Stakeholder Engagement on Resiliency: The Other 359 Days of the Year

Prepared for:

Workshop on Resilient Smart Grid Customers

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Presentation Goals

- Demonstrate that a year-round stakeholder engagement campaign is an important part of resiliency investment and planning
- Identify the key issues that need to be addressed
- Help you think about whether your organization is doing all that it can, and if not, what could be improved
- Learn from each other

This presentation is not about communications during an event.
Workshop Discussion 1

- Are you with a utility or a company with utility-like responsibilities?
- Are you personally responsible for stakeholder engagement?
- Does your organization have a year-round stakeholder engagement program for resiliency? Why or why not?
Presentation Outline

- Introduction to ICF
- What are we talking about? Why now?
- Recommendation
- How to get it done
- Measuring success
Introducing ICF
ICF Overview

- Founded 1969
- Public company on NASDAQ with symbol “ICFI”
- 2013 revenue of $950 million
- 4,500 employees serving clients globally
- Government, commercial and international customers

**Domains**
- Energy, environment and infrastructure
- Health, education, social programs and consumer/financial
- Public safety, emergency management, and defense

**Delivery**
- Strategic communications
- Technology/Web interactive
- Advanced analytics
- Program design and operation
- Survey research
ICF’s perspective

• Deeply involved in resiliency analysis and planning at local, state and Federal levels (DHS Office of Infrastructure Protection, DOE Office of Electricity Delivery and Energy Reliability, FEMA, DoD/ESTCP Energy Test Bed, New Jersey and New York post-Sandy, etc.)
• Long-time support to multiple utilities across a range of regulatory and commercial issues (market design, asset purchase/sale, environmental, cyber, energy efficiency, etc.)
• Life-cycle perspective: strategy, planning, filing, program operation, lessons learned. Resiliency is a life-cycle issue.
• Our focus:
  – Resiliency planning and funding needs to be systematized, not episodic and ad hoc
  – **Effective stakeholder engagement is a key ingredient in a successful resiliency program**
What are we talking about? Why now?
It’s been a tough century…with 87% still to go

- 9/11
- 2003 black-out
- Katrina, Rita
- Western wildfires
- Derecho
- Sandy
- Metcalf substation
- Many other lesser but still-serious events
Why now?

- **Value of lost service to customer is increasing quickly as customer tolerance of extended outages heads to zero**
  - Internet permeates home life, increasing value of electricity
  - Speed of business accelerating, need uninterrupted utilities

- **Expectations rising that we can do better through advanced technologies and better planning and management**
  - Q. Why can’t utilities deliver as reliably as Netflix?
  - A. Where to begin?

- **Social media ratcheting up the volume/attention and driving political pressure**

- **Increased investment offers route to enhanced earnings in an era of no load growth**

- **Further argument for replacing aging infrastructure**
Increased “governmental” pressure

- NERC cyber (and in future, physical) security requirements/audits
- NARUC encouraging greater focus
- Some states requiring IOUs to focus on resiliency (e.g., MD PSC 9298 Proceeding)
- DOE providing analysis and endorsement
- Quadrennial Energy Review
- A lot of governmental concern is driven by climate change expectations and the need to prepare, regardless of whether your organization has a position on climate change
So this is a public policy issue

- Need societal endorsement
- And, an answer to the question of “Who pays?”
- All else flows from there, or doesn’t
- “We will invest where the utility commissions make it favorable to invest”
  - Senior regulatory affairs staff at a large multi-state utility
Reputational capital is important

- Several utilities have requested significant resiliency investment budgets to be recovered from ratepayers (e.g., PSEG, ConEd, Pepco, Entergy, etc.) through riders, enhanced rates, higher ROE...

- Decidedly mixed results
  - Some turned down flat, but told to make investments anyway
  - Some given small percentage of request

- Regulatory headwinds
  - Perception that rates are already high
  - Perception that applicant performed poorly in recent storm(s)
  - Perception that customer base still not recovered from recession
  - Perception that customers are more willing to ride out (what they believe is) a 1-in-10 year storm than pay extra on each monthly bill to mitigate impacts
  - Perception that benefits can’t be clearly measured and related to costs

- Stakeholder engagement can address some but not all of these headwinds
Recommendation
Recommendations

- Execute well – exceed expectations
- Engage your stakeholders early and often
- Measure your performance – show that investments lead to results
Getting it done
Why engage?

- Enable and accelerate preparedness at all levels
- Set expectations (of the utility, but also customers, first responders, etc.)
- Align plans
- Influence the influencers
- Build trust
Workshop Discussion 2

- Where do you focus your stakeholder engagement?
- What tactics do you use?
- What have you done with social media? Has it worked?
- What’s worked and what hasn’t?
- How do you value your investment in stakeholder engagement?
Target Audiences

- Residential customers
- Small business customers
- Large business customers
- Critical needs customers (e.g., hospitals)
- Media
- Mayors, community leaders, County Councils, etc.
- First responders (police, fire, EMS) and EOCs
- State legislators
- Governor
- PUC
- The list goes on...
The PUC decides, but many others influence

- Critical needs customers
- Residential customers
- First responders and EOCs
- News media
- ISO, planning authority
- Large C&I customers
- Small C&I customers
- State and local leadership

PUC
Engagement Tactics

- Press releases
- Social media
- Major events
- Neighborhood events
- Account management
- Customer service
- Tours
- Bill stuffers
- Permission email
- The list goes on...
## Engagement program

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Events

- **Storm drills**
  - Invite media, EOCs, first responders, mayors, city council, large businesses, grassroots leaders, Chambers of Commerce
  - Show them what you’re doing to prepare
  - Let them know what they need to do
  - Press releases, videos, social media updates

- **Meteorologist events**
  - TV, radio, independent weather people often a key source of information and guidance
  - Full day
  - Meet your weather team, see your preparations and investment, understand the processes
  - Hear and understand your recommendations for how customers should prepare and respond
  - Will be better informed on the gray sky day, fill the slow spots
  - Helps build their brand
  - Permission email follow up
Neighborhood updates

- Pole upgrades, substation improvements, wire undergrounding, etc.
- “We’re going to be in your neighborhood to strengthen our electric grid”
- Bill stuffers, permission email, community leaders and local media invited
Media outreach

- **Editorial board meetings**
  - Their office
  - Dive deep
  - What you’re doing to make the network more reliable and resilient
  - Educate reporters one on one

- **Media roundtables**
  - At your office
  - Group meeting

- **Media tours**
  - Organize by media market
  - Invite them to a power plant, an event, a hardening project in progress
  - Line workers can be the face of the company, with training
  - Invite yourself onto the morning news – how the public should prepare, what you’re doing

- **News releases**

- **OpEds, letters to the editor (first or third party)**

- **Use key milestones to focus attention (e.g., hurricane season, onset of winter)**
Priority-needs customers

- Hospitals, nursing homes, life-sustenance customers, EOCs, water/WWTP, schools, law enforcement, EMS, fire, traffic signals, gas stations, grocery stores, Rx, etc.
  - Life and death reliance on electricity
  - Maintain public order and safety
  - Keep some level of modern economy running as restoration progresses

- The list and the priority order will be addressed by other speakers

- Regardless, these customers should get additional attention

- Need to constantly explode the myth that rich people get served first
Hospitals and Nursing Homes

- Account executives manage relationships
- Calls, visits, proactive outreach
- Offer preparedness audit
- Recommend resiliency improvements
- Storm preparation checklists
- Newsletter
- Targeted emails with tips
- Invite their team to storm drill
Social media

- Facebook, Twitter, YouTube, etc.

- Has changed everything, but can also be your biggest nightmare
  - People respond to timely information when they want it
  - Most people don’t seem to want it on blue sky days
  - Not the same relationship power as Starbucks
  - Most powerful use may be on the gray sky days
  - Often used as another avenue to complain by large numbers of people

- Twitter can provide short updates and links to news releases and videos

- Videos targeted on how hospitals can prepare

- Generic restoration videos

- Videos of crews being briefed, staging sites, resiliency improvements

- Videos of (your) mutual aid crews departing/returning; same for your neighbor’s crews arriving to help you
Who’s in charge?
Workshop Discussion 3

- Do you have a engagement plan?
- Who’s in charge on your side?
- What departments have a role? Who executes?
- How do you organize yourself?
- How is your program budgeted?
- How is your success measured?
- How has it worked?
It has to come together on the utility side too
You need a plan

- Goals
- Executive in charge – enforce the plan
- Roles and responsibilities of different departments
- How does engagement relate to and reinforce the larger preparedness program?
- Message standardization and control
- Tabletop exercises, dry runs
- Annual calendar
- Budget, staff and calendar commitments
- Metrics
- Reporting
Use your key executives

- Meet with largest customers
- Meet with community leaders
- Meet with the governor
- Key spokespeople as the storm approaches – get them recognized
- Video in the can ready to go
Costs

- Depends on what’s already in place

- If you already have a public affairs department, corporate communications, community affairs, etc., then the incremental cost is relatively low
  - Have to organize and mobilize in an effective way
  - Still have cash costs for events, ads, press releases, etc.

- If not, more expensive
Measure your performance
Metrics – for stakeholder engagement

Input
- Events held, newsletters sent, meetings conducted, etc.
- Measures your effort

Output
- Customer awareness raised, drills completed, plans synched, etc.
- Measures your impact on your customers

Outcome
- Reduced level of outages, faster restoration, greater customer satisfaction, greater trust, PUC credibility
- Measures whether the investments were worth it

Try to establish a baseline so you can measure progress
Metrics for the overall investment program

- Need address the perception that people are more willing to deal with an occasional outage rather than pay for resiliency
- Resiliency costs get the focus
- Resiliency benefits (e.g., CR90) and the value of those benefits should get equal billing
- Most VOLL studies are for other places and are from other times, surprisingly little new data collection in recent years
- Shouldn’t your PUC factor in what your customers are saying today about their ever-greater reliance on continuous electric service?
- Anyone willing to try an unscientific survey using Twitter or Facebook?
Benchmarking

- What are other utilities doing?
- What are they achieving?
- What do their brand and trust scores look like compared with yours?
Thank You

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