The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

Senator Simmons, Chair Senator Bean, Vice Chair

MEETING DATE: Wednesday, November 8, 2017

TIME: 2:00—4:00 p.m.

PLACE: 301 Senate Office Building

MEMBERS: Senator Simmons, Chair; Senator Bean, Vice Chair; Senators Broxson, Campbell, Gainer, Garcia,

Mayfield, Rodriguez, Rouson, Taddeo, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Utility Infrastructure		Presented
2	Continuity of State Operations		Presented
	Other Related Meeting Documents		

Orlando Utilities Commission Storm Hardening Activities

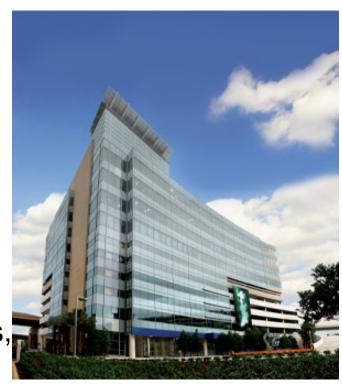
Florida Senate
Appropriations Subcommittee on General Government

Chip Merriam
Vice President of Legislative, Regulatory & Compliance
November 8, 2017



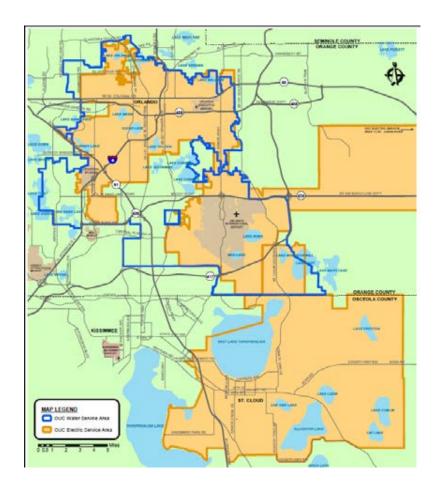
OUC At A Glance

- Created in 1923 by a special act of the Florida Legislature
- Provides electric, water, chilled water and lighting services
- 2nd largest municipal electric utility in Florida
 - 16th largest nationally
- Highest electric reliability in the state for 19 years
- 35 substations, 391 miles of transmission lines, and 2,503 miles of distribution lines
 - 65% of distribution lines are underground





OUC At A Glance



- Serves the cities of Orlando and St. Cloud, and parts of unincorporated Orange and Osceola counties
- 246,000 customer accounts serving a population of over 435,000
- 1,100 employees
- Utilizes coal, natural gas, landfill gas, and solar for energy generation
- 7 water treatment plants with 1,700 miles of water lines



- Storm hardening is the process used to create new infrastructure or retrofit existing infrastructure so it is more capable of withstanding extreme weather events
- Pursuant to Florida Public Service
 Commission Rule 25-6.0343, OUC provides
 an annual report detailing our storm hardening
 activities
- The report addresses construction standards, policies, practices, and procedures designed to mitigate damage caused by extreme weather





- OUC's storm hardening activities and preparation focus on five main areas:
 - Construction Standards
 - 2. Undergrounding
 - 3. Pole Inspection and Replacement
 - 4. Vegetation Management
 - 5. Advanced Metering Infrastructure (AMI)





Construction Standards:

- OUC complies with both the construction and extreme wind loading condition standards, policies, guidelines, practices, and procedures contained within the National Electrical Safety Code (NESC)
 - Applies to all new construction, major planned work, expansions, rebuilds, and relocations
- New and replacement distribution facilities are installed to facilitate safe and efficient access for installation and maintenance
- OUC replaces aged equipment to ensure an efficient, safe, and robust system
- OUC procedures include contractual agreements to enable third-party pole attachments as long as they adhere to NESC construction and wind guidelines

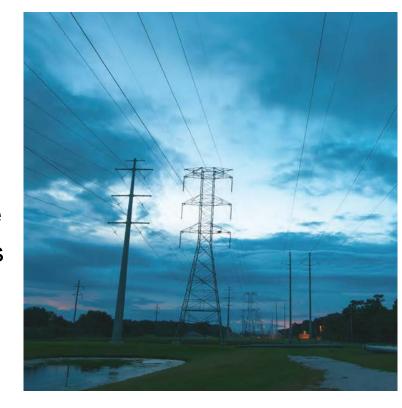


- Undergrounding:
 - 65% of OUC's electrical distribution system is underground
 - All new development is placed underground
 - Feeders that serve a development may still be overhead
 - During Hurricane Irma:
 - Core downtown area and all major Orlando hospitals remained in power
 - Underground damage included 9 failed primary cables and 15 failed padmounted transformers



Pole Inspections:

- Essential distribution and transmission equipment is inspected annually
 - All distribution feeders are inspected annually
- Shared transmission structures are inspected and maintained based on past inspection date
- Transmission and distribution pole inspections and replacements are tracked through a maintenance work order database to ensure timely replacement





Pole Inspections:

- OUC has just over 50,000 transmission and distribution poles
- Between 12 to 13% (6,000 to 6,500) poles are inspected each year
- Of poles inspected, between 100 to 500 will fail inspection – work orders are created for replacement poles
- Wooden poles are replaced with concrete poles in most instances
- Poles with specialized equipment, such as switches or voltage regulators, have been standardized to concrete poles





Pole Treatment Procedures:

- Visual inspection from ground to top for obvious signs of wear including splits, woodpecker holes, and any other physical damage
- Visual inspection of guy wires, slack conductors, broken insulators, leaking transformers, failing cross arms, and loose equipment
- Excavation around the pole base
- Sounding and boring to check the internal integrity of the pole (to determine any shell rot or pockets)
 - Internal treatment if viable
- Removal of exterior decay
- Exterior treatment with a preservative and moisture barrier from below the surface to above the ground line



- Vegetation Management:
 - OUC manages the vegetation for nearly 1,300 miles of overhead distribution lines and 200 miles of transmission lines
 - Annual vegetation management inspections are conducted on all distribution and transmission lines
 - Vegetation line clearance for distribution facilities is conducted on a three-year maintenance cycle
 - Transmission right of ways are trimmed on an annual basis for urban areas and a three-year cycle for rural areas







Vegetation management:

 OUC follows pruning and safety methods outlined by the American National Standards Institute

 Trees in close proximity of distribution facilities are trimmed to a minimum distance of 10 feet of clearance from energized conductors

- Fast growing invasive species are targeted for removal during distribution pruning
- OUC works with the City of Orlando to educate customers on the Urban Forestry Council's "Right Tree, Right Place" campaign



- Advanced Meter Infrastructure (AMI)
 - Hurricane Irma was OUC's first storm where AMI data could effectively be used to assist with outage detection and restoration
 - Still a learning process
 - Much room for refinement
 - Improving the outage map visible to our customers
 - Knowing who is out of power via AMI allows for more detailed mapping of outage events versus relying on customer calls
 - AMI system ties to Outage Management System
 - Assists greatly during the assessment by highlighting outages not seen by visual inspection
 - After an area has been "cleared," OUC is capable of seeing which customers remain out of service



- Advanced Meter Infrastructure (AMI)
 - Helps OUC speed outage restoration following major storm events
 - Minimizes truck rolls during restoration
 - Utilizes repair crews more efficiently
 - Reduces total outage time
 - Lowers utility restoration costs
 - Business and residential customers experience fewer financial losses
 - Shorter outage times limit lost productivity
 - Fewer public health and safety hazards
 - Limited food spoilage
 - Reduced inconvenience from schedule disruptions



Hurricane Irma:

- 145,000 customers lost power (60%)
- 115 of 199 circuits were down at the peak of the storm
- Storm hardening efforts are working:
 - Due to storm hardening activities in place since 2004 (after Hurricanes Charley, Frances, and Jeanne), OUC was able to restore more customers in a shorter time
 - Aggressive mutual aid preparations (onsite before storm)
 - All customers restored to service within 5 days
 - No major structural damage to generating facilities or substations
 - OUC poles were not "blown down;" they were "torn down" by large branches and trees





Questions?



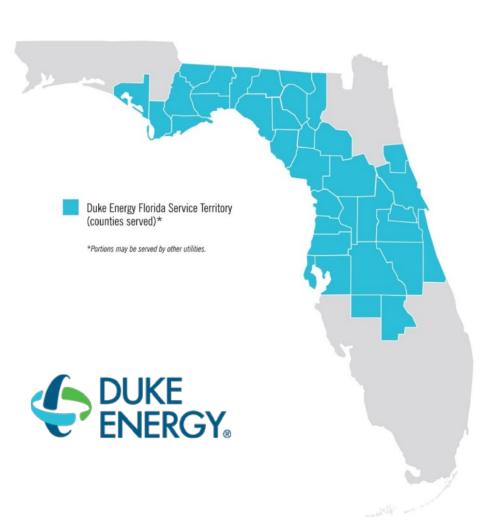


November 8, 2017

At Duke Energy Florida, we power more than 4 million lives

Service territory includes:

- Service to 1.8 million retail customers in 35 counties
- 13,000 square miles
- More than 5,100 miles of transmission lines and 32,000 miles of distribution lines
- Owns and operates nearly 9,500 MWs of generating capacity
 - 76.2% gas, 21% coal, 3% renewable, 0.2%oil, 2,400 MWs Purchased Power.



Storm Preparedness Activities

Operational preparation is a year-round activity

- Transmission & Distribution Systems Inspected and Maintained
- Storm Organizations Drilled & Prepared
- Internal and External Resource Needs Secured
- Response Plan Tested and Continuously Improved



Coordination with County EOC Officials

- Structured Engagement and Information Sharing Before, During and After Hurricane
- Coordination with county EOC priorities
- Public Communications and Outreach



Hurricane Irma – Resources & Logistics

Resources

- 12,528 Total Resources
 - 1,553 pre-staged in Perry, Georgia
- 91 line and vegetation vendors from 25 states
- Duke Energy Carolinas and Midwest crews as well as resources from Texas, New York, Louisiana, Colorado, Illinois, Oklahoma, Minnesota, Maine and Canada

26 independent basecamps, parking/staging sites





Mutual Assistance

- Largest mobilization in DEF history
- Mutual Assistance Agreements, executed between DEF and other utilities, ensure that resources can be timely dispatched and fairly apportioned.
- Southeastern Electric Exchange coordinates Mutual Assistance



Hurricane Irma- Restoration

Irma's track northward up the Florida peninsula resulted in a broad swath of hurricane and tropical storm force winds.

Damage:

- 1,841 Distribution poles replaced
- 141 Transmission poles replaced
- 178 miles of wire replaced (800 additional miles spliced and repaired)
- 1,106 transformers replaced
- 71 substations out of service
- 124 transmission circuits restored

	Restoration Summary					
System Totals	Customers Restored	Peak Customers Out	Outage Events*			
Totals	1,738,030	1,284,816	35,196			

- 1 million customers restored in three days.
- As typical with major storms, the remaining restoration work was more time-consuming and labor-intensive (for example, pole climbing in back lot areas where trucks could not access).

Irma was the first hurricane on record to impact all 35 counties served by

Duke Energy Florida

^{*} Total outage events completed to restore all customers

Customer Communications

- Duke Energy State President participated in daily round table calls facilitated by Florida Governor Rick Scott
- Staffing plans supported State and County EOCs
- Customers kept informed through emails, outbound calls, print and broadcast interviews and social media
- duke-energy.com/irma website updated several times a day – received 1.2 million page views
- Despite some IT and communication challenges, over 5.7 million outbound customer messages sent over duration of event

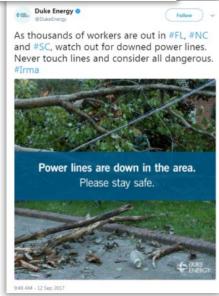
Channel	Posts	Views	Interactions (likes, comments, shares, clicks and media views)
Facebook	54	2,518,044	1,446,583
Twitter	72	16,462,848	234,689
Total	126	18.9 million	1.6 million

2,132,836 Florida calls handled by Customer Care Operations during Irma

Customer Communication - Examples

- Prior to landfall, hurricane preparedness email sent to all customers with an email address
- Preparedness communication sent to 1,400 medical essential customers
- Customers kept informed throughout event
 - Outbound call campaign reached 5.7M customers
 - 18.9M views of social media content (126 original posts)
 - 2.9M residential and business customer communication emails sent
 - Conducted print and broadcast interviews providing preparation, storm status, and restoration updates as well as several national interviews with Duke Energy Florida state president
 - Produced four storm update videos and promoted via social media
 - Captured photos and videos of storm damage and restoration in the field
 - Duke Energy Florida distributed 13 news releases in both English and Spanish
 - Radio, TV and digital paid advertising in five markets throughout the event. as well as on the Weather Channel
 - County and State EOC representatives processed over 4,500 priority issues in coordination with local operations centers





Storm Hardening and Grid Resilience Investments

Storm Hardening

- Since 2004, DEF has invested more than \$2 billion to harden its electrical system.
 - FPSC10-Point Maintenance Plan
 - Vegetation Management Cycles
 - Wood Pole Inspection Plan

Self Healing Technology

- Allowing the grid to self-identify problems and react to them by isolating those areas or rerouting power.
- This technology avoided approximately 5 million outage minutes during Hurricane Irma

Grid Investment Plan - includes Technology and undergrounding

- DEF plans to invest an additional \$3.4 billion over the next 10 years to further modernize the grid
- Includes advanced Self-Healing technology, Hardening & Resiliency, and Targeted Undergrounding



Working with our Customers

We are providing flexible options and assistance as our residential and business customers endure hardships and work to get their lives back to normal after Irma.

Customer moving due to damage from Hurricane Irma

- Waive additional deposit and reconnect fees through the end of the year
- Waive reconnect fees for customers whose service orders were delayed due to restoration

Collections and Deposits – through the end of October

- Late payment charges and disconnects for non-payments suspended
- Flexible credit arrangements including zero down and three months to pay

DEF is providing outage letters to customers to support insurance claims, including FEMA.





THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting) Bill Number (if applicable) Amendment Barcode (if applicable) Name Job Title Address Street State For Information Waive Speaking: | In Support Speaking: Against Against (The Chair will read this information into the record.)

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

Lobbyist registered with Legislature:

This form is part of the public record for this meeting.

Appearing at request of Chair: Yes [

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/9/17

1 1707 17			
Meeting Date			Bill Number (if applicable)
Topic Utility Infrastructure			Amendment Barcode (if applicable)
Name Jason Cutliffe			2/
Job Title Dir. Power Qual & Rel E	ng		_
Address 299 1st Ave N			Phone 727-820-5683
Street			
St. Petersburg	FL	33701	Email_jason.cutliffe@duke-energy.com
City	State	Zip	
Speaking: For Against	✓ Information		Speaking: In Support Against air will read this information into the record.)
Representing Duke Energy			
Appearing at request of Chair:	√ Yes No	Lobbyist regis	tered with Legislature: Yes No
While it is a Senate tradition to encourameeting. Those who do speak may be	- •		Il persons wishing to speak to be heard at this persons as possible can be heard.
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Continuity of Operations Planning (COOP)





Definition

 COOP is an effort within individual departments and agencies to ensure the continued performance of mission essential functions during a wide range of potential emergencies.





Background

- Florida Statutes 252.365 amended April 16, 2002
- Amendment enhances current disaster preparedness plans requirements to:
 - Include each state agency and facility, such as prison, office building, or university
 - Contain essential elements for COOP
 - Require that disaster preparedness plans be coordinated with local emergency management
 - Direct that plans be reviewed and approved by the Division of Emergency Management (DEM)
 - Mandated completion of all plans by July 1, 2003





Authority

DEM has the responsibility for annually reviewing and monitoring State continuity plans

- Sections 252.31 252.63 Florida Statutes (Emergency Management Act)
- Executive Order 80-29 (Disaster Preparedness) dated April 14, 1980
- Presidential Decision Directive 67 (PDD67), dated
 October 21, 1998
- Continuity Guidance Circular 1 (CGC1) dated January 29, 2009





Planning Considerations

COOP must:

- Ensure that the agency is prepared to respond to emergencies, recover from them and mitigate against their impacts
- Assure that the agency is prepared to provide critical services in an environment that is threatened, diminished or incapacitated
- Provides timely direction, control and coordination to the agency leadership, other State agencies, and other critical customers before, during and after an event





Planning Considerations

COOP must:

- Establish and enact time-phased implementation procedures to activate various components of the plan to provide sufficient operational capabilities relative to the event
- Provide full operational capability for essential functions not later than 12 hours after plan activation
- Be capable of sustaining operations for up to 30 days
- Address reconstitution of operations at the primary facility once the emergency has passed
- Include regularly scheduled Test, Training and Exercise (TTE) activities





Essential Elements of COOP

- Plans and Procedures
- Mission Essential Functions
- Delegations of Authority
- Orders of Succession
- Alternate Facilities
- Interoperable
 Communications
- Vital Records and Databases

- Logistics and Administration
- Personnel Issues and Coordination
- Security
- Test, Training and Exercise
- Program Management





DEM's Responsibilities

- Serve as the lead agency for COOP program implementation
- Coordinate COOP activities for Executive Branch and provide technical assistance to Legislative and Judicial Branches
- Issue COOP guidance in accordance with applicable authorities and promote understanding and compliance with the requirements and objectives
- Coordinate Executive Branch interagency COOP exercises
- Review agency COOP and make recommendations for plan development, implementation and/or improvement in accordance with COOP guidance





Agency Responsibilities

- Appoint a COOP Coordinator and provide name/contact information to DEM
- Develop, approve and maintain COOP plans and procedures for Headquarters and all subordinate elements
- Notify State Watch Office (SWO) and other appropriate agencies upon activation of the agency's COOP
- Conduct tests and training of COOP plan/procedures





Partnerships

- Stakeholders include internal and external customers such as County Emergency Management Agencies and the Continuity of Operations (COOP) Coordinators of the Executive Departments and Agencies, the Public Service Commission, the Fish and Wildlife Conservation Commission, the Water Management Districts,
- Universities and Community Colleges
- Tribal, and other Non-Governmental Entities.





Questions?





www.floridadisaster.org

Twitter: @FLSERT





THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting) Bill Number (if applicable) Amendment Barcode (if applicable) Job Title Director Address Street Tallahassee **Email** Information Against Speaking: For Waive Speaking: | In Support Against (The Chair will read this information into the record.) Representing DEM Appearing at request of Chair: Yes Lobbyist registered with Legislature:

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S-001 (10/14/14)



The Florida Senate State Senator René García

Please reply to:

☐ District Office:

1490 West 68 Street Suite # 201 Hialeah, FL. 33014 Phone# (305) 364-3100

November 6, 2017

The Honorable David Simmons Chairperson, General Government Appropriations 201 Capitol 404 S. Monroe Street Tallahassee, FL 32399-1100

Dear Senator Simmons,

Due to a previously scheduled event, I will not be able to attend the General Government Appropriations Committee scheduled for November 8, 2017 at 2:00pm. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,

State Senator René García

District 36

CC: Giovanni Betta Lisa Waddell Dear Senator Simmons,

I request permission to be excused from the Appropriations Subcommittee on General Government Committee meeting on 11/8/17, unfortunately I will not be able to attend.

Thank you for your attention to this matter.

Best Regards,

Doug Broxson State Senator

THE FLORIDA SENATE



Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on Finance and Tax Appropriations Subcommittee on General Government Commerce and Tourism Community Affairs Ethics and Elections Appropriations Subcommittee on Civil and Criminal Justice

SENATOR JOSE JAVIER RODRIGUEZ

Deputy Democratic Whip 37th District

November 7, 2017

Senator David Simmons
Appropriations Subcommittee on General Government, Chair 201 The Capitol
404 S. Monroe St.
Tallahassee, FL 32399-1100
Sent via email to simmons.david@flsenate.gov

Chair Simmons,

I respectfully request to be excused from the November 8th, 2017, meeting of the Appropriations Subcommittee on General Government. I will be traveling back to Miami to attend an important event in the district.

Please let me know if you have any questions. Thank you.

Regards,

Senator José Javier Rodríguez

District 37, Miami

CC: Giovanni Betta, Staff Director

Lisa Waddell, Committee Administrative Assistant

CourtSmart Tag Report

Case No.: Room: SB 301 Type: Caption: Senate Appropriations Subcommittee on General Government Judge:

Started: 11/8/2017 2:02:06 PM

3:31:26 PM

3:31:43 PM 3:32:16 PM

3:38:22 PM

Sen. Simmons

Sen. Simmons

TAB 2 - Continuity of State Operations

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Ends:
         11/8/2017 3:41:52 PM
                                     Length: 01:39:47
2:02:19 PM
               Sen. Simmons (Chair)
2:02:31 PM
               Roll Call
2:17:58 PM
               TAB 1 - Utility Infrastructure
2:18:35 PM
               Chip Merriam, Vice President of Legislative, Regulatory and Compliance, Orlando Utilities Commission
               Sen. Simmons
2:32:26 PM
               Sen. Torres
2:32:36 PM
               C. Merriam
2:32:53 PM
               Sen. Torres
2:33:59 PM
2:34:31 PM
               C. Merriam
               Sen. Simmons
2:35:47 PM
2:36:40 PM
               C. Merriam
2:38:19 PM
               Sen. Simmons
               C. Merriam
2:38:56 PM
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               Sen. Simmons
2:58:39 PM
               C. Merriam
3:00:07 PM
               Sen. Simmons
3:00:18 PM
               Jason Cutliffe, Director Power Quality, Duke Energy
3:09:07 PM
               Sen. Torres
               J. Cutliffe
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               Sen. Simmons
3:14:32 PM
               J. Cutliffe
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               J. Cutliffe
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Wes Maul, Executive Director, Florida Division of Emergency Management

Sen. Torres Sen. Simmons Sen. Bean motion to adjourn Meeting Adjourned 3:38:29 PM 3:39:16 PM

3:39:37 PM

3:41:44 PM