Via email and posting

April 6, 2023

Dear GEH Forum Participants,

Please find attached a survey/request for comments in advance of our next Gas-Electric Harmonization Forum meeting scheduled on April 27, 2023. To participate in this process and submit a survey, please respond the questions presented through the following hyperlink: <https://www.surveymonkey.com/r/FRVMFB6>. As with previous surveys, it is not necessary to submit a survey in order to participate in the meeting on April 27th; however, the responses provided will be included in the record will shape the direction of our final report.

A Microsoft Word version of the survey/request for comments is attached for your review prior.

* To complete the survey online, simply follow the instructions as you move from page to page through the platform. Your answers will be saved as you take the survey online, and you may leave and return to the survey when convenient for you. You may also re-enter the survey and modify your responses prior to the cutoff date of April 24, 2023.
* If you prefer not to take the online version of the survey and would rather complete a Microsoft Word document version, you may do so by emailing it to the NAESB office (naesb@naesb.org) by the close of business on April 24, 2023.
* As a respondent, you should identify with a NAESB Quadrant and Segment or as an observer when forwarding your responses and comments. A description of the NAESB Quadrant and Segments can be found through the following hyperlink: <https://www.naesb.org/pdf4/geh_balanced_voting_quadrant_segment_descriptions.doc>.

Again, responses are requested by **close of business on April 24**. If you choose to take the survey via Microsoft Word, when you email it to the office, you will receive a notification from the office that it has been received.

Thank you for your time and for your commitment to the GEH Forum –

| **Gas Electric Harmonization Forum Meeting Survey****Due April 24, 2023** |
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| **Submitter Information** |
| **1.** | **Please provide your contact information:** |
|  | Company/Organization: |  |
|  | Representative: |  |
|  | Email Address: |  |
|  | Phone Number |  |
|  |  |  |
| **2.** | **For the purposes of participating in the Gas Electric Forum, are you responding as *(please check one box only)*:** |
|  |[ ]  Wholesale Gas Market – Producer |
|  |[ ]  Wholesale Gas Market -- Pipeline |
|  |[ ]  Wholesale Gas Market -- Distributor |
|  |[ ]  Wholesale Gas Market – Services or Technology Company |
|  |[ ]  Wholesale Gas Market – End User |
|  |[ ]  Wholesale Electric Market – Transmission Company |
|  |[ ]  Wholesale Electric Market – Generator |
|  |[ ]  Wholesale Electric Market – Distributor/Load Serving Entity |
|  |[ ]  Wholesale Electric Market – End User |
|  |[ ]  Wholesale Electric Market – Independent Grid Operator & Planner |
|  |[ ]  Wholesale Electric Market – Marketer/Broker |
|  |[ ]  Wholesale Electric Market – Technology or Service Company |
|  |[ ]  Retail Energy Market – Retail Electric Service Provider/Supplier |
|  |[ ]  Retail Energy Market – End User/Public Agency |
|  |[ ]  Retail Energy Market – Retail Gas Market Company |
|  |[ ]  Retail Energy Market – Retail Electric Utility |
|  |[ ]  Other Market Participant / Observer |

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

***2.a Additional state actions (including possibly establishing an organization to set standards, as NERC does for the Bulk Electric System entities) to enhance reliability of intrastate natural gas pipelines and other intrastate natural gas facilities***

The Forum was asked to consider the creation of an organization that could establish reliability standards for intrastate natural gas facilities and pipelines; however, there has not been much discussion regarding this topic as part of the GEH Forum record specific to state actions.

1. Should state legislative and/or regulatory authorities consider the creation of such an organization, and if so, what actions should the organization undertake to enhance the reliability of pipelines and natural gas facilities?

Several recommendations for consideration included in this section of the February Survey suggested enhancing intrastate reliability through greater transparency, increased information sharing, and utilization of secondary markets.

1. Are there specific state actions that would promote increased information sharing and transparency or greater consistency in how existing information is shared between intrastate market participants?
2. What specific actions could be considered by state regulators to support secondary intrastate markets?

During the April 4 meeting of the GEH Forum, there was discussion regarding the use of back-up natural gas storage and firm transportation by intrastate natural gas-fired generators to address disruptions in natural gas supply and actions states could take to incentivize usage of such services.

1. What actions have states taken in this area, or are they considering, and should these actions be considered in other jurisdictions?
2. Are there any additional recommendations for action related to area 2.a that have not been previously offered and should be included for consideration?

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***2.b Programs to encourage and provide compensation opportunities for natural gas infrastructure facility winterization***

Two recommendations included as part of the February Survey suggested the consideration of strategies and requirements to incentivize weatherization of critical gas facilities, including those reliant on electric power; however, not many specific proposals have been offered.

1. Are there any strategies, requirements, economic incentives or other compensation mechanisms that could encourage winterization for natural gas infrastructure facilities that should be recommended by the Forum?

A recommendation has been offered to consider changes to force majeure language contained within natural gas contracts as part of the February Survey and has been discussed during the February 2 and April 4 meetings of the GEH Forum.

1. What changes can be made to existing force majeure contract language to promote weatherization?
2. Are there any recommendations for action related to area 2.b that have not been previously offered and should be included for consideration?

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***2.c – Methods to streamline the process for, and eliminate barriers to,*** ***identifying, protecting, and prioritizing critical natural gas infrastructure load [See also Recommendation 28 – Guidelines to identify critical natural gas facility loads]***

The FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States addressed coordination activities in advance of Winter Storm Uri and stated that “Generally, natural gas infrastructure facilities engaged in little coordination with their electric power providers prior to the Event. For instance, there was little coordination as to critical load designation and demand response programs.”[[1]](#footnote-1) Key Recommendation 7 asked the Forum to consider methods to streamline the process for and eliminate barriers to identifying, protecting, and prioritizing critical natural gas infrastructure load. As part of the responses to the February Survey, there was strong support among all respondents for the consideration of a federal and state information sharing effort between electric system operators and natural gas facility operators to help ensure that critical natural gas facilities reliant upon electricity are protected from load shed.

1. Are there existing impediments to identifying, protecting, and prioritizing critical natural gas infrastructure load that could be eliminated?
2. How could a federal-state information sharing effort be facilitated, who are the necessary parties, and how should the effort be coordinated?

Within this section of the February Survey, the recommendation related to the adoption of emergency preparedness plans that include items such as Jones Act waivers as well as short-term waivers of air emission limits, RPS requirements, and pipeline quality specifications received high support among both wholesale natural gas and wholesale electric market respondents; however, respondents did not provide many details concerning the development, content, or utilization of such emergency preparedness plans.

1. What types of actions, pre-authorizations, or waivers would be of the greatest benefit to consider for inclusion in such plans, and when should such plans be utilized?
2. Are there any recommendations for action related to area 2.c that have not been previously offered and should be included for consideration?

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***Recommended Studies: Three topic areas addressed if federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events including: (2.b.i) possible financial incentives for the natural gas infrastructure system necessary to support the BES to winterize or otherwise prepare to perform during extreme cold weather events; (3.a.i) market/public funding for generators to have firm transportation and supply and invest in storage contracts. Such funding may need to finance infrastructure necessary to provide additional firm transportation capacity, because many existing pipelines were financed and constructed to serve LDCs and may not have sufficient additional firm capacity; and (3.g) possible investments in strategic natural gas storage facilities, which could be located to serve the majority of pipelines supplying natural gas-fired generating units, and preserved for use during extreme cold weather events.***

As part of Key Recommendation 7 of the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States, the forum was asked to consider if federal and state entities should work together to further study and enact measures in the three areas described above.

1. What steps should the industry take to initiate the studies recommended in the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States?

The February Survey included two potential topics to consider for further study related to the area of gas-electric market infrastructure interdependencies: (1) a recommendation that the U.S. Department of Energy, NERC, or a national laboratory, should consider conducting a study that would evaluate if there are adequate generator resources and sufficient fuel supplies to accommodate the increased use of variable resources and (2) a recommendation that NERC should consider conducting a study, in conjunction with a diverse group of interests, that would assist the industry in better understanding regional requirements regarding pipeline capacity levels required to accommodate new generator usage patterns for ramping. While there was near unanimous support from wholesale natural gas respondents, there was less support for these study recommendations among wholesale electric respondents.

1. In order to help ensure efficient utilization of industry resources and avoid duplicative efforts, could these recommendations for areas of potential study be combined with the study proposal recommendations contained in the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States?
2. Should the industry take steps to initiate the studies recommended in the February Survey, and if so, what should be done?
3. Are there any additional recommended studies related to the areas identified in 2.b.i, 3.a.i, and 3.g that have not been previously offered and should be included for consideration?

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During the April 4 GEH Forum meeting, several participants indicated that there may have been confusion related to the question concerning “a voluntary natural gas coordinator.” As stated during the meeting, the purpose of the question was to solicit responses specific to the feasibility of creating “a voluntary natural gas coordinator,” and to receive thoughts and ideas as to how such an entity would operate. With this in mind, please feel free to respond to the previously offered survey question.

In the FERC-NERC-Regional Entity Staff Report: February 2021 Cold Weather Outages in Texas and the South Central United States, it was stated that the “BES depends, in large part, on the reliability of the natural gas infrastructure system, but unlike the BES, with its mandatory Reliability Standards enforced by FERC and NERC, the reliability of the natural gas infrastructure system rests largely on voluntary efforts.” It also asks the Forum to consider whether the creation of a voluntary natural gas coordinator be feasible.

1. Is the creation of a voluntary natural gas coordinator feasible – why or why not?
2. If feasible, what new or existing entity (or entities) should undertake this responsibility, and how should it operate?
3. What currently available or new information concerning natural gas operations would need to be provided to the coordinator?
1. See Page 67 [↑](#footnote-ref-1)