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Grid Talk #216
SHEILA HOLLIS INTERVIEW

Q: Welcome to Grid Talk. Today, we're very pleased to have with us Sheila Hollis, who in addition to being a veteran attorney in the energy space, has been past chair of the United States Energy Association and now is its Acting Executive Director. Hi, Sheila.

A: Hello, how are you, Marty?

Q: Great. We'd love to touch base with you on where USEA is today and where it sees the main issues it's addressing as of today. I know, since you were created back a century ago which is right after World War I, the world has changed a lot as well as the domestic energy situation. What would you say are some of your priorities going forward and maybe we could start off by just talking about what it means to be acting executive director. How long will you be in that role? What are your main missions?

A: Well, I've been in the role nearly a year now and it's as a result of a tragic death, that is the sudden passing of the former executive director who had been the executive director for about three decades. But, USEA was actually formed back even before the era that you mentioned. Actually, it was formed in a

very basic state back in 1924 so we're coming up on our centennial. But it has been a tremendous honor to be requested to step into this role. I was the Executive Chairman, chair of board of directors of USEA which has representation from a variety of players, most of them major energy trade associations, but then also academic institutions, not-for-profits, who join us around the board and help us design a program which basically is comprised of two major parts. One is to deliver information to provide a nonpartisan, nonlobbying, open forum for sharing ideas and dialogue on energy-related issues of the time including those environmental issues associated with energy. And secondly and the dominant activity of most of our staff relates to working throughout the world, actually worked in 104 countries throughout the world, working with the State Department, the Energy Department, and particularly, U.S. Agency for International Development and right now, we're working all throughout the world albeit obviously, mainly virtually now but until the unfortunate circumstances which brought us to having to work so much virtually, we have actually been in-country throughout the world for, well, since the fall of the Wall basically and that includes Eastern Europe, throughout Africa, South America, Central America, Southeast Asia and Asia in general. So, we have

an extremely active, vibrant international arena that we play in and that contribute to basically the benefit of the world to improve energy access, to make it safer, to help with training, to do the things that the countries need and want and so, it's a very, very active, vibrant organization and we have; we don't have a dull weak at USEA. It's a very wonderful operation.

Q: There's a lot to talk about and I think it would probably best serve us if we divide our conversation in half and the first half, talk about United States, and the second part about the world. We're at a pivot point, the energy sector in the United States is now where climate change is moving front and center. How is that perceived by the USEA and the agendas and meetings it's setting and how are you addressing that and how do you hope to contribute?

A: Well, we certainly are doing a tremendous amount that takes that major, major issue of our time into account. And we do that through educational activities, seminars and the like. We do it in coordination with for example, Edison Electric Institute, and academic institutions that participate. Also, with the Department of Energy and USAID as those evolve through different administrations over many years so we are pursuing our goals which are to make the world a better place. Working in coordination with the division of the U. S. Government. So

that's a major, major part of what we do. With respect to our convening, we bring players from all of the energy interests to convene in a number of projects throughout the year. A number of major programs that we make available and there's no charge to attend. There's no problem other than just plugging into your computer and going online and listening and participating -- we've been extremely active throughout the pandemic and we've probably put on at least a hundred different programs directly and indirectly, sometimes with USAID but then also our programs are convening events; we have the State of the Energy Industry Forum for example; which is a very, very open dialogue on the issues of the day, both environment and energy, and obviously, they're joined at the hip so it's a smooth conversation.

Q: You really are, in terms of the U.S. domestic energy, a united nations of associations among your hundred and fifty odd members including folks like EPRI which with its research arm, you mentioned the EEI and its policy arm on industry lobbying. You have the oil industry represented on your board, and how would you say the consensus among your board members and your leadership has shifted when it comes to the matter of climate change and how it should be addressed?

A: Well, it has been there for a long time but obviously, it has become more and more a topic of the day and our members are

working hard to get their message out and to adapt to the rules of the game. And so, there's a tremendous focus on environmental-related issues, all of them, whether it's a nuclear, whether it's the petroleum or Edison Electric Institute and renewables or wind power or hydro; you name it, and they are all focused on that as a central issue of our time.

Q: One topic I know you're...

A: Certainly, if you're...

Q: Go ahead.

A: Go ahead, Marty. I'm sorry.

Q: I was going to say, I didn't mean to interrupt but I know you and I and your staff have shared some key issues before this conversation. One is the matter of grid resilience in the United States. You know about the problems that they had down in Texas back in February with the major winter weather. What do you see on the horizon in terms of challenges to grid resilience and ways to address it and I'm at a point that you have a history of having worked at FERC. Do you see a role here for FERC in helping to advance grid resilience in a way is hasn't done maybe to date?

A: Oh, absolutely and I know that the commissioners are very, very committed to that because ultimately many of these issues land up in their lap one way or the other but because they help

create in for the creation for a number of the grids, thus it clearly rebounds to FERC's jurisdiction. So, we have done an enormous amount of work on the cybersecurity issue which I must say is one of the peak key issues that keep me up at night. The other one being obviously issues associated with CO₂ climate change-related. But I have to say that cybersecurity and security in general of the grid, whether it's cyber or physical but certainly more concerns now with cybersecurity to me are the key issues of the day and it is extremely worrisome. There are malefactors, there are gamesmen, there are unfortunately bad forces that have extreme capabilities to try and attack and sabotage the United States in many ways and obviously cybersecurity throughout the energy industry is one our members are incredibly focused on.

Q: And what about the role of natural gas in assisting the grid resilience. What role do you see that playing especially as more and more renewables are tapped?

A: Well, the renewables; the issue that will have to be dealt with and is being dealt with and being developed right now are issues associated with battery storage of the renewables and the ability to get the renewables on the transmission system and make it work on the transmission system so that's a whole new set; that's a whole arena of issues. Basically, the storage of

renewable energy and how that will work. Natural gas continues to play a key role and because it is, we have the superstructure in place throughout much of the country, not every inch of the country but much of the country, we have a major, major commitment to infrastructure I'm saying the country as a whole has a major commitment to energy infrastructure. Certainly, natural gas pipelines and distribution systems are a key part of that.

Q: So, as you're well aware, the Biden administration is making infrastructure a key priority in trying to get added resources directed in...to that topic. Early in the Obama administration, major resources were directed to energy infrastructure. Is USEA and its membership trying to guide the Biden administration to make sure those investments are made smart, intelligently and we don't have major political issues surface like surrounded the Solyndra Solar loans by Federal government?

A: Sure, well that's a nightmare that hopefully will not be repeated. I think that the, certainly our members are in close contact with the administration; it's part of their existence. They're in close contact with the Secretary of Energy and the various assistant secretaries. But certainly, that is a key element in terms of what they do because it's their life and

because they have public service obligations in all our members, they want to make sure that things are done properly and thoughtfully and carefully.

Q: Have you taken any special look at the rise of EVs in America and the electrification of transportation and what that might mean to the energy sector?

A: Could you repeat the beginning of the question? You're a little fuzzy there.

Q: Yeah, the rise of EVs - electric vehicles...

A: Oh, sure, sure. Well...

Q: Take a special look.

A: We're prepared for it.

Q: And do you think it will be transformative?

A: Most definitely. Not immediately but over time that certainly is going to be a major element in the transportation sector and I think that certainly Edison Electric Institute is deeply involved in that. And I think they'll be suppliers of energy to the grid and to the various systems throughout the country are very, very attuned to it. So, yeah, my family has a vehicle which could switch between both worlds so, you bet.

Q: Let's turn our attention now to international issues. As you know the world is going to be heading to a major conference on climate change in Glasgow in November. So, international

cooperation on energy and environmental and climate issues are going to be front and center. Are you or your staff planning to be there and what role might you play in those talks?

A: As of this time we are not, but we are not in, obviously with government. We will be following it closely. Our members may have representation there onsite but we will not be directly involved.

Q: Let's talk about the underdeveloped part of the world that needs energy infrastructure. I think Africa comes to mind with upwards of more than a half a billion people with no electricity at a time when we're worried about emissions. What does the USEA and its members see and what role might the U.S. energy sector and its technology play in helping that problem?

A: Well, we're right over there right now and some of our people may be headed back to Uganda. They've worked in-country in Africa. That's been one of our major, major efforts is in Africa and many of our staff have been in Africa working in-country for many, many years and they're eager, frankly, they're to get back. In the meantime, though, we've worked so carefully with the local governing entities and the players working through USAID and also with the Department of State and in some cases with the Department of Energy to help them develop as well as cleanly, as appropriately as possible and to improve whatever

infrastructure that they have in place which could in many cases stand some input in some helping hand. But, we're not there to tell them what to do. We're there to help them implement what they want to do that is consistent with U.S. policy at DoE, at State Department and USAID. So, example in Uganda, seventy percent of the people have no energy whatsoever so we're working very carefully. It's mainly, it's almost a hundred percent hydro there. We've been working very, very closely with the Ugandan Development Authority to envision the future and to establish transmission needs that are so required to power more of Uganda than is more than presently served. That's just one example of the types of things that we're doing and for years, we've done them in-country and we're eager to get back in-country and to keep the evolution going to improve their life.

Q: One of the things...

A: Energy to me is a human right, it's a human right. It's like water and air; it's a human right now to be part of the modern world. And in some cases, just to survive, you must have energy. And I've spent a lot of time in those various parts of the world and I know full-well what it's like when people...the energy is basically carried in the form of wooden sticks on women's heads. Women weigh ninety pounds and their pile of sticks weighs a hundred pounds on their heads when they come out

to gather wood so they can make a piece of bread at night. It's brutal and there's no getting around it and much of the world lives that way and it's not right. We're there to try and help them get out of that situation in cooperation with the U.S. Government.

Q: So, you mentioned Uganda. Your staff at the USEA speaks fourteen languages. Against the odds of listening a little bit on what some of those languages are and where it's taken you.??

A: Well, obviously French and Russian speakers. We have Polish speakers. We've got Spanish speakers. We've got Portuguese speakers. They're a very, very, very sophisticated group and yes, they're wonderful, wonderful people. Wonderful, devoted to the cause. Many of them have worked very extensively in government agencies before. Many of them are in; have worked in the consulting arena and been working in-country in other context, and some of them are from other parts of the world and so they bring these incredible skillsets to the table. And many of them are French speaking, obviously Spanish, so they go, they are at home going around the world. Where we need translators, we get translators and that helps, too.

Q: Sheila, let me ask you...

A: And these complex documents...sure.

Q: To what extent do you see a parallel between what happened with telecommunications and possibly will happen with energy in that once cellular technology started to take off, many parts of the underdeveloped parts of the world were able to bypass the wire stage of telecom and move directly to wireless. Do you see a way of possibly getting around massive investments in transmission in remote parts of the world that are underserved and new technologies coming to bear to a more decentralized system?

A: Quite possibly. Much that we've seen in the U.S. is we've seen some decentralization. We have a lot of developments that are built in a way where solar becomes a means to provide energy. And I think yes, we see that evolving over time. And the answer's, yeah.

Q: I'd like to take a few minutes and talk about the USEA. Barry Worthington was a legend in the industry and uh...

A: Absolutely.

Q: And what do you feel the Association needs to do to step up to the next level, and how and when will you conduct a search for a successor and what kind of person would you be looking for?

A: Well, they better have energy and be very, very interested in energy because it's an extremely busy universe that you're

in, both with respect to domestic and internationally. Just the amount of activity vis-à-vis the Department of State, Department of Energy and all of the varying projects throughout the world. Plus, the convening aspects of USEA and the ability to convene a hot dialogue on the key issues of the day so you need someone who knows energy in and out, and they have to be willing to put heart and soul into it because this is not a job for the faint of heart or for the only mildly interested. You have to be an energy geek and be able to move among a variety of energy sources and a variety of the parts of the world and feel comfortable in those roles. Also, speaking ability I think is a key part of it. How to get the message out there and a real dedication to the betterment of the world. This would not be the right job for anybody who didn't feel it passionately heart and soul as well as had the intellectual capability to jump in and run with it.

Q: One side issue I'd like to raise with you because I know it's on your mind and the mind of your staff and that's reliance on China for some important minerals and resources, natural resources for the energy sector. As relations with China heat up, how do you think we need to address that?

A: Well, we have some of our own resources, of course, and there are some Canadian resources and certainly those are ones

that we will call upon. But hopefully there will be opportunities to in the future to find a way to normalize relationships on that topic. Certainly, I think it is a great concern because they are...happen to be resource-rich in that area plus they have developed opportunities in other parts of the world as well which might give access to some of those rarer earth minerals as well. But it's my understanding just today from Energy FT, my understanding is there's been a hiatus as of the last seventy-two hours or so with respect to the continuing mining of those issues so that may be a good sign, that may be a bad sign so may be no sign at all but anyway, that is just something that may be been in the FT or the Journal news today.

Q: The last question I'd like to ask you, Sheila, and it's been a great conversation is, you've been involved at a high level at energy law in D.C. for twenty-four years; upwards of twenty-four years, how has issues...

A: Amen. It's got a four in front of it.

Q: Okay. How have you seen the sector change and what are the key issues change and what are some of the positive developments that you see and what are some of the negative developments that you see?

A: Sure. Well, when I started out it was in a shortage context so my mind has always been framing on the concerns about

shortage; time, tremendous natural gas shortage. The petroleum; petroleum, well, it was OPEC phase of our American history and seeing that, seeing presence relying on coal on that issue and trying to deal with the complexities of that and what it is to see shortage, that's always in the back of my mind. There's that concern. At the time, natural gas was in incredibly short supply and our LNG shipments were still coming in but it was a very, very complicated situation but it lead to the development of the Energy Policy Act about the creation of the DoE's as opposed to separate entities and so creativity took hold; opportunities took hold and a whole new world of an independent power development took hold. Natural gas took a regulated price-wise with the help at the wellhead, became deregulated and a competitive market opened up. So, a huge amount of infrastructure in this development. Development of independent power came about due to the Energy Act of '77 was just remarkable and so out of that strained and difficult time created a whole new world of laws and regulations and opportunities for lawyers and thinkers and consultants and lawyers all over the country and throughout the world. So, I am extremely optimistic that the U.S. and its capabilities with intellectual firepower and the commitment basically to do good domestically and throughout the world. Basically, when all is

said and done, that this, too, will be a period of evolution and solutions to a lot of really difficult problems. We're always going to need energy and just to make it better, cleaner and accessible to the people who really need it. There are a lot of people who live in energy poverty and we want to help them domestically and throughout the world.

Q: One question I'd be derelict if I didn't ask is, you talk about the importance of shortage early in your career in the energy sector. You also were past president of the Women's Council on Energy and the Environment and there's been a shortage of women professionals and that's certainly changing, and what do you see the outcome of that?

A: Oh God, yes. Absolutely. It's really expanding our diversity in gender to diversity in general. It's really evolving quickly and it's really exciting to see. It's long overdue and I see a very bright future in the energy business for women, for minorities, for thinkers who care about energy. Who want to do things right and make into a better place. It's basically, the sky's the limit.

Q: Thank you, Sheila.

A: Thank you. It's been a pleasure and an honor to have this talk about energy. Thank you.

A: And thank you for listening to Grid Talk. Thanks to our guest, Sheila Hollis who's the Acting Executive Director of the United States Energy Association. Please **send us your feedback or questions at GridTalk@NREL.gov** and we encourage you to give the podcast a rating or review on your favorite podcast platform. For more information about the series or to subscribe, please visit SmartGrid.gov.

END OF TAPE