



TEXAS RE



Electric-Gas Coordination

**Jonathan Booe
Executive Vice President & COO,
NAESB**

October 31, 2023

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Upcoming Texas RE Events



November 2, 2023

2024 SOL Standards



November 9, 2023

Distributed Energy Resources



November 29, 2023

Risk Assessment
Best Practices for
Self-Reports



Upcoming ERO Events



NERC
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

November 1-2, 2023

Transmission Planning
and Modeling
Workshop



WECC

November 2, 2023

Resource Adequacy
Discussion Series



NPCC, Inc.

November 8-9, 2023

Fall Compliance and
Reliability Conference

#TXRE

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Talk with Texas RE: Electric-Gas Coordination

NAESB Gas-Electric Harmonization Forum Activities

October 31, 2023



NORTH AMERICAN ENERGY
STANDARDS BOARD

Quick Facts

1994

GISB
Founded

2001

NAESB
Established

29

Years of Standards
Development

4,000+

Standards

American National
Standards Institute
(ANSI) Accreditation

**Oct.
2001**

Mission & Government Coordination

The North American Energy Standards Board serves as an industry forum for the development and promotion of standards to support the wholesale and retail natural gas and electricity markets

Department of
Energy

Federal Energy
Regulatory
Commission

National
Association of
Regulatory Utility
Commissioners

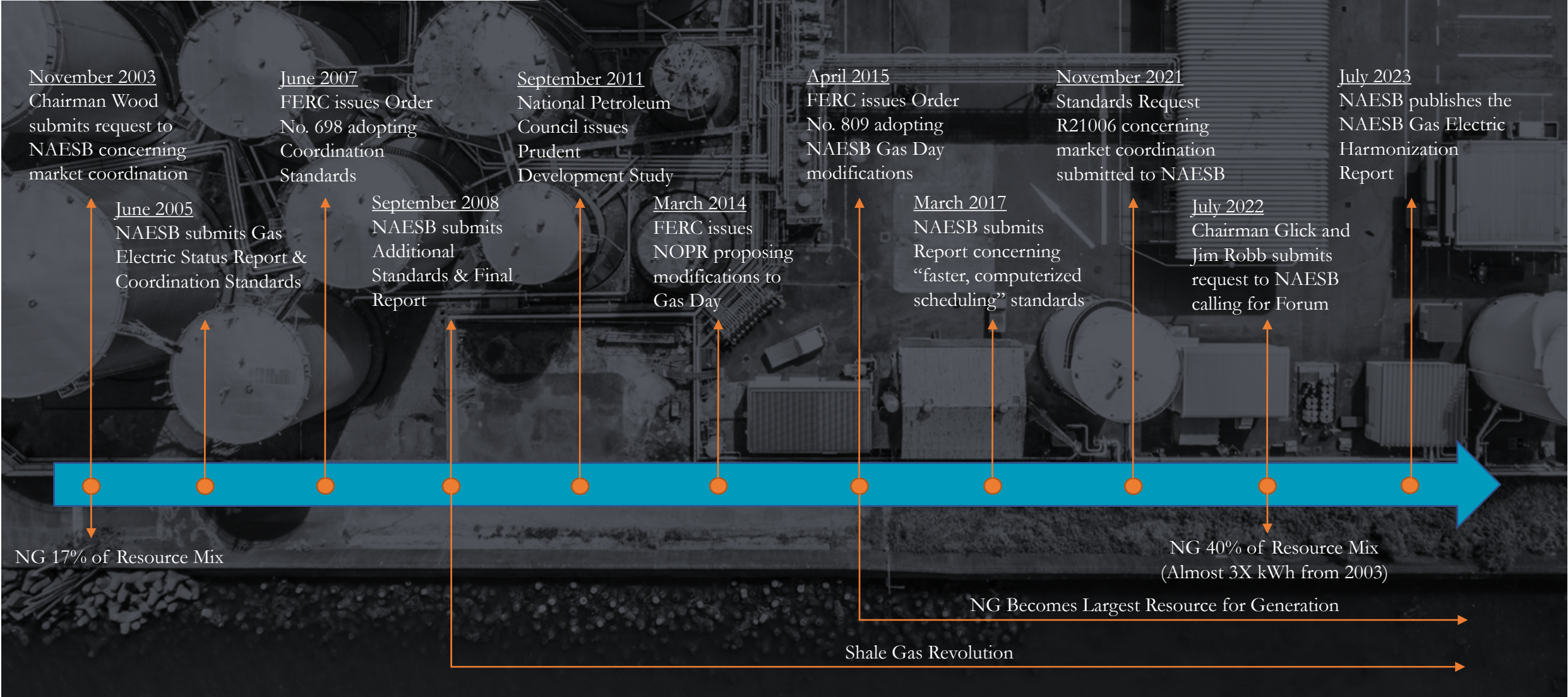
National Institute
of Standards and
Technology

North American
Electric Reliability
Corporation

National
Petroleum
Council

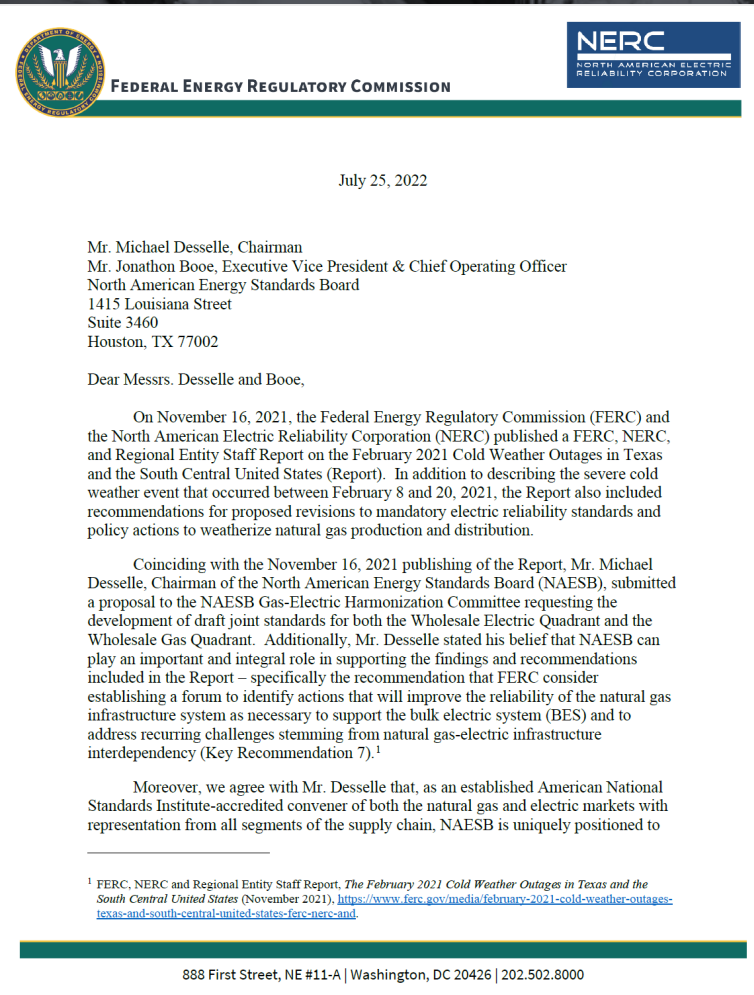
NAESB G-E Coordination

Timeline of Previous Activities



NAESB GEH Forum

Background Information



FERC & NERC Request – July 29, 2022

- Issuance of the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States – November 2021
- Southwest Power Pool NAESB Standards Request (R21006)
- *“As an established American National Standards Institute-accredited convener of both the natural gas and electric markets with representation from all segments of the supply chain, NAESB is uniquely positioned to provide support in addressing the Report recommendation [Key Recommendation 7]”*

NAESB Gas Electric Harmonization (GEH) Forum – August 30, 2022

- Reactivation of the NAESB Gas-Electric Harmonization Forum
- Chaired by Pat Wood, Sue Tierney, and Bob Gee
- Participation by Nearly 500 Industry Representatives
- Comments from Chairman Glick, Jim Robb, and Greg White
- FERC & NERC Staff Presented Key Recommendation 7 & Defined Scope
- Forum Outcome Goals
 - Concrete actions to increase reliability of natural gas infrastructure system necessary to support Bulk Electric System
 - Plans for implementing actions
 - Deadlines for implementation actions
 - Identification of entities responsible for implementing actions

NAESB GEH Forum

Key Recommendation 7 Scope of Work



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Three Categories & Seventeen Topics

“FERC should consider establishing a forum in which representatives of state legislatures and/or regulators with jurisdiction over natural gas infrastructure, in cooperation with FERC, NERC and the Regional Entities (which collectively oversee the reliability of the Bulk Electric System), and with input from the Balancing Authorities (which are responsible for balancing load and available generation) and natural gas infrastructure entities, identify concrete actions (consistent with the forum participants’ jurisdiction) to improve the reliability of the natural gas infrastructure system necessary to support the Bulk Electric System.”



Measures to improve gas-electric information-sharing for improved system performance during extreme cold weather emergencies



Measures to improve reliability of natural gas facilities during cold weather (freeze protection, electric supply)



Measures to improve the ability of generators to obtain fuel during extreme cold weather events when natural gas heating load & natural gas-fired generators are both in high demand for natural gas, at the same time that natural gas production may have decreased

NAESB GEH Forum

Meetings & Participation



Forum Meetings & Report Development



North American Energy Standards Board
Gas Electric Harmonization Forum Report
July 28, 2023



- NAESB held 14 meetings open to the public from August 2022 through July 2023
- 741 individuals from 375 companies participated in the meetings
- 145 sets of comments were submitted from 68 different organizations
- 20 recommendations included in final report
- The 20 recommendations were subjected to vote by the GEH Forum participants and 111 votes were submitted on per company basis, consistent with NAESB procedures.
- The votes were tabulated using the NAESB balanced voting process to show support or opposition on a market and market segment basis.
- Final Report delivered to FERC & NERC on July 28. A full record, including the voting results, were described in the report.

NAESB GEH Forum

Final Report Recommendation Areas



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Areas for Action Identified and Included in Recommendations

1. Increased information sharing by interstate and intrastate pipelines, upstream owners and operators and BES operators to improve situational awareness, through the use of industry tools
2. Policy changes at the federal and state level to improve access to and utilization of unused pipeline capacity,
3. Activities by ISO/RTOs to evaluate their timeline synchronization with the gas day and to offer multiday commitment processes ahead of extreme weather events
4. The consideration of whether market and/or non-market mechanisms are adequately ensuring firm transportation and supply within federal and state jurisdictions, and how to improve cross-market, long-term planning
5. The consideration of three specific studies.
6. State specific activities
 - Coordination between state authorities and producers, marketers and intrastate pipelines to ensure operations are fully functioning on a 24/7 basis in preparation for extreme weather events
 - Development of state or regional weatherization guidelines and disclosure requirements
 - Increased transparency into intrastate pipeline activities
 - Support for DR and conservation notices
7. Support for activities currently underway
 - Consideration of changes to the force majeure provisions of the NAESB base contract to encourage weatherization
 - Consideration of resource adequacy and accreditation market reforms by the ISO/RTOs.

Recommendations Receiving Support from Both Gas and Electric Markets

1. The FERC should take steps to facilitate the expansion of the Argonne National Laboratory NGInsight tool
2. The FERC should find ways to encourage more frequent use of capacity release or AMAs and more timely release of unutilized interstate pipeline capacity
3. The FERC should direct ISOs and RTOs or electric transmission owners/operators, to determine actions that be could taken to better align the timelines of the Power Day and/or the day-ahead market with the gas day
4. ISOs and RTOs or the FERC should conduct proceedings and adopt multiday unit commitment processes to prepare for events in which weather is forecasted to cause demand to rise sharply for both electricity and natural gas.
5. State public utility commissions should encourage LDCs to structure incentives for the development of natural gas and electric demand-response programs
6. State public utility commissions should encourage LDCs to provide voluntary conservation public service announcements
7. Joint and cross-market, long-term planning should be expanded by gas and electric market parties with an increased focus on fuel adequacy. FERC should encourage this planning coordination using its oversight roles and collaborate with state public utility commissions and applicable state authorities.
8. The FERC, state public utility commissions, and applicable state authorities in states with competitive energy markets should consider whether market mechanisms are adequate to ensure that jurisdictional generators have the necessary arrangements for secure firm transportation and supply service and/or storage to avoid and/or mitigate natural gas supply shortfalls during extreme cold weather events, and if not, (a) determine whether non-market solutions are warranted, including funding mechanisms borne or shared by customers and (b) if warranted, adopt such non-market solutions.
9. Activities underway by the ISOs and RTOs to consider resource adequacy and accreditation and market reforms to bolster reliability
10. All Studies

NAESB GEH Forum

Voting Results on Recommendations



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Recommendations Receiving *Divided* Support

1. The FERC should direct NAESB to revise its business practice standards related to the pipeline informational website posting data (operationally available capacity, total scheduled quantity) to provide it to BES operators as soon as possible.
2. The FERC should take steps to facilitate the expansion of the Argonne National Laboratory NGInsight to improve situational awareness and communication between owners and operators of natural gas production and processing facilities and Bulk Electric System operators
3. Current efforts by NAESB to consider modifications to the force majeure language of the NAESB Base Contract for Sale and Purchase of Natural Gas to, among other things, encourage weatherization actions.
4. The FERC should consider policy modifications necessary to better facilitate advanced agreements between end users and remove barriers to the release of capacity, similar to those adopted as part of FERC Order No. 712 (to support the use of asset management agreements).
5. State public utility commissions and applicable state authorities in states with competitive energy markets should engage with producers, marketers and intrastate pipelines to ensure that such parties' operations are fully functioning on a 24/7 basis in preparation for extreme weather events, including during weekends and holidays.
6. Applicable state authorities should consider the adoption of legislation or regulations or other actions to create a secondary market for unutilized intrastate natural gas pipeline capacity, including offering a level of firm service and/or supporting bilateral agreements between end users.
7. Applicable state authorities should consider establishing informational posting requirements for intrastate natural gas pipelines to enhance transparency for intrastate natural gas market participants regarding operational capacity data, similar to the reporting and posting requirements for interstate pipelines
8. Applicable state authorities should consider the development of weatherization guidelines appropriate for their region/jurisdiction to support the protection and continued operation of natural gas production and processing and gathering system facilities during extreme weather events, and require public disclosure

NAESB GEH Activities

Current & Future Possibilities



Current Focus

- Industry Standards Request R23001
 - Submitted by SPP, PJM, MISO, Texas Competitive Power Association, UGI Utilities, & CenterPoint Energy
 - Proposed changes to the Force Majeure language of the NAESB Base Contract
 - Assigned to the WGQ Contracts Subcommittee
- WGQ Executive Committee considered the WGQ Contracts Subcommittee's recommendation for no action on the request during the October 26th meeting

Possible Next Steps

- FERC, NERC and Regional Entity Joint Staff Inquiry: December 2022 Winter Storm Elliott Grid Operations
- Recommendation 6 - Near-Term Action: NAESB should convene natural gas and electric grid operators, and LDCs to identify improvements in communication during extreme cold weather events to enhance situational awareness across natural gas supply chain.

NAESB Contact Information

- GEH Forum Website:
https://naesb.org//naesb_geh_forum.asp
- Phone – 713-356-0060
- Fax – 713-356-0067
- Email – naesb@naesb.org



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