

TESTIMONY OF DAVID TERRY, PRESIDENT, NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS, BEFORE THE SUBCOMMITTEE ON HOMELAND SECURITY, HOUSE COMMITTEE ON APPROPRIATIONS REGARDING FY'24 APPROPRIATIONS FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

April 11, 2023

Chairman Joyce and Ranking Member Suellar, and members of the Subcommittee, I am David Terry, the President of the National Association of State Energy Officials (“NASEO”). NASEO represents the Governor-designated energy directors and their offices in the 56 states, District of Columbia and U.S. territories. One of the key functions of the state energy offices is Emergency Support Function (“ESF-12”) related planning, mitigation, and response actions at the state level, as well as coordination with local governments and the energy industry – petroleum, natural gas, electricity.

We are in the midst of a national crisis of constrained energy resources in many areas, which results in periodic extreme price spikes and overall elevated energy prices. DHS as a whole, FEMA specifically, the U.S. Department of Energy (“DOE”), and the states must all work together in a coordinated manner with attention to each organization’s expertise and authority to get the job done for the nation. As was evidenced by the cyber attack on the Colonial Pipeline and the ongoing cyber attacks associated with the Russian invasion of Ukraine, we must put in place far more robust cyber defenses into our energy systems – petroleum, natural gas, electricity – as well as the rest of the economy. Moreover, the recent criminal attacks on power substations points to the critical nature of state-federal-local-industry coordination and response.

We recommend that the Subcommittee approve specific funding in the following areas in the appropriations bill:

- 1) Full funding of the FEMA BRIC program at 6% of the funds disbursed. More is needed, as is greater attention to critical energy actions within this program.
- 2) New state emergency planning and response grants to support coordination between the energy offices, state emergency management agencies, FEMA and the DOE Office of Cybersecurity, Energy Security and Emergency Response.
- 3) New direct funding to states for public facility resilience, energy, and water system retrofits to update mission critical facilities, especially including hospitals, schools, community shelters, non-profit nursing homes, and first responder facilities, utilizing private capital for energy efficiency improvements with federal funds directed to emergency response upgrades (this program could be operated by state energy offices, who already manage the existing \$5 - \$6 billion per year in energy service performance contracting programs). In addition, special provision could be made to target underserved rural healthcare facilities.

The program recommended in #3, above, would have the double benefit of assisting states in responding to hurricanes, floods, wildfires, earthquakes, and other hazards. More energy system resilient facilities with access to longer term back-up power, efficient HVAC, lighting, and hot water systems offer far greater reliability and durability of service for communities.

The FEMA BRIC program should be expanded. Practical, cost-effective building codes, voluntarily adopted by state and local governments, require robust training of code staff and the building trade community to be effective. The evidence that modern building energy codes result in more resilient and energy efficient construction and that such codes save lives and offer greater comfort to residents during a disaster is abundant.

Where a community has not adopted disaster resistant codes pre-disaster, post-disaster is the ideal time for that adoption or update. Post-disaster is also when permitting loads and training needs are at their greatest. Addressing these challenges through Section 1206 would allow FEMA to provide support to jurisdictions seeking to ensure that rebuilding is done to modern standards, which in turn can help impacted communities be better positioned to withstand the next storm. Providing federal reimbursement for administering and enforcing older and less resilient codes risks perpetuating an unending cycle of damage and repair if those older codes are never updated.

The Disaster Recovery and Reform Act (“DRRA”) Section 1206(a) permits FEMA to assist communities in adopting or updating building codes post disaster, in training code officials and builders on updated or existing building codes, and in boosting efforts to ensure rebuilding work community-wide is done to code. We believe FEMA should act now to implement that Section, which is consistent with the Agency’s current Strategic Plan, ongoing programmatic work, the National Mitigation Investment Strategy, mitigation research, the DRRA, and congressional intent.

Greater Federal government coordination on disaster preparedness and response and critical infrastructure (especially energy infrastructure) is necessary, and greater coordination with state and local governments is also necessary, as is expanded private sector coordination. Legislation introduced on March 22, 2023 by Senator Manchin and Senator Risch (“Energy Threat Analysis Center Establishment Act of 2023,” S.914) will support this work in the cybersecurity arena.

If the Subcommittee has any questions regarding this testimony, please contact David Terry (NASEO President) (dterry@naseo.org) or Jeff Genzer (NASEO Counsel) (jcg@dwgp.com).