Via email and posting

August 11, 2022

**TO:** NAESB Board of Directors, Gas-Electric Harmonization (GEH) Forum and Interested Parties

**cc:** NAESB Advisory Council

**FROM:** North American Energy Standards Board

**RE:** Announcement of the Initial NAESB Gas-Electric Harmonization Forum Meeting – August 30, 2022 from 2:00 pm to 4:00 pm Central

Dear NAESB Members, GEH Forum Participants and Interested Parties,

Michael Desselle, Chairman of the Board of Directors, and Valerie Crockett, Vice Chair of the Wholesale Gas Quadrant, have asked that NAESB staff reconvene the NAESB Gas-Electric Harmonization Forum for the purpose of responding to the request of the Chairman of the Federal Energy Regulatory Commission (FERC), Richard Glick, and the President and CEO of the North American Electric Reliability Corporation (NERC), Jim Robb, contained in a letter submitted to NAESB leadership on July 29, 2022.[[1]](#footnote-1) As you may know, the letter requested that NAESB expeditiously take steps to convene the forum discussed in Key Recommendation 7 of the FERC, NERC, and Regional Entity Staff Report on the February 2021 Cold Weather Outages in Texas and the South Central United States (Report) issued in November of last year.[[2]](#footnote-2) To initiate this effort, the NAESB Gas-Electric Harmonization Forum will hold an organizational meeting on August 30, 2022 from 2:00 pm to 4:00 pm Central utilizing the Zoom platform. During this meeting, FERC and NERC staff members will present the findings of the Report that led to Key Recommendation 7 (page 195 of the Report), and NAESB leadership will discuss the steps that will be taken to develop a response to this request.

**This is an open meeting and all interested parties are welcome to attend.**

**To participate in this meeting, please register through the following hyperlink:** <https://us06web.zoom.us/webinar/register/WN_MDDWtkKNQF-paKbnySnjoQ>

When registering, you will be asked to provide your name, company, phone number and email address, and instructions for participation will be provided to you in a separate email confirmation notice after you register. All those that register for the meeting will be added to the NAESB Gas-Electric Harmonization Forum distribution list unless it is specifically requested otherwise. If you received this notice and would like to be removed from the distribution list, please contact the NAESB office. If you know of any colleagues that may have interest in attending this meeting or in following NAESB efforts in this area, please feel free to forward this invitation. Prior to this meeting and any future meetings, participants are encouraged to familiarize themselves with the NAESB Antitrust and Other Meeting Policies (<http://www.naesb.org/misc/antitrust_guidance.doc>) and be aware that the meetings will be transcribed/recorded and may be attended by members of the press. An agenda and any related meeting materials will be provided to you in the coming days.

Thank you for your interest in this effort, and please do not hesitate to call our office if you need additional information.

NAESB Staff

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**FERC, NERC, and Regional Entity Staff Report on the February 2021 Cold Weather Outages in**

**Texas and the South-Central United States – November 16, 2021**

Key Recommendation 7 (page 195)

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 the 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. Options for establishing the forum could include a joint task force with NARUC, a Federal Advisory Committee, or FERC-led technical conferences. Ideally, the forum participants will produce one or more plans for implementing the concrete actions, with deadlines, which identify the applicable entities with responsibility for each action. At such a forum, topics could include:

1. Whether and how natural gas information could be aggregated on a regional basis for sharing with Bulk Electric System operators in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas, including whether creation of a voluntary natural gas coordinator would be feasible;
2. Whether Congress should consider placing additional or exclusive authority for natural gas pipeline reliability within a single federal agency, as it appears that no one agency has responsibility to ensure the systemic reliability of the interstate natural gas pipeline system;
3. Additional state actions (including possibly establishing an organization to set standards, as NERC does for Bulk Electric System entities) to enhance the reliability of intrastate natural gas pipelines and other intrastate natural gas facilities;
4. Programs to encourage and provide compensation opportunities for natural gas infrastructure facility winterization;
5. Which entity has authority, and under what circumstances, to take emergency actions to give critical electric generating units pipeline transportation priority second only to residential heating load, during cold weather events in which natural gas supply and transportation is limited but demand is high;
6. Which entity has authority to require certain natural gas-fired generating units to obtain either firm supply and/or transportation or duel fuel capability, under what circumstances such requirements would be cost-effective, and how such requirements could be structured, including associated compensation mechanisms, whether additional infrastructure buildout would be needed, and the consumer cost impacts of such a buildout;
7. Expanding/revising natural gas demand response/interruptible customer programs to better coordinate the increasing frequency of coinciding electric and natural gas peak load demands and better inform natural gas consumers about real-time pricing;
8. Methods to streamline the process for, and eliminate barriers to, identifying, protecting, and prioritizing critical natural gas infrastructure load;
9. Whether resource accreditation requirements for certain natural gas-fired generating units should factor in the firmness of a generating unit’s gas commodity and transportation arrangements and the potential for correlated outages for units served by the same pipeline(s);
10. Whether there are barriers to the use of dual-fuel capability that could be addressed by changes in state or federal rules or regulations. Dual-fuel capability can help mitigate the risk of loss of natural gas fuel supply, and issues to consider include facilitating testing to run on the alternate fuel, ensuring an adequate supply of the alternate fuel and obtaining the necessary air permits and air permit waivers. The forum could also consider the use of other resources which could mitigate the risk of loss of natural gas fuel supply;
11. Electric and natural gas industry interdependencies (communications, contracts, constraints, scheduling);
12. Increasing the amount or use of market-area and behind-the-city-gate natural gas storage; and
13. Whether or how to increase the number of “peak-shaver” natural gas-fired generating units that have on-site liquid natural gas storage. (Winter 2022-2023)

1. The July 29, 2022 letter can be found through the following hyperlink: <https://www.naesb.org/pdf4/ferc_nerc_letter_072922_to_NAESB.pdf> [↑](#footnote-ref-1)
2. The November 16, 2021 Report can be found through the following hyperlink: <https://www.naesb.org/pdf4/ferc_nerc_regional_entity_staff_report_Feb2021_cold_weather_outages_111621.pdf> [↑](#footnote-ref-2)