protocol (VOIP) provider during any emergency; and
12. any other measure that would ensure a gas, electric, or telephone company's reliability during an emergency, prevent outages lasting over 24 hours, and promote service restoration after an outage.

PURA Performance Review & Penalties

The bill requires PURA to review each electric, gas, and telephone company's performance after an emergency. If PURA finds that a company failed to comply with any of the bill's emergency preparation and service restoration standards, or any other PURA order, the bill requires it to hold a contested case hearing and issue orders to enforce the standards.

The bill also allows PURA to issue civil penalties against the companies for any related series of noncompliance. Electric or gas companies can be fined up to 2.5% of their annual distribution revenue. Telephone companies can be fined up to \$20 million. The penalties must be paid as a credit to ratepayers and cannot be considered an operating expense that the company can recover in its rates.

Utility Implementation and Emergency Response Plans

By August 1, 2012, and every April 15th thereafter, the bill requires every electric, gas, and telephone company to submit an emergency response plan to PURA. The plan must include information and analysis regarding how the company complied with the bill's emergency preparation and restoration standards over the previous year.

The bill also requires each electric, gas, and telephone company to submit to PURA, by October 1, 2012, a plan detailing how it will implement the emergency preparation and service restoration standards. PURA can approve, reject, or modify the plan.

The bill allows PURA to require any of the companies to submit a supplemental emergency response plan or implementation plan after any storm, emergency or event that caused significant outages.

(Although the bill requires the utilities to submit these plans by August 1, 2012, and October 1, 2012, respectively, it does not require PURA to have finalized its standards by these dates. As noted above, the results of PURA's review are not due to the General Assembly

until November 1, 2012.)

REPORTS ON CELL TOWER BACKUP GENERATION

By October 1, 2012, the bill requires land line and cellular telecommunication companies to issue annual reports to DESPP on their ability and plans to provide backup power to their cell towers and antennae during an electricity outage. The bill exempts from disclosure under the Freedom of Information Act any information they are required to report. DESPP must issue a report to the Energy and Technology Committee on this information and its legislative recommendations by January 1, 2013, and annually thereafter. Under the bill, such information is confidential and its transmittal for any other purpose is prohibited.

ROAD WORK COORDINATION

The bill requires DOT and any municipality to notify PURA whenever it does road work (1) over five miles long or (2) in a commercial area. PURA must then notify utility companies if it determines that the road work could provide an opportunity to install, replace, upgrade, or bury any of their various infrastructure lines.

The bill also requires PURA to initiate a docket to identify and establish ways to increase the utilities' efforts to install, replace, upgrade, or bury any of their various infrastructure lines. The study must consider ways to improve coordination between DOT, municipalities, and the utilities and encourage them to perform the work simultaneously with work on state or public highways. PURA must submit a report on its findings and any legislative recommendations to the Energy and Technology Committee by February 1, 2013.

MICRO-GRID GRANT AND LOAN PILOT PROGRAM

The bill requires DEEP to establish a pilot program to award grants or loans to support local clean energy generation for critical facilities (hospitals, police and fire stations, water and sewage treatment plants, correctional facilities, or other facilities identified by DEEP). The program is open to municipalities, investor-owned electric companies,

municipal electric companies, energy improvement districts, and private entities that propose supporting these facilities by developing micro-grid renewable energy generation or converting existing renewable generation for micro-grid use. The bill allows the various entities to collaborate with each other for their proposals and gives preference to projects expected to be completed by October 1, 2012.

Under the bill, the program can issue up to \$5 million in total grants and loans. It does not specify a funding source for the program, but allows DEEP to establish a financing mechanism to leverage additional funding for it.

The bill requires any entity that receives a grant or loan under the program to issue an annual report on the project's status to the Energy and Technology Committee for five years after receiving the funding. It also requires DEEP, by January 1, 2013, to report to the Energy and Technology Committee on other funding sources needed to expand the program and any necessary legislative changes.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/28/2012)