

# *Managing and Responding to Emergencies in the Energy Industry*

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# Welcome



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■ Attorney Licensure

## *Overview*

- What is crisis or emergency management?
- Examples of crisis in the energy industry
- Crisis management planning



## *What is crisis or emergency?*

1. A time of intense difficulty, trouble, or danger.
2. A time when a difficult or important decision must be made.
3. A turning point...for better or worse.

cri·sis man·age·ment / krīsis manijmənt /

the process by which an organization deals with a sudden emergency.

Any single incident, circumstance, or issue; series of incidents; or set of circumstances of a scale that **affects people or employees** and that could **profoundly damage the corporation** in terms of share price, market price, or general business performance. A situation that threatens the corporation's business purpose or objectives.



A crisis is an unpredictable [or predictable] process or event, which can cause damage with a negative impact on an organization ... Crisis management is the way in which the company reacts to difficulties and problems that arise in the company. It determines how the crisis will impact the organization, which areas are vulnerable, and what can be done to limit negative consequences.

*Ospina Avendano, D. (2020). Crisis Management Model. Retrieved 2/26/2020 from Toolshero: <https://www.toolshero.com/management/crisis-management-model/> (Updated 5/2022)*



## *Energy Examples of Crisis or Emergency*

- Winter storm URI
- Market or supply chain disruptions
- Failures or stoppages leading to blowouts, explosions, leaks, or other events
- Investigations by regulatory authorities and potential criminal conduct
- Data security breaches
- It could be anything

## *My Objective*

1. Impress upon you the importance of crisis planning.
2. Convince you to have a discussion with your client about crisis planning.
3. Show you what crisis planning should include.
4. Identify the business case for us.



# *What is potentially at stake?*

Is it worth the risk?



## *Now is the time...It's never too late or too early*

Successfully managing a crisis depends almost entirely on what you do *before* the crisis.

*- Principal of a large client services company.*

**62% of companies have crisis plans, but few update them or practice scenarios.**

*- Arenstein, Seth (2020). Crisis Preparedness in a 24/7 Environment. Ospina Avendano, D. (2020). Crisis Management Model. <https://www.prnewsonline.com/crisis-survey-CSA-practice>*

...ad-hoc responses typically yield mistakes, especially in high-pressure situations.

- Victor Lyon, SVP



## Step 1

### Create a Crisis Management Plan

Where do most companies get their plans?

*\*The CMP should reflect the corporate culture*



# *Anatomy of a Good Crisis Management Plan*

1. Specificity/risk analysis
2. Identification of relevant actors and their job(s), i.e., the team
3. Communication chart and nerve center identification
4. Document retention
5. Incident response plan
6. Post-incident analysis





*The plan must be thoughtfully designed, not generic.*



- Conduct a true risk assessment as a first step.
- Then tailor the program to fit the company's risk profile (e.g., does the program speak to any specific risks that are likely to occur?).
- The program should be designed to avoid the specific risks identified (this is why a one-size-fits-all model will never work).



## *Now you have a plan...what next?*

1. Train others on the plan
2. Work/stress the plan
3. Update the plan
4. Identify response partners
5. Follow the plan

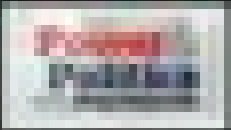
**THE QUESTION IS,  
WHAT ARE WE  
GOING TO DO ABOUT  
IT?**

Tom Leighton





**PPPL USE POLYMERIZATION**  
Knowledge. Service. Solutions. For Superior Performance.



## *Other Logistical Considerations (Before or After)*

1. Insurance
2. Evidence collection
3. Business interruption, i.e., backup (can critical components continue?)
4. Traditional and social media monitoring (brand protection)
5. Preservation of information/retention policy
6. Protecting privilege
7. Incident reporting to regulatory agencies (OSHA, FIFRA, TSCA, etc.)
8. Retention of consultants
9. Contracts with third parties (e.g., indemnification)



## *Other Logistical Considerations (Before or After)*



One of the errors in crisis management planning is the tendency to focus on systems, operations, infrastructure and public relations, with people last on the list. Organizations need to pay greater attention to the impact of critical events on employees...**Business recovery cannot occur without employees.**

*-Nancy R. Lockwood, Crisis Management in Today's Business Environment: HR's Strategic Role: 2005 SHRM Research Quarterly.*



The business case...for you...





*Questions?*

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## *Thank you*



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