**Ad hoc Workpaper**

**Gas-Electric Communication**

**April 24, 2024**

Joint BPS WEQ, WGQ, and RMQ Participants,

Parties across the gas and electric industries, including natural gas producers, ISOs/RTOs, natural gas pipelines, natural gas-fired generators, and LDCs, engaged in a process to identify communication gaps during cold weather events such as Winter Storms Uri and Elliott. While all sectors across the gas and electric industries communicate to varying degrees before and during these events, the parties identified some areas for the Joint BPS’s to explore for additional improvement.

To help frame the conversation, the parties considered communication leading up to and during cold weather events, with a focus on circumstances that might result in a party invoking force majeure.  Through the discussion, the parties understood that there is no set schedule for invoking a force majeure—invocation occurs when circumstances preclude the invoking entity’s ability to fulfill its commitments. The discussion also illustrated how parties work together to mitigate impacts of force majeures to any other entities in the supply chain and how parties communicate about situational changes via numerous methods. While force majeure was the condition used to stimulate discussion, discussions covered disruptions broadly. This workpaper only captures communication gaps and we recognize there are a variety of specific impacts not pointed out here that should be part of the solution conversation.

There is no formal process to notify affected entities other than the directly impacted counterparty. For example, a shipper may electronically notify its customer via existing EDI. However, if this is the result of a production decline, this specific notification would only be sent to the customer, rather than more broadly to the Pipelines or RTOs that production issues are occurring in region, area, or location.

**Gas-Electric Communication Gaps**

* Lack of communication during extreme weather events of upstream supply issues, including invocations of force majeure, by parties with direct knowledge to critical stakeholders that are not part of the transactional and operational chain (e.g., Pipeline Operators, RTO/ISO). Consistent and ongoing communication primarily only occurs between parties with operational and/or contractual connections; therefore, only directly affected parties understand their real-time positions and situation, except in instances where such information is part of pipeline Critical Notices.
* Because many end users purchase their gas at pools from various parties rather than directly from producers, certain transactional communications, even ones as critical as force majeure, may take significant time (e.g., days) for information to flow through to all stakeholders.
* Certain interstate pipeline Informational Postings lack specific location information to help parties better understand the area covered by the posting. (This is currently being discussed by the joint subcommittees.)
* There may be limited stakeholder distribution and/or unclear and/or no communication of recovery timelines and expectations when supply is lost due to weather and/or operational disruptions.
  + Interstate natural gas pipelines may observe a difference between shipper nominations and actual gas flows or system pressure changes.
  + While the difference might indicate supply disruptions upstream, the difference does not indicate what is occurring or the anticipated length of the event.
* There may be limited and/or delayed communication of non-ratable consumption that deviates from contractual commitments.
* Limited understanding of pipeline-initiated confirmation and/or nominations reductions that are not captured in OFOs and/or underperformance notices as this is hard to discern from operationally available data.

Industry Engagement

The following industry representatives were contacted and/or engaged during the development of this whitepaper. Engagement should not be considered endorsement of everything captured in this work paper or that any of these require a specific solution. These concepts are simply presented for solution consideration by the Joint BPS’s and in aid of a more efficient discussion.

AGA, ConocoPhillips, CTG Corp. DTE Energy, Duke Energy, Enbridge, EPSA, Evergy, INGAA, Kinder Morgan, LG&E and KU, NCUC, NGSA, PJM, SPP, SRP Net, TC Energy, Xcel Energy.