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Resilience Leads Discussion at PJM Annual Meeting

May 21, 2018

By *Rory D. Sweeney*

NATIONAL HARBOR, Md. — Attendees who didn't pick up on the theme of PJM's annual meeting last week weren't listening. "Resilience" was uttered so many times during the General Session that speakers were sheepishly joking about using the word before launching into their own comments.

What did the audience learn from all of it? That it's complicated. That it requires coordination across multiple organizational levels, and that there's no template. It's also likely very expensive — although so are the consequences of disasters when necessary provisions aren't in place.

Rob Glenn, director of private sector integration for the Federal Emergency Management Agency, urged stakeholders to develop "a culture of preparedness" and run response exercises routinely. Because emergency responders aren't always paid professionals, he said, coordination needs to occur all the way to the community level and begin well before an event occurs.

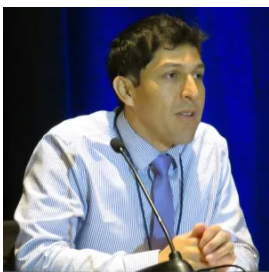
Pat Hoffman, the Department of Energy's principal deputy assistant secretary for the Office of Electricity Delivery and Energy Reliability, warned of cyberattacks on the industry within the next year from Russian hackers.

"Cybersecurity is one of the most important issues facing this industry today," she said. "We have a huge bullseye on our back. ... At this stage of the game, it's not if but when, so how do we make sure we can continue to operate after an attack?"

The industry is focusing on improvements in sensing technology to support outage recovery, asset management and machine learning, she said. She said one of the industry's main strengths is being able to articulate how much damage it has sustained from an event, how secure its network remains, what work needs to be accomplished and the steps necessary to move forward.

Resilience Panel

The meeting included a panel discussion on lessons learned about resilience from recent events. Several of the panelists recounted their experiences helping to rebuild Puerto Rico's electricity grid following Hurricane Maria last year.



(<https://i1.wp.com/www.rtoinsider.com/wp-content/uploads/rojas-saul-at-pjm-annual-meeting-2018-05-15-rto-insider-fi.jpg?ssl=1>)

Rojas | © RTO Insider

Saul Rojas, a vice president of technical compliance for the New York Power Authority, said one of the main takeaways was how tired people were. He said he "never felt so powerless as a manager" when his agency's satellite phones failed, preventing him from communicating instructions to his crews. NYPA is following up with its vendors to figure out the cause of the problem.

Rojas said NYPA had to think "outside the playbook" in mobilizing to an island with unexpectedly rugged terrain. "When I went to Puerto Rico, I was expecting flat lands and beaches," he said.

Because of the mountainous terrain and lack of vegetation management in rural areas, the general rule was it took 30 linemen two weeks to restore power to less than 10 customers, he said. "Does it really make sense for them to be connected to the grid? Perhaps ... reimagining the grid" with distributed energy resources makes more sense, he said.

Michael Hyland, American Public Power Association's senior vice president of engineering services, who coordinated with Rojas throughout his time in Puerto Rico, said mobilization was much different than on the U.S. mainland. In contrast with APPA's mobilization of 60,000 workers in response to Hurricane Irma in Florida, he said, "I can't just tell them to start driving down I-95."



(<https://i1.wp.com/www.rtoinsider.com/wp-content/uploads/hyland-michael-at-pjm-annual-meeting-2018-05-15-rto-insider-fi.jpg?ssl=1>)

Hyland | © RTO Insider

He said many utilities don't recognize the value of mutual aid agreements until they've been hit, but that the work in Puerto Rico has been effective. Utilities in Trinidad and Tobago have now joined APPA, he said.

APPA is also developing a variety of drills to simulate potential regional events, such as earthquakes, hurricanes and mudslides. Game theory is also being incorporated to require dynamic responses. "Think [the video game] 'Oregon Trail,'" he said. "You may die."

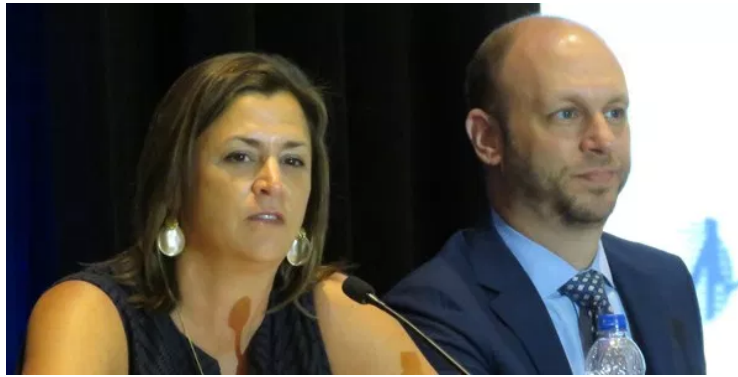


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Daigler | © RTO Insider

Don Daigler, Southern California Edison's director of business resilience, recapped his company's response to last year's wildfires, noting that at one point there were five fires within its territory for three weeks. He said much of the state was a "powder keg" because of fuel from unusual amounts of undergrowth combined with the "unprecedented" continuation of the hot, dry, fast Santa Anna winds into December.

The company found issues with incident command, executive engagement, real-time investor relations to mitigate stock-price fluctuations, and ground-level strategies to ensure notification. The company embedded workers with fire and lineman experience to provide useful information to responders.



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Durkovich (left) and Aaronson | © RTO Insider

Caitlin Durkovich, a director at Toffler Associates, the strategic consulting and advisory firm founded by "Future Shock" author Alvin Toffler, said the idea is to think about "critical dependencies" between infrastructure systems, such as electricity and water, and realize there are "no bright lines or boundaries" but rather "concentric circles that move outward." Organizations must be ready to make major changes, said Durkovich, former assistant secretary of infrastructure protection for the U.S. Department of Homeland Security.

Scott Aaronson, Edison Electric Institute's vice president for security and preparedness, told attendees to focus on unity of effort, message and investment to develop preparedness for a spectrum of possible events.

Ott Defends Fuel Security Initiative

PJM CEO Andy Ott wrapped up the discussion by defending the fuel security initiative announced last month and imploring stakeholders, "I need your help" to improve resilience. (See *PJM Seeks to Have Market Value Fuel Security* (<https://www.rtoinsider.com/pjm-fuel-security-natural-gas-91619/>).



(<https://i0.wp.com/www.rtoinsider.com/wp-content/uploads/dais-at-pjm-annual-meeting-mc-2018-05-16-rto-insider-alt-fi.jpg?ssl=1>)

Left to right on the dais at the Members Committee meeting: PJM CEO Andy Ott; Dave Anders, PJM; Mike Borgatti, Gabel Associates; Chuck Dugan, EKPC; Vince Duane, PJM | © RTO Insider

"I do believe that fuel security is resilience," he said, responding to criticism that the initiative is an effort to funnel money to ailing coal and nuclear plants. "Sometimes folks have been critical of our policies. Sometimes, it's like democracy: It's not perfect, but it's the best game in town."

Schneider Retires

The meeting culminated in an emotional sendoff for Board of Managers Chairman Howard Schneider, who was forced by age restrictions to retire from the board. He was the last of the original board members from its inception in 1997 and was its first and only nonexecutive chairman, assuming the position when it was developed in 2007. (See related story, *Retiring PJM Chair Schneider Reflects on 21 Years at the Helm* (<https://www.rtoinsider.com/pjm-board-of-managers-howard-schneider-92617/>).

Several members of PJM leadership reflected on Schneider's term, including Ott, who said Schneider taught him how to run the RTO "the right way, to run it with inclusiveness, to run it with integrity."

Gabel Associates' Mike Borgatti, chair of the Members Committee, noted that Schneider's "fingerprints are all over PJM."



Ake Almgren, who was later elected to succeed Schneider as chair, praised Schneider for how he "always made the extra effort to engage all board members ... making the aggregate board stronger than its individual members." (See *PJM Board Elects New Chair, Welcomes New Member* (<https://www.rtoinsider.com/pjm-board-neil-smith-ake-almgren-92649/>).

In his farewell remarks, Schneider praised his fellow board members.

"I can truly say to you that you have a strong board with a hardworking and knowledgeable person in every slot," he said.

He also extended a final peace offering to the Independent Market Monitor, with which he had clashed in the past, calling it "not technically a part of PJM, yet an integral part of PJM."

"The [Market Monitor] is a good check and balance and has important ideas to convey," he said.

(<https://i0.wp.com/www.rtoinsider.com/wp-content/uploads/almgren-ake-at-pjm-annual-meeting-mc-2018-05-16-rto-insider-fi.jpg?ssl=1>)

Almgren | © RTO Insider

He requested that PJM and its stakeholders protect its markets, keep grid reliability as a priority and value input from the board.


"It usually provides sage advice," he said.


Finally, he said, PJM "has prospered over these 21 years and my wish is may it continue to do so."


Stakeholder Process Reforms


Borgatti teased the launch in June or July of an effort to consider potential changes to the stakeholder process and urged members to become involved in the discussion.

"I think it's incredibly important that we lean in on this one," he said. "Anyone who wants to participate needs to be given an opportunity to weigh in."

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Sights from the 2015 PJM Annual Meeting (<https://www.rtoinsider.com/2015-pjm-annual-meeting-slideshow-15402/>)



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