



# Your Katrina/Rita Exercise Program – *The Latest in Disaster Fitness*

*EMISIG-2006*

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# WHAT IS THE SPR?

- SPR holds crude oil in strategic stockpile
- ~700 MMB crude oil stored at four sites along Gulf Coast
- Sells oil at direction of President
- DynMcDermott (Baldrige award winner) runs SPR (SecEnergy Gold Medal awardee)
- HQ in New Orleans
- COOP site at Stennis





# PRACTICE, PRACTICE, PRACTICE

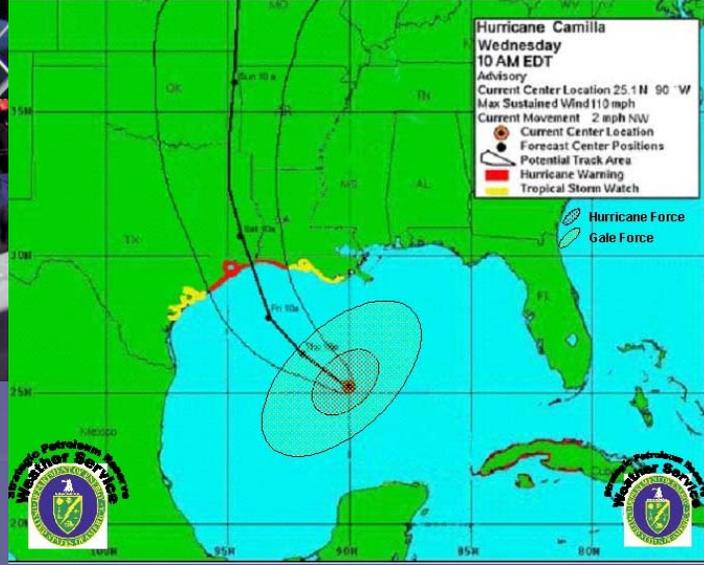
- SPR Drill/Exercise Program
  - Oil Spill
  - Fire Fighting
  - Security
  - Hurricane
  - Fire/Tornado/Evacuation
  - Business Continuity
  - Mission Readiness
    - Small-Scale
    - Full-Scale



*"Be prepared."*



# PRACTICE LIKE ITS REAL!



## EAGLE III EXERCISE ONLY

### Eagle III Oil Price Impacts: August 10, 2005

August 10, 2005, 4:41PM: Oil prices crept upward for the sixth day in a row on Wednesday as the market struggled to balance high forecasted demand in the third and fourth quarters with the recent losses in oil production. The prompt month NYMEX WTI price ended up \$1.15 at \$88.41 per barrel, a new end-of-day record.

Prices were initially lower in the morning as the market received news that oil held in strategic reserves by private companies in OECD Europe would also be called upon to ease prices. In France, BP Vice President for European Operations, Etienne Beur-ish was quoted as saying that his company would initially be supplying small amounts of oil to fulfill unmet contracts. Much to frustrated reporters' dismay, he was unable to specify volumes.

After the prompt month WTI price reached an intraday low of \$87.09 per barrel, the prompt month and the rest of the curve rebounded. Some traders attributed the bounce to Chavez's renewed criticism of U.S. policy in Central America. In the U.S., the Department of Energy spent the day preparing its facilities to begin drawing down the country's Strategic Petroleum Reserve.

Gulf Coast Heating oil and Gasoline prices were also up roughly 2.5 cents to 231.16 cents/gallon and 230.07 cents/gallon, respectively.

## EAGLE III EXERCISE ONLY



*"Is it live, or is it Memorex?"*



... BUT --

- Insert some “fun” to hold players’ interest

### NEGOTIATIONS CONTINUE.

Caracas, Venezuela

8/4/03

Negotiations between the government and the oil workers unions are continuing into their third week. Oil ministry spokesman Chico Esquela, speaking from outside the negotiations, said, “The negotiations been berry, berry good to me.”

Feelings among the oil workers have pulled back from their fire of just a few weeks ago when they brought oil production to a halt, and there is a feeling of optimism that the strikes will soon be settled.

- Watch for players with “blindness” or tunnelvision

*“Where’s the beef!?”*





# EXERCISE “DOs”

- Design exercise to be as real as possible.
  - Scenario
  - Role players
    - Bad guys
    - Reporters
  - News articles
  - Force action, not just talk
  - Timing
  - Visual aids
    - Simulated oil
    - Smoke/Fire
    - Mouflage



*“Just DO it!”*



# THE REAL THING

- Katrina + Rita = CHAOS!!!
  - Business Continuity
  - Operations Continuity
  - Emergency Operations
  - Medical
  - Recovery Operations
  - Spill Response
  - *Where is everyone???*
  - *Workspace???*
  - *Communications???*
  - *Food/Water???*
  - *Lodging???*
  - *Fuel???*



*"It's the REAL thing."*



# REALITY “CAUTIONs”

- Follow your plans – *but remember:*
  - You can't plan for everything
    - Plans are finite
    - Reality is infinite
  - Do what you've gotta do!
  - “Don't get stuck on stupid!”

*“The best laid plans of mice and men,  
often go astray.”*





# REALITY “DOs”

- Optimize your use of personnel.
- Be prepared for LONG hours.
- Try to make something, any little thing, normal.
- Consider outside assets

***Ultimately . . . Be a duck!***

*“It’s alright to be crazy,  
just don’t let it drive you nuts!”*





# SUMMARY

- Exercises

- *“Be prepared.”*
- *“Is it live, or is it Memorex?”*
- *“Where’s the beef!?”*
- *“Just DO it!”*

- Real Event

- *“The best laid plans of mice and men, often go astray.”*
- *“It’s alright to be crazy, just don’t let it drive you nuts!”*





*"Nothin' but net!!!"*