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## United States

### Widespread outages to continue for days, likely to disrupt business operations, vaccine rollout

 OPERATIONAL INFRASTRUCTURE

COVID-19

Continuing winter storms are causing extensive power outages throughout the US, revealing key weaknesses in infrastructure, especially in Texas state.

Electrical outages caused by a series of winter storms will continue for days throughout several states and disrupt some business activity.

Texas has been most severely impacted, revealing key failings in the state's electricity infrastructure and likely creating delays in the state's COVID-19 vaccine rollout.

Further winter storms are forecast throughout the US over the coming week, and are likely to cause further disruptions nationwide.

Companies should ensure that critical functions can operate in the event of power outages or loss of access to facilities as part of routine business continuity planning.

#### Continuing outages

A series of winter storms have caused major power outages and severely impacted transportation logistics in numerous states, especially in the south which rarely experiences severe winter weather. Texas has seen by far the most widespread outages, with at peak nearly 4.5m customers offline (compared to approximately 240,000 in Oregon, the next most affected state), according to tracker Power Outage US, and Portland General Electric. President Joe Biden on 14 February approved a state of emergency for Texas.

The storms highlight chronic weaknesses in infrastructure, particularly in Texas. The state's power grid has failed to meet generation capacity since 14 February. Several wind, natural gas, nuclear, and coal powered installations have frozen, limiting generation at a time of especially high demand. The state's governor on 13 February requested residents minimise electricity usage. Texas's grid is separate from the rest of the US, largely to avoid federal regulation. The limited interconnections to major grids do not allow for transmission from other states to compensate for large-scale generation shortfalls.

#### Vaccine impact

The widespread power outages have caused concern about the integrity of the so-called "cold chain" storage for approved COVID-19 vaccines. According to the Texas Department of State Health Services, the federal Centers for Disease Control (CDC) on 15 February delayed vaccine shipments to Texas until at least 17 February. Numerous other states are also expecting delays, and disruptions will likely continue, as at least two key distribution centres in Kentucky and Tennessee have been affected. The storms have disrupted air and road travel, also leading to the closure of pharmacies and other vaccine distribution sites. Disruption to COVID-19 vaccine distribution is likely to be short-lived and have a limited impact on the long-term trajectory of transmission in affected states.

#### Business implications

Disruptions are likely to continue, especially in Texas, as a second series of storms is expected to pass through the area over the next several days. Existing storms will also move to thus far unaffected areas of the country, such as the northeast. However, northern regions generally have a greater capacity to handle winter weather, and disruptions are likely to be less severe.

In the longer-term, decades of underinvestment in infrastructure are likely to result in disruptions due to weather and other inclement events being more frequent and more severe, especially as these events increase in frequency due to climate change. Biden proposed a USD 2tr climate-focused infrastructure plan to address the investment gap during his campaign, and his administration continues to support this initiative. In the meantime however, many elements of infrastructure across the country are already operating at the limits of their capacity, increasing the potential for future disruptions to both business and to crisis recovery.

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**Thank you**  
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